



Cobb County...Expect the Best!

INTERNAL AUDIT DEPARTMENT

Report Number: 2019-002

***FINAL Letter Report – Evaluation of the Record
Retention Methodology of Cashier Register Tape Rolls
at the Senior Services Neighborhood Centers***

March 06, 2019

(revised March 13, 2019)

***Latona Thomas, CPA, Director
Michelle Swaby, CPA (inactive), PT Senior Auditor
David Murry, Staff Auditor II***

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COBB COUNTY INTERNAL AUDIT

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Director

March 06, 2019
(revised March 13, 2019)

TO: Rob Hosack, County Manager

FROM: Latona Thomas, CPA, Director

SUBJECT: FINAL Letter Report– Evaluation of the Record Retention Methodology of Cashier Register Tape Rolls at the Services Neighborhood Centers

Attached for your review and comments is the subject final report. The overall objective of this consulting project was to determine whether the practice of retaining the cashier register tape rolls, generated from cash receipts at the Cobb County Senior Services Neighborhood Centers, can be eliminated and the information retained electronically.

Impact on the Governance of Cobb County

The recommendations, when implemented, will improve the efficiency and effectiveness of the records management/retention process within the Senior Services Department (Senior Services). The corrective actions taken, based on the findings, will provide assurance that the Senior Services has taken proactive steps to improve the efficiency and effectiveness of its records management/retention process.

Executive Summary

We found that the retention of the cash register tape rolls is redundant and can be eliminated. We also determined that the existing paper copies of cash receipts can be converted to an electronic record retention process. In addition, we noted another area of improvement that would increase the efficiency of Senior Services' cash receipting process.

Recommendations

We made three recommendations to address the weaknesses in record retention methodology. Recommendations will address the redundancy in maintaining the cash register tape rolls, and inefficiencies in maintaining documents in paper form. For specific recommendations, see the 'Results of Consulting Services' section of this report beginning on Page 2.

Response (revised March 13, 2019)

The Interim Senior Services Director provided a response to our draft report and concurred with each of the three recommendations. The complete response to the draft report are included in Appendix II. We will perform a follow-up on corrective actions in six months from the date of this report. A copy of this report will be distributed to those affected by the report recommendations. Please contact me at (770) 528-2559 if you have questions or Michelle Swaby, at (770) 528-2642.

Cc: William Tanks, Agency Director, Public Services
Sande Panichi, Interim Director, Senior Services

Background

Cobb Senior Services (Senior Services) is a department of Cobb County Government, that is staffed by both full-time and part-time employees, as well as community volunteers. Senior Services provides an array of services through the operation of eight Senior Centers which include five Multipurpose Centers, two Neighborhood Centers, and one Wellness Center. Senior Services' role is to assist clients¹ in their efforts to remain independent through affordable transportation, nutrition, recreation, education, socialization and in-home services. Funding for these services comes through federal grants, state and county funds, fees, and donations.

Cash receipt transactions are processed at all eight senior centers. The Wellness and the Multipurpose Centers use CivicRec² to process customer transactions, and the two Neighborhood Centers use manual cash registers. Both the Wellness and Multipurpose Centers accept cash, checks, money orders, and credit cards as payment methods via CivicRec; while the Neighborhood Centers accept cash, checks, and money orders only. The record retention process for cash receipt transactions varies across the senior centers, but each are manually maintained.

¹ Older adults age 55 and up, varies by type of service, program, and/or center.

² CivicRec is a cloud-based Recreation Management Software that is utilized by Senior Services to process customer registration and payment transactions.

Results of Consulting Services

At the request of the Interim Senior Services Department leadership team, we evaluated the methodology of retaining the cashier register tape rolls, generated from cash receipts at the Cobb County Senior Services Neighborhood Centers. We conducted interviews with key personnel and performed limited on-site observations of the cash receipt retention process at the Marietta location Neighborhood and Wellness Centers. We noted concerns about whether inefficiencies exist in the method of retaining and storing cash register tape rolls when transactions are processed at the Neighborhood Centers.

We found that the retention of the cash register tape rolls is redundant and can be eliminated. We also determined that the existing paper copies of cash receipts can be converted to an electronic record retention process. In addition, we noted another area of improvement that would increase the efficiency of Senior Services' cash receipting process.

Eliminate the Cash Register Tape Rolls and Explore the Use of an Electronic Record Retention Process

The Retention of Cash Register Tape Rolls is Redundant

The retention of the cash register tape rolls as a part of the cash receipt process is redundant and can be eliminated. Each cash register receipt for transactions processed at the Neighborhood Centers is copied and retained with supporting documents (i.e. the customer donation form³ and a copy of the customer payment method⁴). This referenced cash register receipt and supporting documents are then retained to track transactions by customer, type of activity, date, and amount in the event of future discrepancies. The cash register tape roll is a duplicate of the receipt retained with the supporting documents. As such, the retention of the cash register tape rolls is not needed and can be eliminated. An efficient record retention process involves the elimination of redundant procedures, the duplication of records, and the wastage of time and effort in maintaining them. The absence of a streamlined and systematic approach of record retention resulted in this inefficiency in the records management process. The inefficient use of County resources increases the risk of indirect financial losses by the County.

