

**Salt Lake County Auditor's Office**

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September 28, 2001

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Leslie Workman  
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**RE: Household Hazardous Waste Cash Collection**

Dear Leslie,

As per our phone conversation on August 15, 2001, we have visited the HHW located at the landfill. We conducted interviews with some of the staff and observed cash handling procedures.

In mid-August, customers bringing their household hazardous waste to the facility would go through the scale house and tell the operator they had household hazardous waste. The customer would be given a ticket and they would drive to the HHW facility. At the HHW, the items were weighed and the payment was received by whichever employee was available. Checks were made out to Oynx.

When payments were received, the cash was taken and placed in a metal clipboard along with a copy of the receipt. The customer had to sign the receipt acknowledging that he or she is a "*conditionally exempt small quantity generator*". The customer then left.

It has been proposed, that all cash receipting be handled at the scale house. Although this would make the HHW staff's job easier, there are some problems with this option. The customer would have to wait in line at the scale house, tell the scale house attendant they need to drop off HHW, and then drive to the HHW building. Once at the HHW area, the waste would be unloaded and weighed. Then the customer would have to return to the scale house, wait in line, and pay their outstanding balance. Logistically, this appears to be an inconvenience for the customer. In addition, because of how the landfill is set-up, once the customer drops off their waste, the customer is free to drive out of the landfill. Some mechanism would have to be put into place to ensure that the HHW customers would not drive away without returning to the scale house to pay.

One option that has been discussed is to have the customer leave a blank, signed check with the scale house attendant. Once the items are weighed at the HHW, the customer would return to the scale house to pay and to retrieve their open check. During busy times, going through the scale house line twice would be especially inconvenient. The scale house operators would have to deal with any disgruntled customers.

The customer would still have to sign a document attesting that they are a small quantity hazardous waste generator. This paperwork would have to be done at the HHW.

As of August 30, 2001, procedures have changed at the HHW. Currently, small quantity waste producers can only drop off items on Thursdays. There is an Oynx employee who comes to the HHW every Thursday to receive payment from these small quantity generators. The cost to the County to have this individual on-site is \$35.00 an hour. The Oynx employee is put to work when he is not handling payments from customers. The Oynx employee prepares a deposit before he leaves on Thursday. The deposit is taken to the scale house and dropped off in their drop safe. Brinks takes the deposit with the landfill pickup. The money is deposited directly into an Oynx bank account.

Currently, all cash that is received from the small quantity generators, is given to the Oynx employee. This is true even when the items that are collected will ultimately be hauled away by the second vendor, Safety Clean.

We recommend that a change be made to the current procedures at the HHW. The practice of having an Oynx employee on-site to collect cash is costly to the County. In addition, small quantity generators are inconvenienced by only being allowed to drop off hazardous waste on Thursdays. We recommend that County employees collect the payments. This could be done at the HHW site or negotiations could be made to collect the cash at the scale house.

When we visited the HHW facility, we did not conduct a formal cash handling review, however, we noted some internal control weakness in the cash handling area. If cash is to be collected at the HHW facility by County employees, these improvements should be made:

- 1) Improve security over cash/checks that are received – Currently, a metal clipboard is used to hold receipts. This clipboard could be picked up by anyone in the area. When County employees were collecting the payments, practice was to receipt money until the clipboard was full and then take the money to the cashbox located in the trailer at the HHW site. At times, there could be a large amount of cash and/or checks in the clipboard. According to one HHW employee, daily receipts can range from a high of \$5,000 to a low of \$50.

Countywide policy # 1062, Section 2.3.1.2 list guidelines for cash handling equipment. These guidelines are as follows:

- “If total cash receipts are less than \$150 per day or less than fifty transactions, a secure cashbox may be adequate.”
- “If total cash receipts are from \$250 to \$1,000 per day an off-line register with a locking cash drawer that produces a detail tape and double receipt tape is recommended.”
- “If total cash receipts exceed \$1,000 per day, an on-line register . . . . is recommended”

Based on the fact that there are less than 50 transactions done per day, the HHW is in compliance with these guidelines. However, the funds need to be secure. A cash register would improve the security of the funds received. A cash register would provide a set location where the funds are kept. This would also eliminate the need for calculators.

Another alternative would be to obtain a drop safe and have it located at the HHW site. A drop safe would work well in this situation because there is no change fund for the HHW; customers are required to pay with a check or with exact change. Whichever, employee receives the payment could drop the money directly into the safe. There would be no problems with multiple employees accessing one cash drawer.

If management does not feel that a cash register or a drop safe is cost effective, some efforts need to be made to secure the clipboard.

- 2) Several employees have access to the cashbox – A cashbox is kept in the trailer at the HHW site. Three HHW employees have access to the box. By having multiple people using one cashbox, there is a lack of control over the funds kept in the box. If cash were ever lost or stolen, there would be no way of assigning responsibility for the loss. Ideally, access to a cashbox should be limited to one individual. If this practice is not possible, restrict access to as few employees as possible.

A drop safe would eliminate this internal control weakness. Each employee could drop funds in the safe as needed without accessing funds that were dropped earlier in the day by other employees. The combination or key should be limited to one individual.

- 3) Trailer unlocked during day. The trailer located at the HHW is left unlocked during business hours. The cashbox is kept in a desk drawer. The drawer has a lock, but it is not used. Funds that are kept in the trailer must be secured. The cashbox should be locked in the desk when not in use and/or the trailer should be kept locked when employees leave throughout the day.

The second option would be to collect the HHW payments at the scale house. The fiscal manager at the scale house stated that it would be possible to enter a limited number of codes into their computer system to enable the scale house operators to enter the HHW payments. Terms would have to be agreed upon as to how to transfer the funds from the Landfill, to the Health Department. The landfill's fiscal manager also wants to receive assurance from the Department of Environmental Quality (DEQ) of the State of Utah, stating that the Landfill would still be in compliance with their operating permit if they accepted HHW payments.

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It is essential that the funds received are kept secure and that the County is receiving proper credit for these funds. Both of the above mentioned methods, collection at the HHW or collection at the scale house, could be used to accomplish these objectives without incurring the expense of paying an Oynx employee to be on-site for cash collection.

If you have any questions, feel free to contact Kaylene Eldridge in our office at 468-3787.

Sincerely,

James Wightman, CPA  
Director, Audit Division