



**Date:** 11/13/2020

**Purpose:** This audit is performed annually at the request of the Sheriff to ensure that proper internal controls are in place and procedures are being followed.

**Interviewed:** Julianna Lake – Account Clerk  
Cindy Tyler – Account Clerk  
Lt. Matt Ryndock

**Examined:** 1/1/2019 – 12/31/2019 Daily Cash receipt logs, cash receipt books, January 2018- December 2018 Bank Statements, and general internal control questions.

**Previous Internal Audit Recommendations:** All previous internal audit recommendations have been sufficiently addressed.

**Program:**

**Bank Statement Reconciliations:**

Bank Statements were tested to ensure that all transactions on the bank statement were supported with proper documentation. The months of January, May, August, and December were selected for a detailed review tracing deposits to deposit slips and checks to check stubs with the bank statement. All bank reconciliations that were reviewed were both signed and dated by three employees. The check stubs numbered 23235 through 23318 were blank and therefore did not include amount of check or payee information.

January: No issues found

May: No issues found

August: The check stubs were blank.

December: No issues found

**Cash Receipt Books:**

Cash receipt books were selected at random to review receipts for the following; date, whom the funds were received from/for, amount, account type (i.e. income execution (most common)), method of payment, and a signature. The Civil Office uses pre-printed, triplicate, pre-numbered cash, and carbon copy cash receipts. A total of nine receipt books were reviewed for compliance. Below is a list of receipt books reviewed in detail and any findings:

- Book # 12801-12850
- Book # 12951-13000
- Book # 13051-13100
- Book # 13151-13200
- Book # 13301-13350
  - 13312; the receipt was voided, but the yellow copy was not retained
- Book # 13501-13550
- Book # 13601-13650
  - 13621; the receipt was voided, but the yellow copy was not retained
  - 13629; the receipt was voided, but the yellow copy was not retained
  - 13641; the receipt was voided, but the yellow copy was not retained
- Book # 13801-13850
- Book # 13851-13900
  - 13899; the receipt was voided, but the white copy was not retained
- Book # 13901-13950
- Book # 13451-13500
  - 13457; the date on this receipt was incomplete, it stated “7/”
  - 13472; the receipt was not dated

### **Daily Receipt Journals**

For the period of 1/1/19 – 12/31/19 a random selection of fourteen days journals were pulled and reviewed for the following: supporting check stubs or check information and the yellow portion of the cash receipt were with the receipt journal and matched the journal. All of the daily receipt journals that were reviewed had the recommended two signatures, unless noted below. Below is a list of the days selected and any findings:

1/16/2019; one signature

2/25/2019

3/8/2019; one signature

\$60.00 in cash was found stapled to receipt number 12971. The receipt of this cash not logged into the daily receipt journal, was not allocated to the debtor’s account, and was not deposited in the Civil Office’s bank account. A pre-printed triplicate cash receipt was written for the \$60.00

4/5/2019; one signature

5/30/2019; one signature

6/17/2019

6/20/2019; one signature

7/22/2019

8/16/2019

8/28/2019; one signature

9/19/2019; one signature

10/4/2019

10/18/2019; one signature

12/31/2019

### **Internal Control Summary**

It was determined that both clerks collect cash and checks received through the window and by mail. All cash and checks received through the window are receipted using the receipt books previously described. A paper receipt is not created for payments that arrive by mail. Lt. Ryndock has electronic access to the bank account and retrieves electronic copies of the bank statements at the end of each month. Julianna prepares the bank reconciliation after receiving the bank statement from Lieutenant Ryndock. Julianna, Cindy and Lt. Ryndock, all sign and date the bank statement after reconciliation. Julianna prepares the disbursements for all funds received by the Civil Office. One check run a month is done with approximately 100 - 115 checks in it. Cindy prepares the daily deposit and it is signed off by either Lt. Ryndock, Deputy Montemorano, or Deputy Carr. The Civil Office does have its own bank account and a check is written once a month to transfer funds to the county for items such as poundage, mileage, and fees collected for Civil Office Services.

