



# Health Department Office of Vital Statistics Cash Handling Procedural Audit 2014

## Introduction

The Office of Vital Statistics is responsible for providing certified copies of birth and death records held at their office upon request. The Office of Vital Statistics charges for these services based on an established fee schedule.

This audit focused on obtaining an understanding of the internal controls over the cash handling processes and procedures currently in place in the Office of Vital Statistics. Cash is defined as currency, coin, checks, and credit card charges. This audit was limited to reviewing these internal controls.

## Cash Handling Process

The following issues were noted regarding the daily procedures in place at the time of the audit:

- A. The written procedures for the cash handling process needs to be updated to reflect the current operating conditions.
- B. The same clerk can process a customer's request and receive the payment.
- C. Accountability for errors is difficult to determine as multiple clerks have access to the same cash box.
- D. Due to the nature of the activity there is an inability to determine if all revenue generating activity is actually being recorded in the cash processing system.
- E. The daily end of day close out process and cash count is performed by only one person and is not observed by anyone else.
- F. Start up cash is not recounted and observed by another person in the morning.
- G. There is no indication a cash count is performed at the time of transfer to the Health Department's fiscal unit as a sign-off at the exchange is lacking.

*Recommendation: The following internal controls should be implemented to improve internal controls over cash handling procedures:*

*Written procedures for the cash handling and end of day cash out reconciliation process should be updated.*

**Department Response:**

Written procedures have been updated to include all current processes, as well as the changes resulting from this audit.

*The feasibility of establishing a rotation basis whereby limiting one clerk to access the cash register and the other clerks to process the customer's request should be explored.*

**Department Response:**

The recommendation has been explored and it has been determined to not be a viable option due to the nature of the operation. To strengthen internal controls, additional cash drawers have been ordered to allow for staff working the counter to be assigned their own drawer on a daily basis. New procedures will be implemented upon installation of the new drawers.

*The feasibility of utilizing the daily copier count to assist in verifying all revenue generating activity is being processed through the sales system should be explored.*

**Department Response:**

The recommendation has been explored and it has been determined to not be a viable solution due to the need to often make multiple copies of certificates in order to obtain a clean version for sale to the customer.

*The end of day cash out reconciliation process should be observed and verified by another person.*

**Department Response:**

Recommendation has been implemented.

*To provide adequate cross training the end of day cash out and reconciliation process should be rotated in a reasonable manner among those respective individuals.*

**Department Response:**

There are currently three other staff trained to close out the end of day cash and do so when the supervisor is not in the office. At a minimum, one of the three is usually still working when the reconciliation occurs and will provide more assistance as needed.

*Every time cash is transferred between individuals a cash count and sign-off should be performed, ensuring the integrity of the exchange.*

**Department Response:**

Please note that the cash has always been counted by a fiscal representative to verify the amount upon receipt from Vital Statistics. Procedures have been updated to provide supporting documentation of this effort. Staff from both Vital Statistics and the Fiscal Office now initial next to the cash amount on the report once the amount has been verified.