

Kevin W. Harper CPA & Associates

The Seven Deadly Sins: Controls over Cash Collections

February 22, 2018





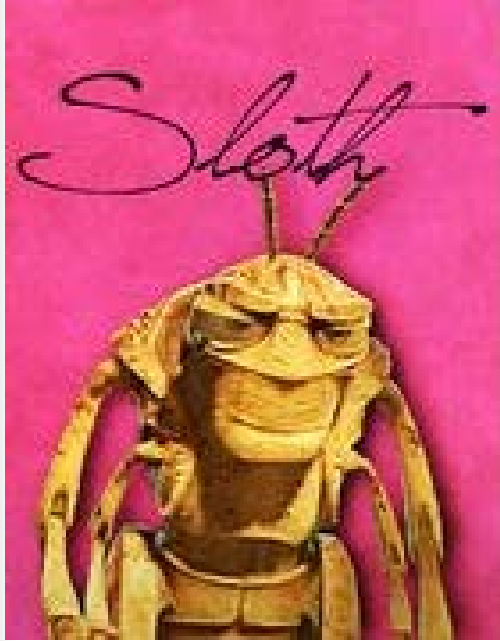


Background

Alternative collection methods reduce risk of cash theft (but increase risk in other areas):

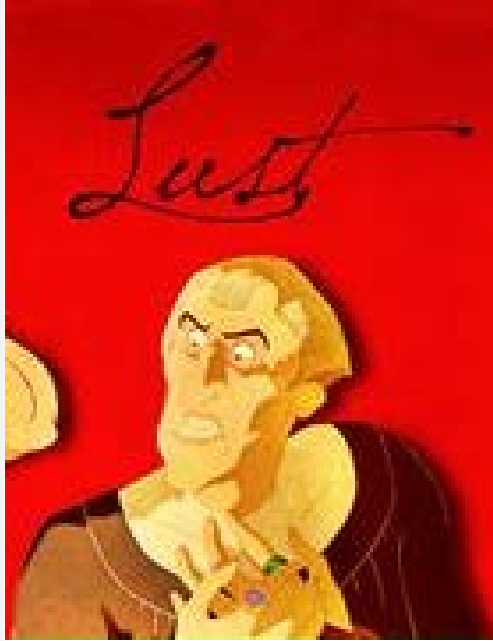
- Credit/debit cards
- ACH transactions
- Wire transfers

Cash will always be subject to "shrinkage"



DEADLY SIN #1

**Lack of Responsible
Environment**



DEADLY SIN #2

**Failure to Perform
Complete and Timely
Bank Reconciliations**

CASH RECONCILIATION

SEPTEMBER 30. 2016

Prepared by KWH 1/30/17

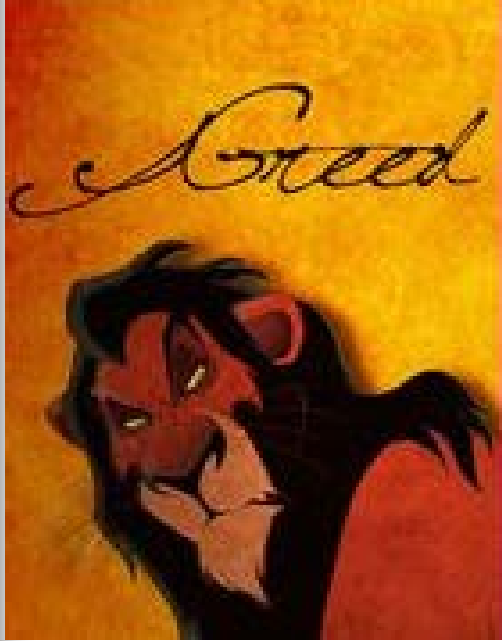
Reviewed by

Book balance at September 30			\$500,000
Add outstanding checks:			
3663	8/3/15	\$240	
4007	9/11/16	50	
4010	9/28/16	300	
4011	9/30/16	<u>80</u>	670
Less deposit in transit 9/29/16			(1000)
Add chk#3552 recorded wrong amt			10
Less auto payment to PGE 9/1/16			(110)
Less bank service fees			(20)
Unexplained difference			<u>40</u>
Bank balance at September 30			\$499,590



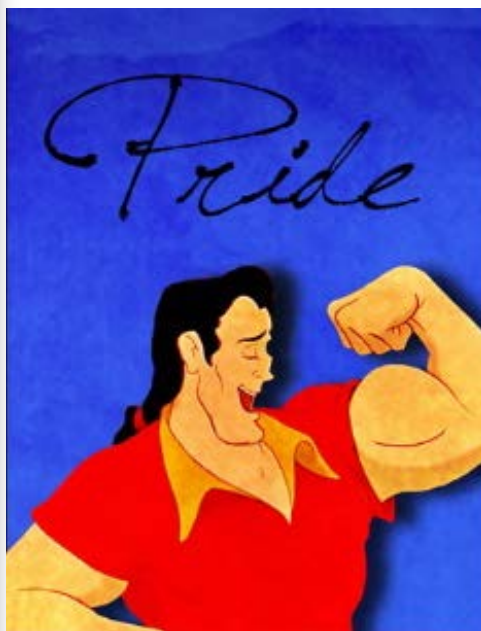
DEADLY SIN #3

**Lack of Accountability
for Cash**



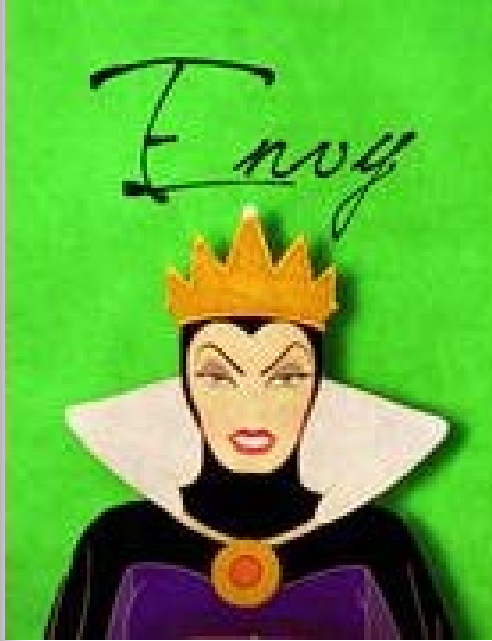
DEADLY SIN #4

**Failure to Make
Deposits Intact**



DEADLY SIN #5

**Failure to Immediately
Prepare the Initial
Accounting Record**



DEADLY SIN #6

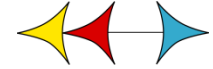
**Lack of Immediate
Restrictive
Endorsement of Checks**

Glattony



DEADLY SIN #7

**Inadequate
Segregation of Billing
Duties**



Questions and Answers

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