

Seattle Colleges

Agency 670

Audit Report	Finding Number	Finding and Resolution	
1027830	001	<p>Finding:</p> <p>Fraud Amount:</p> <p>Amount to be Recovered:</p> <p>Recovery to date:</p> <p>Resolution /Status:</p> <p>Personnel Action Taken:</p> <p>Criminal Action Taken:</p> <p>Agency Contact:</p>	<p>The College did not have adequate internal controls over cash receipting, resulting in employee misappropriations between September and October 2019.</p> <p>\$43,822</p> <p>\$60,661</p> <p>\$43,817</p> <p>The College has internal controls in place which enabled the prompt detection of missing deposits and the recovery of all but \$5 of the misappropriated funds. Additional costs to the College resulting from the fraud, were for related investigation costs by the Office of the State Auditor.</p> <p>After the detection of the fraud, the following additional controls were implemented:</p> <ul style="list-style-type: none"> • Updated existing College procedures for voided transactions by requiring a cashiering manager to sign and ensure that the proper control is being followed. • Required cashiering managers review data queries to detect cashiering registers that have multiple sessions created during the same day, and to document reasons and review transactions in the additional sessions. <p>At the time of the fraud, the College was operating on a 40-year-old financial management system with limited reporting and access controls. Since February 2021, the College has migrated to a Peoplesoft system. The new financial system has improved reporting capabilities and more granular security roles which will allow more effective controls over the review and approval of voided transactions.</p> <p>During the investigation, the employee was placed on administrative leave with access to all college financial systems restricted. The investigation resulted in the employee admitting to the theft and returning the missing deposits. Upon completion of the investigation, the employee was terminated effective February 10, 2020.</p> <p>None</p> <p>Terence Hsiao Vice Chancellor of Finance & Operations 1500 Harvard Ave. Seattle, WA 98122 (206) 419-6934 Terence.Hsiao@seattlecolleges.edu</p>