

Midco Aquatic Center Cash Handling



Objectives

- Determine if sufficient segregation of duties exist over the collection of cash.
- Determine if cash is adequately safeguarded.
- Determine if cash is deposited in a timely, secure, and accurate manner.
- Determine if written cash handling policies and procedures are current, properly documented, and being followed.

Background

The Midco Aquatic Center opened October 13, 2016 as Sioux Falls's first public indoor aquatic center and is located at Spellerberg Park. The 61,180 gross square foot multi-purpose facility includes a 50-meter Olympic size pool with high and low diving boards, recreation pool, warm water pool, water slide, current channel, meeting rooms, outdoor splash pad and sundeck, lobby and concessions area, locker and changing areas, and more.

The aquatic center has an average annual attendance of over 200,000 people and annual revenues averaging \$1,000,000.

Opportunities for Improvement

- We recommend Midco start scanning deposit slips and required documentation and sending them electronically to Finance.
- We recommend Finance update the credit card signature section of the Billing, Cash Receipts, and Collections Policy to define the thresholds for requiring signed receipts.

What We Found

Finding 1: Deposit slips are not being filled out by the manager/head guard.

- This is not following Midco's established deposit procedure or best practices for segregation of duties.

Finding 2: RecTrac, the point-of-sale software, lacks proper controls for segregation of duties.

- Cashiers and Finance employees have access to and occasionally perform multiple steps in the cash handling process.

Finding 3: We found the following lack of controls in cash safeguarding:

- Cash drawers do not have locks on them.
- The door to access the cashier's area from the lobby can't be locked.
- Cash counts are performed at the front desk in view of the public.
- The lock to the safe has not been changed in over a year.

Finding 4: Bank deposit slips are not being consistently filled out.

- About 20% of deposit slips tested did not have all the requirements listed on Midco's deposit procedure document.

Finding 5: Finance's Billing, Cash Receipts, and Collections Policy is outdated.

- The current policy available on In-Site has not been updated since March 10, 2016.

What We Recommend

Recommendation 1: We recommend Midco staff establish a process to regularly monitor the compliance with Midco Aquatic Center Facility Deposit Procedure and the Billing, Cash Receipts, and Collections Policy to ensure:

- Existing procedures and policies are being followed;
- Segregation of duties is maintained; and
- Proper documentation is retained as required by the procedures.

Recommendation 2: We recommend an increase in controls added to RecTrac to limit access for users based on segregation of duties and principle of least privilege:

- Access to process refunds should be removed from cashiers and Finance.
- Access to enter transactions should be removed from Finance.

If access can't be removed, we recommend reports of these transactions be ran and reviewed by management regularly.

Recommendation 3: We recommend additional steps be taken to comply with Finance's Billing, Cash Receipts, and Collections Policy in regards to keeping cash secured and out of sight. These steps are:

- Locked cash registers installed and connected to RecTrac.
- A lock and badge reader installed on the door to access the cashier's area.
- Cash counts performed away from the front desk and out of sight.
- The safe's code lock is changed on a regular basis.

Recommendation 4: We recommend Midco staff who fill out deposit slips sign off with their City-assigned employee number. This will be easier to read than employee signatures which makes it a more reliable way to identify who filled out the slip.

Recommendation 5: We recommend Finance review, monitor, and update the Billing, Cash Receipts, and Collections Policy every other year and upload it to In-Site when updated.