



DATE: June 14, 2023
TO: Larry Davis, Assistant City Manager
FROM: Internal Audit Division
SUBJECT: Environmental Services-Landfill and Transfer Station
(No Response Required)

The Internal Audit Division has completed our review of the Environmental Services - Landfill and Transfer Station as administered by the Field Operations Department. Attached you will find our review report; the departmental response and our replies to their responses. We feel that our concerns have been sufficiently addressed as we move forward. If you have any questions or need additional information, please let us know. Thanks.

Len Lucas
Internal Audit Director

cc: Chris Wilson, Deputy City Manager
Chris Marriott, Interim Director of Field Operations
David Deel, Manager, Solid Waste Disposal
Tracy Toler, Supervisor of the Scale House
Tonya Williams, Business Division Manager



DATE: March 16, 2023
TO: Chris Marriott, Interim Director of Field Operations
FROM: Internal Audit Division
SUBJECT: Environmental Services – Landfill and Transfer Station
(Response Required by March 30, 2023)

The Internal Audit Division conducted a cash count and review of the cash-handling operations for the Landfill and Transfer Station for the period of January 1, 2020 through June 30, 2022. A randomly selected sample, totaling **\$516,796.91**, for the Landfill and Transfer Station was tested. The Landfill and Transfer Station provide a drop off for residential and commercial waste; to include, construction, yard waste, and household waste.

The scope of this review was limited to determining if funds are properly accounted for, whether adequate internal controls are in place to safeguard cash, and accounting policies and procedures are being adhered to. In order to accomplish this, Internal Audit conducted cash counts at both the Landfill and Transfer Station, reviewed a copy of written policies and procedures, and reviewed prior years' reports. We requested and reviewed a selected sample of deposit slips and other supporting documentation for the period under review at the Landfill and Transfer Station. The deposit slips and supporting documentation were traced from the point of origin to validation with the bank and to the final recording in the General Ledger. Internal Audit performed a thorough evaluation of the internal control structure to ensure strong accountability and stewardship over the funds.

As a result of our review, Internal Audit found the following areas of concern and offer our recommendations:

Finding:

Deposits for the Landfill were made one to six days after the deposit slip was prepared. In addition, deposits for the Transfer Station were made one to five after the deposit slip was prepared. Internal Audit also noted that daily deposits should be made if the amount exceeds \$500, per policy. Daily deposits were in excess of \$500 and were not being deposited same day.

Recommendation:

To keep in compliance with the G.S. 159-32 policy, deposits should be made daily if they exceed the \$500 requirement. Internal Audit recommends the use of the night drop or courier in order to adhere to this policy. Access to the night drop can be established with the Treasury group so that they can obtain access and have the required equipment to make the deposit (bag, key, etc).

Finding:

Seven of the 80 (9%) transactions sampled for the Landfill were posted to the General Ledger in the following month. Furthermore, seven of the 76 (9%) transactions for the Transfer Station were also posted in the following month.

Recommendation:

Transactions should be processed in the month incurred so that they are posted to the General Ledger timely.

Recommendation:

It should be noted that the transaction in the amount of \$2,846.44 that was deposited on August 12, 2021 for the Transfer Station could not be located within the General Ledger. However, an entry on October 31, 2021 in the General Ledger reflects a \$2,876.44 (\$30 difference). It is recommended that this transaction be verified as to whether it was a typo entered into the General Ledger or that the amount was not recorded.

Internal Audit would like to thank the staff at both the Landfill and Transfer Station for their cooperation during the course of this review. Please provide a written response by March 30, 2023. If you have any questions or comments, please contact us at (336) 373-2203.



Sandy Hollingshead
Internal Auditor



Len Lucas
Internal Audit Director

Cc: Chris Wilson, Deputy City Manager
Larry Davis, Assistant City Manager
David Deel, Manager, Solid Waste Disposal
Tracy Toler, Supervisor of the Scale House



DATE: May 9, 2023

TO: Chris Marriott, Interim Director of Field Operations

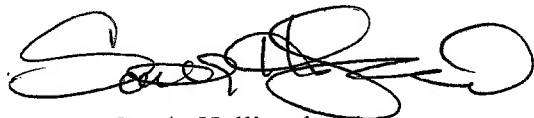
FROM: Internal Audit Division

SUBJECT: Environmental Services – Landfill and Transfer Station

The Internal Audit Division has received your response to the Landfill and Transfer Station Cash Count and Cash Handling Review. Internal Audit contacted Finance – Administrative Services regarding the concerns that were brought during our meeting to resolve the discrepancies and would like to offer the following:

