

**Post-Audit Review 23-04:  
Oracle Collection Process**

**May 2024**

**City Auditor**

Stan Sewell, CPA, CGFM, CFE

**Senior Auditor**

Pamela Swinney, CPA





# OFFICE OF INTERNAL AUDIT

## Stan Sewell, City Auditor

May 29, 2024

To: Mayor Tim Kelly  
City Council Members

Subject: Post-Audit Review of Oracle Collection Process (Report #23-04)

Dear Mayor Kelly and City Council Members:

Attached is a summary report on the status of audit recommendations in our 2023 Oracle Collection Process report. The purpose of this report is to confirm whether, and to what degree, management has implemented the recommendations made in the original audit.

The original audit concluded:

1. Overall, the Finance Policy and Procedures Collections manual is comprehensive but does not require supervisory review of collection reports; and,
2. The majority of City departments adhere to the City's collection policies and procedures but we noted some instances of noncompliance.

The audit had 8 recommendations to improve efficiency and effectiveness of the collections process as well as address internal control deficiencies observed. At the time of this Post-Audit Review, four recommendations were not implemented and four were implemented. Recommendations not implemented are herein reported to the Audit Committee for follow-up, as appropriate.

This Post-Audit Review consisted principally of inquiries of City personnel and examinations of various supporting documentation. It was substantially less in scope than an audit in accordance with generally accepted government auditing standards. The evidence obtained provided a reasonable basis for our conclusions; however, had an audit been performed, other matters might have come to our attention that would have been reported to you and our conclusions may have been modified.

Sincerely,

Stan Sewell, CPA, CGFM, CFE  
City Auditor

Attachment

cc:     **Audit Committee Members**  
          **Jermaine Freeman, Chief of Staff**  
          **Javaid Majid, Chief Financial Officer**  
          **Ryan Ewalt, Chief Operating Officer**  
          **Julia Bursch, Deputy Chief Operating Officer**  
          **Jamie Zurkiya, City Treasurer**  
          **Mande Green, Chief Human Resources Officer**  
          **Jim Arnette, TN Local Government Audit**

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## RECOMMENDATIONS NOT IMPLEMENTED (4)

<b>Recommendation</b>	<b>Actions Taken</b>
2 We recommended the Treasurer’s Office consolidate all collection related policies and procedures into one comprehensive collection policy. The policy should document its effective date and require an annual review.	Per the Treasurer's Office, the comprehensive policy has been drafted. Once all new processes are tested the policy will be released and training provided.
3 We recommended the Treasurer’s Office update the Collections Policy & Procedures manual to require supervisory review.	The new process for collection using the ADFDI spreadsheet to directly upload transactions into the general ledger is in the testing stage. At the conclusion of testing, the updated process and policies will include the supervisory review.
4 We recommended the Treasurer’s Office implement a mechanism for departments to document the supervisory review.	At the conclusion of the testing phase, the updated processes will include a mechanism for departments to document the supervisory review. If collections are recorded using the ADFDI process, supervisors will approve in the Oracle system work flow. If collections are recorded using the current accounts receivable invoice, the supervisor must indicate review and approval via email.
7 We recommended the Human Resource Department include the Treasurer’s Office training during onboarding of new hires with collection responsibilities.	Per the Human Resources Department, once the Treasurer's Office provides the training video it will be incorporated with onboarding.

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## RECOMMENDATIONS FULLY IMPLEMENTED (4)

Recommendation	Actions Taken
1 We recommended the Treasurer’s Office review and remove out-of-date policies posted on The Landing.	The duplicated and the outdated instructions were removed from The Landing. The updated cash handling policy as well as the returned check policy has been added.
5 We recommended the Treasurer’s Office provide notification of policy violations to department heads.	Per the Treasurer's Office, supervisors and department heads are being notified of policy violations through emails.
6 We recommended the Treasurer’s Office develop and administer citywide training on the updated collection policy & procedures.	The Treasurer’s Office is currently providing training sessions on the updated collection policy and procedures.
8 We recommended the Treasurer’s Office develop and implement a mechanism to reduce repetitive data-entry for collection transactions.	The Treasurer's Office is currently providing training sessions on the updated collection process. Personnel are encouraged to immediately use the ADFDI to improve efficiency. Effective July 1, 2024, all staff will be required to use the ADFDI templates for point-of-sale collections.

### **City of Chattanooga Fraud, Waste, and Abuse Hotline**

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