

DEPARTMENT OF ENVIRONMENTAL SERVICES  
OFFICE OF COMMISSIONER, DIVISION OF CEMETERIES  
REVIEW OF CASH HANDLING PROCEDURES  
RIVERSIDE CEMETERY

Distribution: Malik D. Evans, Mayor  
Patrick Cunningham, Deputy Mayor  
Richard Perrin, Commissioner/DES  
Linda Kingsley, Corporation Counsel

Office of Public Integrity  
Date: March 17, 2022

I. EXECUTIVE SUMMARY

The Office of Public Integrity (OPI) examined the adequacy of procedures in recording sales, the effectiveness of internal controls in the cash collections process, and compliance with approved policies and practices in the Department of Environmental Services, Bureau of Buildings and Parks, Division of Cemeteries, Riverside Cemetery.

We accounted for all reported cash receipts within the test period. Additionally, the results of this review indicate adequate internal control procedures over Riverside Cemetery operations and, in general, compliance with City cash handling policies. However, we noted the following finding that requires management attention to ensure compliance with City's policy.

- ◆ OPI noted that Riverside Cemetery does not always provide receipts to record all transactions at the facility. The City's Cash Collection Policies require all cash collection areas to record cash when received. Acceptable methods to record cash include a cash register, serially number receipts or serially numbered tickets. Riverside Cemetery utilizes serially numbered receipts but does not always provide these receipts to customers. In general, Riverside Cemetery does not issue receipts to funeral homes, monument companies, or revenue received by mail.

II. BACKGROUND, OBJECTIVES AND SCOPE

A. Assignment

The Office of Public Integrity routinely examines revenue systems and City-administered cash collection processes as well as compliance with established policies. This review of Riverside Cemetery is part of OPI's audit plan.

B. Background

The Division of Cemeteries administers Riverside Cemetery. This Division provides information to individuals interested in interments, sells mausoleum, grave and niche space, coordinates burials with funeral directors, provides necessary grounds maintenance and digging of graves, and opens crypts for receipt of urns or caskets.

The Bureau of Treasury administers the record keeping of sales collections and accounts receivable. Treasury maintains a database of active accounts, both commercial and non-commercial. Treasury also mails monthly statements to all commercial accounts and maintains records of all payments mailed to Treasury. The Division deposits all revenue collected at the cemeteries in Treasury.

During the period July 1, 2021 through August 31, 2021, Riverside Cemetery reported \$276,620 in operating revenue collected at the cemeteries.

### C. Objective And Scope

The objectives of the review were to assess the adequacy of internal controls over the cemetery sales process, to determine that the City of Rochester receives all entitled revenues in a timely manner and to assess the quality of, and controls over, cemetery sales and accounts receivable. The scope included cash receipts and corresponding records applicable to cash collections at Riverside Cemetery during the period July 1, 2021 through August 31, 2021.

Management is responsible for establishing and maintaining a system of internal accounting and administrative control. Fulfilling this responsibility requires estimates and judgments by management to assess the expected benefits and related costs of control procedures. The objectives of a system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of accurate, informative reports that are fairly stated.

Because of inherent limitations in any system of internal accounting and administrative control, errors or irregularities may nevertheless occur and not be detected. Also, projection of any system evaluation to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the degree of compliance with procedures may deteriorate.

We conducted this audit in accordance with Generally Accepted Government Auditing Standards (GAGAS) and the International Standards for the Professional Practice of Internal Auditing. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The recommendation presented in this report includes the more significant area of potential improvement that came to our attention during the course of the examination, but does not include all possible improvements that a more extensive review might develop.

### III. RESULTS OF REVIEW

OPI was able to account for all reported cash collections for the test period. Additionally, the results of this review indicate adequate internal control procedures

over Riverside Cemetery operations and, in general, compliance with City cash handling policies. However, we noted the following finding that requires management attention to ensure compliance with City's policy.

A. Receipts Not Completed for All Cash Received Deposits

The City's Cash Collection Policies require that all cash collection areas record cash when received. Acceptable methods for recording cash include cash registers, serially numbered customer receipts and serially numbered tickets.

Cemetery personnel utilize serially numbered customer receipts to record cash they receive at Riverside Cemetery. However, we noted they do not issue receipts for all collections that they receive. In general, cemetery personnel do not provide receipts to funeral homes, monument companies and revenue received through the mail. Of the \$276,620 in revenue received at Riverside Cemetery during our test period, we noted 180 receipts totaling \$192,567. This represents 70% of the total revenue.

Internal control over cash receipts is significantly diminished when cash is not recorded upon receipt.

◆ Recommendation

Riverside Cemetery should comply with the City's Cash Collection Policies and record all cash when they receive it. Cemetery personnel should prepare a receipt for all collections received at the facility.

IV. DEPARTMENT RESPONSE

The response of Department of Environmental Services to this report begins on the next page.



**City of Rochester**

Department of Environmental Services  
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<https://www.cityofrochester.gov>

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MAR 17 2022

Richard Perrin, AICP  
Commissioner

**City of Rochester  
Office of Public Integrity**

To: Timothy R. Weir, Director Office of Public Integrity  
From: Richard J. Perrin, Commissioner of Department of Environmental Services  
Date: March 16, 2022  
Subject: Cemetery Cash Handling Procedure at Riverside Cemetery Audit

I have reviewed the report that was prepared by the Office of Public Integrity (OPI) for the July 1, 2021 through August 31, 2021 audit of the Division of Cemeteries' cash handling procedures.

The accounting during that time period found \$276,620 in revenue received and receipts totaling \$192,567, representing 70% of the total revenue. It was noted during the audit report that Riverside Cemetery does not always provide receipts for all transactions at the facility. According to the City cash collection policy, any form of payment received (e.g. cash, check, cashier check, money order, etc.) must generate a receipt even if not provided to the payer.

Effective immediately the Division of Cemeteries will take the following actions regarding this Audit:

- The Cemetery Manager will issue a Memo to office staff regarding OPI findings and the actions to be taken in the handling of all cash;
- The Cemetery Manager will review the cash handling procedures with staff; and
- Office staff will sign off stating that the memo was received and cash handling procedures were reviewed with the manager.

Enclosed is a copy of the Cemetery Manager's memo – with revisions noted – that will address cash handling procedures at Riverside Cemetery

Please be assured that the Department of Environmental Services will continue to make cash handling a priority. Thank you for your continued work in ensuring that the department is following the proper policies and procedures.

Cc: Brian Liberti, Director of Buildings and Parks  
Jeffery Simmons, Cemetery Manager

