

A Principle is...

an established mode of action
or operation

a general truth

a guide

is not...

a person you dreaded as
an adolescent

a rule that cannot be broken
*(as long as you have a
compensating control and/
or understand and accept
the risk)*



10 Cash Handling Principles



Jerry E. Abramson, Mayor
Louisville Metro Council

The Office of Internal Audit
provides independent, objective
assurance and consulting services
that add value to and improve
Louisville Metro operations.

Office of Internal Audit

10 Principles



1

Clearly establish responsibility and accountability among the staff.

Everyone should know who does what, when, where, and why. This reduces the risk of tasks not being completed and ensures that staff can be held responsible for their work.

“It’s my job!”

2

Whenever custody of cash changes between two people, it should be verified in the presence of both people.

“What do you mean \$500 is not there. I gave it to you!”

3

Good record keeping.

Maintain reliable and accurate records.

All customers are treated fairly by charging the correct amount.

Everyone is clear about who did what, for how much and when it happened.

4

Receipts should be issued for every transactions.

Encourage clients to obtain a receipt and observe cash register totals by posting signs near/around the counter.

“STOP please take a receipt.”

5

Segregate duties or responsibilities among staff to provide checks and balances.

Separate the record-keeping custody, and reconciliation functions.

No one employee should handle a transaction from beginning to end.

6

Centralize the receipt of cash as much as possible.

Access to cash drawers should be limited to one individual. This helps ensure accountability.

“The till is short. Does anyone know why?”

7

Complete tasks involving money as soon as possible.

Record receipts immediately.

Endorse all checks immediately upon receipt.

Deposit cash receipts intact on the same day.

8

Secure Storage

Ensure that the location and access to blank receipts, checks, deposits in transit, cash drawers, safes and cash registers are restricted to authorized personnel.

9

Regular and independent reviews by Supervisors.

Voids, reversals and corrections should be approved by Supervisors.

Surprise cash counts.

Walkabouts of premises.

Fraud awareness training.

10

All staff have role in ensuring principles are followed.

Everyone needs to help ensure procedures are followed, errors are corrected, and unlawful behavior is reported.

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