



DATE: March 6, 2024
TO: Larry Davis, Assistant City Manager
FROM: Internal Audit Division
SUBJECT: Environmental Services - Landfill Change Fund Review
(No Response Required)

The Internal Audit Division has completed our review of The Change Fund at Environmental Services as administered by the Landfill Staff. 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 Solid Waste & Recycling
David Deel, Manager, Solid Waste Disposal
Tracy Toler, Supervisor of the Landfill Scale House



DATE: February 12, 2024

TO: Chris Marriott, Interim Director of Solid Waste & Recycling

FROM: Internal Audit Division

SUBJECT: Environmental Services – Landfill
Change Fund Review
(Written Response required by February 26, 2024)

The Internal Audit Division conducted a scheduled cash count and review of the cash-handling/operations at the Landfill operation at 2503 White Street, for the period of July 1, 2022 through June 30, 2023. A section of incoming revenue receipts were selected and sampled totaling an amount of \$199,504.75 was tested. This facility provides services in sanitation disposal as a drop off location for the general public mainly in the Greensboro and surrounding areas. Trash collections include waste in yard, construction and household items. Residential and business institutions are welcome to unload in exchange for fees collected. There is a website for customers to visit and analyze the many services offered and broken down into categories from the service information guide. It presents details on the types of resources to best describe the assistance needed. Such as rules and regulations on trash, recycling, bulk trash, loose leaf collection program and household hazardous waste.

The scope of this review was limited to determining if funds are being 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 a scheduled cash count at the above-referenced location identified above. The Transfer Station location has been scheduled for a cash count at a later time. In addition to this review, a follow up was conducted regarding previous recommendations if updated since the last review took place. It is essential to define the purpose of a change fund. It is primarily used as a minimum of cash on hand to provide change if it becomes necessary. It has been determined that supervisor, Tracy Toler and staff fully understands the responsibility for obtaining original receipts in the event change fund incidents occur. No such activity occurred during the scheduled compliance review visit.

Upon visiting, Internal Audit reviewed written environmental services policies regarding cash-handling, receipting, and making deposits, and reviewed prior years' compliance report. We also were able to analyze the deposits from the above-referenced audit period and requested a selected sample of Revenue Deposit Slips, transaction receipts, and other various supporting documentation for the period under review. The Revenue Deposit Forms were logged and deposits traced from the point of origin to validation with Collections and to the final recording in the general ledger. In discussion with one staff member it was confirmed that two cash drawers are used in daily operations. Occasionally, there may be a third cash drawer.

Each representative in the scale office is authorized when it comes to the cash handling process. Other documents reviewed consisted of service fee forms and corresponding cash receipts. Internal Audit formed a thorough evaluation of the internal control structure to ensure strong accountability and stewardship over the funds.

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

Finding:

- Staff generally appears to adhere to the G.S. 159-32 daily deposit requirements, however deposits from the selected sample exceeded the cash limitation amount when a daily deposit being made. G.S. 159-32 requires collections and receipts to be deposited daily, unless the moneys on hand amount to less than \$500. Internal Audit inspected that the recommendation from the prior audit in making night drop deposits on Friday afternoon with collections or the bank prior to close of business has been addressed and utilized. To elaborate further, if the Landfill facility is going to be closed on Mondays due to holidays or other reasons, a night drop for Friday and Saturday are done on Saturday afternoons.
- Internal Audit noted that daily deposits should be made if the total exceeds \$500, per policy. Six instances out of 51 samples (12%) for the Landfill location. Cash receipts exceed the cash limit of \$500 on funds received near business closing and deposited one to four days after the deposit slip was completed.
- The tracking log that illustrates when deposit ticket date, amount emailed to collections and validated show the correct ticket date. However, the year information has 2024 instead of 2023. After brief discussion the supervisor concurred that 2023 matches the deposit information. Auditor was able to review the correct date documentation from the actual deposit slips and transaction receipts. The correct log was immediately provided by the Landfill Supervisor.
- Landfill overage/ shortage form has a transaction that occurred on July 29, 2022. Customer wrote the incorrect amount by check for \$616.70 instead of \$807.30 causing the deposit to be short by [\$190.60]. Supervisor noticed this and immediately had the issue rectified. Able to get the correct check total from the customer depositing the funds on August 1, 2022.

Recommendation:

- Landfill should continue making deposits every Friday afternoon with collections or the bank prior to close of business, so that there are minimal cash receipts on hand for the start of the weekend. If cash receipts exceed the G.S. 159-32 cash limitation amount during weekend activities, Internal Audit recommends that Landfill make a deposit with the bank's drop box.

- Make sure the updated deposit records log with the correct year of 2023 is converted in order to match up and coincide with the data that reflects the accurate deposit ticket date, amount emailed to collections and validated ticket date, and discard the one located by the auditor showing 2024.
- Be sure to carefully analyze each written check before allowing customers entry to dispose materials. Would like to mention it was a good catch on the part of the supervisor, Tracy Toler and her staff.

Internal Audit would like to thank the staff at the Landfill for their cooperation during the course of this review. We request a written response by February 26, 2024. If you have any questions or comments, please call us at 373-2203.



Arnie Brown
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 Landfill Scale House



SOLID WASTE & RECYCLING

DATE: March 1, 2024

TO: Internal Audit Division

FROM: Chris Marriott, Interim Director of Solid Waste & Recycling

Subject: Environmental Services –Landfill
Change Fund Review
Response to letter dated February 12, 2024

The Solid Waste & Recycling Department appreciates the chance to respond to your findings in your February 12, 2024 letter. I apologize for the delay in our response to your letter.

In response to the findings and recommendations of the Landfill Change Fund Review, Solid Waste and Recycling agrees with the compliance review audit, findings, and recommendations for the landfill operation audit and approve of this report.

The Department thanks the Internal Audit Division for their time and diligence in keeping up the Department in compliance with applicable laws, regulations and City policy.

Sincerely,

Chris Marriott
Interim Director
Solid Waste & Recycling



DATE: March 4, 2024
TO: Chris Marriott, Interim Director of Solid Waste and Recycling
FROM: Internal Audit Division
SUBJECT: Environmental Services - Landfill Change Fund Review

The Internal Audit Division has reviewed your response to the Solid Waste and Recycling – Environmental Landfill Change Fund Review. We find the response sufficient and no further action is required. We would again like to thank the staff of the Solid Waste and Recycling - Environmental Landfill management 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.

Arnie Brown
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 Landfill Scale House