- Finance – Administrative Services have advised they would allow for a two (2) day grace period in getting a deposit made, especially at the end of the month or during a holiday. Anything beyond the two (2) days will be considered late.
- Establish a courier service in order to do daily deposits to the bank in order to pick up during times of being short-staffed and/or not able to do a deposit timely. This would be a position that would be budgeted from Environmental Services, if the need arises.
- Once the signature card has been updated at the bank, established the ability to do night drops so that deposits will be made daily in order to be in compliance with G.S. 159-32.
- Staff at the Landfill and/or Transfer Station prepare a partial day deposit, however, not update the system until end of day. This will minimize the amount on hand during the day so that large amounts of funds are not being maintained.
- With the implementation of the new system, Waste Works, in the near future, look into the possibility of utilizing the city's credit/debit card system so that it is linked rather than using another software. With the issue of not being able to handle the patron's cards to insert into the machine, consider the possibility of utilizing a housing for the machine for easy access to the patron.

We would like to again thank the staff at Landfill and Transfer Station for their assistance and cooperation during this review. If there are any questions concerning the details of this review, please call us at (336) 373-2203.



Sandy Hollingshead
Internal Auditor



Len Lucas
Internal Audit Director

Cc: Chris Wilson, Deputy City Manager
Larry Davis, Assistant City Manager
David Deel, Manager, Solid Waste Disposal
Tracy Toler, Supervisor of the Scale House



Field Operations

DATE: June 1, 2023

TO: Internal Audit Division

FROM: Environmental Services - Landfill and Transfer Station

SUBJECT: Deadline of June 9, 2023 to Comply With Deposits

Deposits:

The keys for the night drop box for the Wells Fargo at 926 E Bessemer Avenue and 5815 W Friendly Avenue in Greensboro, NC were picked up by Tracy Toler on Wednesday, May 31, 2023. I also ordered the two-part bags for the deposits that will be deposited in the night drop boxes from Amazon. They will be delivered on Friday, June 2, 2023. A teller at the W. Friendly Avenue branch gave me a couple of bags to start with until we receive the ones I ordered.

Starting on Friday, June 2, 2023, we will be using the night drop box at Wells Fargo for Friday deposits after we close. We will be doing the rest of the deposits as normal. On holiday weeks where we are closed on Monday, the Saturday deposits will also be put in the night drop box at Wells Fargo after we close on Saturdays.

We are looking into a few other options and will let you know as we work through all of the ideas to make our depositing system at the Landfill and Transfer Station to be in compliance with the G.S. 159-32 policy.

We started scanning our deposit slips to Collections (Gail Wyrick, Stephanie Noble & Teresa Quick) on Thursday, April 20, 2023 at the close of business. They email a confirmation of validation of our deposits the next morning showing that they have been received and processed.

Questions:

We need to know if checks are classified as cash. The smart safe we have been discussing only takes cash and the checks would have to be deposited manually at the bank.

Tracy Toler
Scale House Supervisor

David Deel
Solid Waste Disposal Manager

Cc: Chris Wilson, Deputy City Manager
Larry Davis, Assistant City Manager
Chris Marriott, Interim Director of Field Operations
Tonya Williams, Business Division Manager
Sandy Hollingshead, Internal Auditor
Len Lucas, Internal Audit Director



DATE: June 9, 2023
TO: Chris Marriott, Interim Director of Field Operations
FROM: Internal Audit Division
SUBJECT: Environmental Services – Landfill and Transfer Station

The Internal Audit Division has received your response to the Landfill and Transfer Station Cash Count and Cash Handling Review. Internal Audit concurs with the implemented processes that the Landfill and Transfer Station have implemented since the audit review, that are noted below:

- Keys for the night drop have been picked up.
- Night drop is now in use as of June 2, 2023 for deposits on Fridays at the close of business.
- For holidays that fall on a Monday, deposits will make on Saturday before the holiday.
- Additional deposit bags ordered.
- The deposits for other days will continue to be done as it has in the past.
- The scale house staff is scanning the deposit slips to Collections at the close of business. Collections emails a confirmation of validation of the deposits the next morning showing that they have been received and processed.

In addition, Internal Audit is providing the following feedback to the pending questions that were noted:

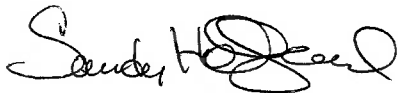
Are the rules for checks the same as cash?

- Checks are treated the same as cash. In regards to the Loomis SmartSafe and the fact that it will not accept checks could potentially violate the GS 159-32 policy, unless check deposits are made manually each day.

The deposit slips has a place for signatures for “Prepared by” and “Verified by”. Does this have to be two different employees or can the same employee sign both places?

- With the checks in balances already in place at the Landfill and Transfer Station for ensuring deposits are in balance with the reporting, Internal Audit is in agreeance with having the same employee sign in both places.

If there are any questions concerning the details of this feedback, please call us at (336) 373-2203.



Sandy Hollingshead
Internal Auditor



Len Lucas
Internal Audit Director

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