



GOT CASH HANDLING CONTROLS?



We sometimes think that cash losses are something that happens to someone else.



Here at Maricopa County...

- A court lost deposits of \$18,000 over a period of six months. How? Bank reconciliations were not completed timely.
- A park lost over \$2,000 through a stolen nightly deposit. The reason? Access to deposits was not limited to essential personnel.
- A department lost hundreds of dollars out of a cash register. How? The register was left open within reach of a customer.

CFO Comments on Cash Controls

Maricopa County Chief Financial Officer Tom Manos is a firm believer in the importance of internal controls. Prior to accepting the position of CFO, Mr. Manos was Assistant County Auditor.

Most people would never take something that didn't belong to them, so they sometimes have a hard time believing others would behave in such a fashion. While this is true in most instances, the high risk involved in handling cash and cash equivalents (checks, money orders, credit cards) requires that effective controls be in place at all times.

A common misconception is that checks or credit cards do not need the same level of control as cash. In actuality, checks, credit cards, and other "cash equivalents" can be misdirected almost as easily as currency or coins.

Too many times we are guilty of "closing the barn door after the cow got out." The bullets at left

illustrate instances in our own organization where cash controls were initiated only after the County incurred losses.

Internal controls protect employees in the event of lost or stolen cash. Effective controls over cash remove temptation and validate proper actions, thereby contributing to a positive atmosphere in the workplace.

Mr. Manos believes all County employees should be involved with internal control. Mr. Manos said, "Although internal control is sometimes thought to be the responsibility of the auditors, in reality, management and employees have the most important role in an effective system of internal control." He added, "Departments function best when employees think of internal control as an integral part of their job."



Tom Manos
CFO

HIGH RISK!

Every day, businesses lose \$70 million to theft

Did You Know? Internal Audit Provides Proactive Training and Workshops !



The Internal Audit Department provides training classes and self-assessment workshops for County departments with cash handling responsibilities. Internal Audit's Cash Handling Workshop, developed in partnership with the Department of Finance, was selected nationally to receive the Special Projects Award for 2000, presented by the National Association of Local Government Auditors.

Contact Internal Audit for internal control support at (602) 506-1585