### **Recommendations**

- 1) Accounts clerks must ensure that the receipts are filled out entirely and accurately.
- 2) Account clerks must retain all three carbon copies of a voided receipt.
- 3) The amounts collected and recorded in the receipt book should be totaled daily to ensure all cash and cash equivalents received are entered into the Soft Code System and deposited at the bank as part of the daily reconciliation process.  
Wayne County Cash Collection Policy (resolution 523-13) requires “all cash collected must be balanced daily, by mode of payment, by comparing the total cash and checks to the computerized accounting reports, to the pre-numbered receipts totals, and to the totals of the money received.”
- 4) Management must ensure that all cash and cash equivalents received through the window and mail are deposited at the bank within five days of receipt if the deposit totals less than \$500, or on the same day if the deposit totals more than \$500, as required by the Wayne County Cash Collection Policy, resolution 523-13.

### **Managements Response**

Program: Bank Statement Reconciliations: Bank Statements were tested to ensure that all transactions on the bank statement were supported with proper documentation. The months of January, May, August, and December were selected for a detailed review tracing deposits to deposit slips and checks to check stubs with the bank statement. All bank reconciliations that were reviewed were both signed and dated by three employees. The check stubs numbered 23235 through 23318 were blank and therefore did not include amount of check or payee information.

January: No issues found

May: No issues found

August: The check stubs were blank. Should have hit the CHECK BUTTON, but accidentally hit the TREASURER'S CHECK BUTTON which prints them blank except the # on the top right corner. There is a backup plan in place, a CHECK DETAIL REPORT on a 8 ½ "by 11" piece of paper (which contains all the required information and even more for the case when multiple checks are sent to a creditor's attorney, more than the allotted amount that appear on a check stub) is printed out and kept on file in the office and another copy of the CHECK DETAIL REPORT is sent with every check.

December: No issues found

Cash Receipt Books: Cash receipt books were selected at random to review receipts for the following; date, whom the funds were received from/for, amount, account type (i.e. income execution (most common)), method of payment, and a signature. The Civil Office uses pre-printed, triplicate, pre-numbered cash, and carbon copy cash receipts. A total of nine receipt books were reviewed for compliance. Below is a list of receipt books reviewed in detail and any findings:

- Book # 12801-12850
- Book # 12951-13000
- Book # 13051-13100
- Book # 13151-13200
- Book # 13301-13350

13312; the receipt was voided, but the yellow copy was not retained, it's in with the daily deposit 6/07/19

- Book # 13501-13550
- Book # 13601-13650

13621; the receipt was voided, but the yellow copy was not retained, it's in with the daily deposit 8/30/19

13629; the receipt was voided, but the yellow copy was not retained, it's in with the daily deposit 9/03/19

13641; the receipt was voided, but the yellow copy was not retained, it's in with the daily deposit 9/06/19

- Book # 13801-13850
- Book # 13851-13900

13899; the receipt was voided, but the white copy was not retained Overlooked, the yellow slip should have been pulled as the person paid by check (see Payment Receipt) and given the white copy of the receipt. The yellow slip has now been pulled and put with the daily receipt journal for that day.

- Book # 13901-13950
- Book # 13451-13500

13457; the date on this receipt was incomplete, it stated "7/" Overlooked

13472; the receipt was not dated Overlooked

Daily Receipt Journals For the period of 1/1/19 – 12/31/19 a random selection of fourteen days journals were pulled and reviewed for the following: supporting check stubs or check information and the yellow portion of the cash receipt were with the receipt journal and matched the journal. All of the daily receipt journals that were reviewed had the recommended two signatures, unless noted below. Below is a list of the days selected and any findings: **Per previous recommendation if both senior account clerks are working, one senior account clerk posts the daily payments and the other prepares the daily deposit form and signs it, so one signature shows. If only one of the senior account clerks is working then 2 signatures are required. Lt. Ryndock or another Sheriff's Office Member will sign off with the senior account clerk that is working.**

1/16/2019; one signature

2/25/2019

3/8/2019; one signature \$60.00 in cash was found stapled to receipt number 12971. The receipt of this cash not logged into the daily receipt journal, was not allocated to the debtor's account, and was not deposited in the Civil Office's bank account. A pre-printed triplicate cash receipt was written for the \$60.00 **Overlooked, it was corrected when brought to our attention by the audit, back dated to the correct date which recalculated the interest**

