

Review of Department Cash Handling Procedures

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Recorders Department

Attn: Jeff Smith

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RE: Review of Department Cash Handling Procedures

### Objective

Review the Policies and Procedures for cash handling in the Utah County Recorder's Department. This was done to determine if policies and procedures are in accordance with the Utah County Cash Handling Policy and Procedure Manual. To check for strong internal controls to safe guard county funds. To ensure that procedures are both effective and efficient in the use of employees' time.

### Summary

The Utah County Internal Audit Staff spent time viewing the procedures used by Recorder Department personnel in the process of daily cash handling. These procedures were then compared with the Utah County Cash Handling Manual for compliance. The following findings with recommendations are given to help the department head and supervisors make decisions to help make the process run efficiently.

### Finding #1

The department has good internal controls for safe guarding County funds. All moneys are double counted in every step of the process: when the money is counted at the beginning of each day, before the deposit is sent to the Treasurer's Office, and when the money is put into the safe at the end of each day. Both people who count sign a form with the amounts counted. There is also separation of duties that help keep good internal controls.

### Finding #2

The Recorder's Office doesn't have detailed step by step instructions for each procedure of the processes for the daily handling of department cash. They have example sheets with instructions that are helpful.

### Recommendation

It is recommended that typed detailed instructions of each step for the handling of cash be made, that could include examples. This will allow for someone new to pick up procedures quickly, while making it easier for supervisors to see that policies and procedures are being followed.

### Finding #3

Each cash drawer has two separate start up funds that rotate every other day. The back of the department has two \$50.00 startup funds and takes money for copies. The front of the department has two \$380.00 startup funds. All money is counted and put in the safe at the end of the day. The next day the money is again counted and balanced with the receipt tape. A different \$50.00 and \$380.00 is used as the startup amount for that day.

### Recommendation

It is recommended that the Recorder's Office only have one \$50.00 startup fund for the back and one \$380.00 startup fund for the front. This can reduce the amount of cash on hand in the department significantly. At the end of the day each cash drawer can be balanced to the receipt from the cash drawer. The employees can take out the startup amounts of \$50.00 and \$380.00 to put into the safe for the next day, and the remainder should balance with the sales for the day to be deposited with the Treasurer's Office the next day.

This will also help in reducing the time it takes to count the money at the start of each day. The extra \$50.00 and \$380.00 should be cash receipted to the Treasurer's Office to reduce the Cash on Hand amount that is in the general ledger.

#### Finding #4

The electronically generated reports aren't being relied on enough. Different ways to balance to figures on these reports are made to verify accuracy. In the end these reports are what the cash and checks need to balance to.

#### Recommendation

The cash and checks left after should balance with what the cash drawers say as taken in. The amounts for copies, Simplifile, Recording Fees, IRS Fees, Over Pay Fees, Cash, Coin, Check, etc are all located on electronically generated reports that should be relied on to do the cash receipt for the Auditor's Office each day. By doing this it would cut out numerous tapes that are run. There would still need to be a tape of checks for the Treasurer's Office that is submitted with the deposit for the day.

This report in no way suggests or implies that things are done incorrectly, the recommendations made in the report are suggestions the Utah County Internal Auditors see that things could be done more efficiently.

Another item that was left off the previous report is the amount of one-dollar bills that is kept in the \$380.00 startup cash. They had around \$75.00, this seems excessive. A more manageable amount would be \$25.00 to \$30.00 dollars. If more is needed they could always get some from the Treasurer's Office

The Utah County Internal Audit Staff

All recommendations were accepted by the Recorder's Office and implemented immediately