

Salt Lake County Auditor's Office

Craig B. Sorensen, *AUDITOR*



David L. Beck
Chief Deputy

September 1, 1998

J. D. Johnson, Director
Development Services Division
2001 South State Street, N3600
Salt Lake City, UT 84190-1350

*Salt Lake County
Government Center
2001 S. State Street
Suite N2200
Salt Lake City
Utah 84190-1100
Tel (801) 468-3381
Fax (801) 468-3296*

Dear J. D.:

We have completed a review of the cash handling procedures in conjunction with the new Hansen software system being used in your office. We have discovered some areas which should be improved. These areas include multiple cashiers in one cash drawer, securing unprocessed checks at night, and the completion of the "Cash Over/Short" log.

Cash Drawer Use

In our review we found that during an average day, two cashiers are using the cash register. Besides these two cashiers there are two additional employees who have access to the cash register. These employees are all working out of the same cash drawer.

When multiple employees share the same drawer, it is impossible to establish accountability for the money in the drawer. This practice is in violation of Countywide Policy #1062, section 2.10.1. This policy states that "All Agent Cashiers, alternate Agent Cashiers, cashiers and sub cashiers will have their own cash drawers . . ."

Several ways exist to accomplish this goal. A two-drawer cash register could be acquired for use in the office. This type of cash register would allow two cashiers to use the same cash register while only allowing them access to the one drawer that is assigned to them.

Another option would be to discontinue using the cash register and install two locking drawers under the counter. Each of the two cashiers would have a key to their own drawer. Currently, the cashier enters the payment into the Hansen software system as check or cash and then the cashier walks to the cash register and reenters the payment. By using locking drawers under the counter, the extra step of reentering the payment into the cash register is eliminated.

Responsibility can be assigned to an individual if they have complete control over their cash drawer during the day. The cashier should count out the drawer at the end of the day and sign for the amount of cash and checks in their drawer. The drawer totals should be balanced to a Crystal report that gives the total transactions for the day by cashier. The cashier counts would be verified by the cash accountant. This procedure provides the necessary controls for assigning responsibility to the cashiers and to the cash accountant.

Recommendation: We recommend that only one cashier work out of one cash drawer at a time and that the cashier should balance their own drawer.

Unprocessed Checks

Occasionally mail-in business applications are received but are not completely processed that day, (this is more common during renewal months). This results in an un-deposited check being left in the office overnight. In the past, some checks have been left in employee's desks. Russ Lawson stated that the checks were being placed in the safe at night. We emphasize to you the importance of securing these checks at night.

The checks should be secured in the safe overnight, or they should be sent with the security pick up nightly and returned in the morning, (the unprocessed checks would have to be kept separate from the processed checks).

Recommendation: We recommend that unprocessed checks be secured nightly in the safe or sent with the security pick up.

Cash Over/Short Log

During our review, we found that the totals on the "Cash Over/Short" log not only include the days' overs or shorts, but also include all adjustments made to the Crystal report in the balancing process. This practice results in an incorrect perception of actual cash overages and shortages. Supervisors cannot accurately monitor the performance of the cashiers when the cashiers' shorts or overs are lumped into a total that includes adjustments of the days transactions.

This problem can be resolved by using a separate column or worksheet to record daily adjustments. Adjustments should not be recorded as cash shortages or overages.

Page 3

J. D. Johnson

August 28, 1998

Action Taken: The problem was brought to the attention of the cash accountant and to her supervisor. Starting September 1, 1998, the adjustments will be recorded in a separate column on the cash over/short log.

We appreciate the time that was given by your staff to assist in our review. We understand that your office is going through a reorganization. We feel that with the current changes in your office, you could implement the above recommendations with little difficulty, and come into compliance with Countywide Policy #1062, Management of Public Funds.

Sincerely,

David L. Beck
Chief Deputy

cc: Lonnie Johnson