4/5/2019; one signature

5/30/2019; one signature

6/17/2019

6/20/2019; one signature

7/22/2019

8/16/2019

8/28/2019; one signature

9/19/2019; one signature

10/4/2019

10/18/2019; one signature

12/31/2019

Internal Control Summary It was determined that both clerks collect cash and checks received through the window and by mail. All cash and checks received through the window are receipted using the receipt books previously described. A paper receipt is not created for payments that arrive by mail. Lt. Ryndock has electronic access to the bank account and retrieves electronic copies of the bank statements at the end of each month. Julianna prepares the bank reconciliation after receiving the bank statement from Lieutenant Ryndock. Julianna, Cindy and Lt. Ryndock, all sign and date the bank statement after reconciliation. Julianna prepares the disbursements for all funds received by the Civil Office. One check run a month is done with approximately 100 - 115 checks in it. Cindy prepares the daily deposit and it is signed off by either Lt. Ryndock, Deputy Montemorano, or Deputy Fiorito. The Civil Office does have its own bank account and a

check is written once a month to transfer funds to the county for items such as poundage, mileage, and fees collected for Civil Office Services.

#### Recommendations

1. Accounts clerks must ensure that the receipts are filled out entirely and accurately.

Lt. Ryndock conducted refresher training on October 26<sup>th</sup> in regards to the procedure(s) for receiving payments with the members of the Civil Office, a copy of the attendance sheet and sheet depicting the proper procedures trained on has been completed.

2. Account clerks must retain all three carbon copies of a voided receipt.

Per previous recommendation they are kept, yellow copy gets filed with the daily deposits.

3. The amounts collected and recorded in the receipt book should be totaled daily to ensure all cash and cash equivalents received are entered into the Soft Code System and deposited at the bank as part of the daily reconciliation process. Wayne County Cash Collection Policy (resolution 523-13) requires “all cash collected must be balanced daily, by mode of payment, by comparing the total cash and checks to the computerized accounting reports, to the pre-numbered receipts totals, and to the totals of the money received.”

The Civil Office is open until 5 pm, Monday through Friday. People come into the Office up until 5 pm so the day is closed out starting at 4 pm in order to balance the day, complete the paperwork, handle any Family Court paperwork and other civil paperwork that comes in. Checks/ E transfers are sent to the bank also after 4 pm. At times there have been issues where the person that handles the Checks/ E Transfers for the Bank needs to be consulted. That bank representative is only able to be consulted until 5 pm. If the day was closed out starting at 5 pm and there was an issue with sending a Check/ E Transfer then the daily deposit couldn't be completed. Payments received after 4 pm are posted the next business day, but back dated to show the day that they are received in Soft Code to calculate the proper interest. The bank drive through closes at 4 pm Monday through Thursday so payments dropped off in the night drop will show posted the next day. Closing the day out starting at 5 pm would also cause overtime on a daily basis. Payments received after 4 pm per the Auditor's recommendation we will in the NOTES section of the receipt on the yellow and pink copies write the date the payment will be entered/ deposited, thus alleviating the overtime issue of having to close out the day starting at 5 pm. Civil Office Policy and Procedures have been updated.

4. Management must ensure that all cash and cash equivalents received through the window and mail are deposited at the bank within five days of receipt if the deposit totals less than \$500, or on the same day if the deposit totals more than \$500, as required by the Wayne County Cash Collection Policy, resolution 523-13.

Bank drive through is open Monday through Thursday until 4 pm, the daily deposits are closed out starting at 4 pm, by the time the paperwork is done it is after 4 pm when the bank is closed. We will continue to sign out and date the bank deposit on the date we take it to the bank. Payments received after 4 pm per the Auditor's recommendation we will in the NOTES section of the receipt on the yellow and pink copies write the date the payment will be entered/ deposited. We do have a safe and locked drawers that are utilized to keep payments secured in if a deposit in the bank cannot be made. If deemed appropriate due to the size of the deposit the night deposit may be utilized at the bank. Deputy Sheriff's assigned to the Road Patrol can now also be utilized to make bank deposits for the extremely rare occasion that they are needed to. Civil Office Policy and Procedures have been updated.

Kristen Scott  
County Auditor  
11/13/2020

Heidi Kronbeck  
Internal Audit Clerk  
11/13/2020