Recommendation

The Interim Senior Services Director or designee should:

Recommendation 1: Ensure that the cash register tape rolls are disposed of upon completion. The disposal of the cash register tape rolls should be done properly and in accordance with the County's policies/procedures for records disposal/destruction. Any changes in the cash register tape roll maintenance and destructions should be adequately documented, effectively communicated, and periodically monitored for adherence.

³ This Donation Form is completed by the customer, it includes information such as the customer's name, month, type, and cost of activities.

⁴ Applicable for cash receipt payments by check or money order.

Auditee Response: Senior Services concurs with Recommendation 1 and will dispose of cash register rolls in accordance with the County's policies/procedures for records disposal/destruction. Senior Services Program Specialist will work in conjunction with Records Management to ensure compliance with a projected completion date of April 5, 2019.

Cash Receipts and Supporting Documents are Retained Inefficiently

Cash receipts and the supporting documents at the Neighborhood Centers are being retained manually versus the County's electronic content management system, OnBase⁵, or another electronic database. An efficient electronic record retention methodology allows for records to be maintained in a manner that is easily retrievable, adequately backed up, and utilizes minimal logistics and man-hour resources. Not storing the records electronically using OnBase or another electronic method is inconsistent with the County's initiative and best business practices involving the storage of records. Maintaining documents in paper form also increases the need for additional storage space, in addition to the man-hours needed to retrieve and research the documents to resolve discrepancies.

Recommendation

The Interim Senior Services Director or designee should:

Recommendation 2: Perform an assessment of the Senior Services Department's process for storing records and ensure that all records are uploaded and retained in OnBase or another electronic database. Additional actions should include, but not be limited to:

- Ensure that the electronic record retention process is streamlined and performed consistently across the Senior Services Department.
- Coordinate with Information Services (IS) to establish how to adequately ensure that the documents with sensitive information are to be stored in OnBase or another electronic database.
- Perform onsite training to ensure that new procedures are clearly understood.
- Document and communicate policies and procedures regarding the implementation of the new requirement for electronic record retention.
- Perform periodic follow up actions to ensure that the newly established procedures are being adhered to.

Auditee Response: Senior Services concurs with Recommendation 2 and storage of records will be uploaded and retained in the CivicRec database. Senior Services Senior Program Specialist and Senior Services Grants Coordinator are responsible for corrective action. Projected completion date of April 5, 2019.

⁵ OnBase is an enterprise information platform which is used by the County to centralize its records retained electronically in one secure location, to enable the effective and efficient organization, storage and retrieval of documents.

Other Area of Improvement to be Considered

Explore the use of CivicRec throughout the Department

We noted inconsistencies in the point-of-sale mechanism/system used in the cash receipting process. Based on interviews and direct observation, the two Neighborhood Centers use a manual cash register process, while the Wellness and the Multipurpose Centers use the CivicRec registration and payment system. Processes, such as the collection of cash, that are similar in nature throughout a department or agency should be executed using the same cash receipting process and system, if possible. The consistent use of CivicRec being utilized throughout Senior Services could potentially increase the efficiency of processing cash receipt transactions; expand the functionality to accept credit cards as a payment method; reduce the need for storage space and man-hours needed to retrieve documentation; increase the monitoring capacity of transactions; and increase the ability to implement performance measures.

Recommendation

The Interim Senior Services Director or designee should:

Recommendation 3: Perform a cost benefit analysis on the implementation of CivicRec throughout the Senior Services Department in all areas where cash receipt transactions are processed. The cost benefit analysis should include, but not be limited to a comparison of the cost of hardware, licenses, maintenance and operating costs; the benefit of direct and indirect man-hours and storage cost reduction; the impact on the accuracy of transactions processed, the level of improved safety controls in cash held; and the potential consistency across the entire Senior Services centers.

Auditee Response: Senior Services concurs with Recommendation 3. Senior Services Senior Project Specialist is responsible for corrective action with a projected completion date of April 5, 2019.

Outcome Measure

This appendix presents detailed information on the measurable impact that our recommended corrective actions will have on County governance. This benefit will be incorporated into our annual report to the Board of Commissioners, Audit Committee, and County Manager.

Type and Value of Outcome Measure:

- Efficient Use of Resources – Actual; Recommendations, when implemented, will increase cost savings due to a reduction in logistics and man-hours used to organize and store information. (See Pages 2-4)

Methodology Used to Measure the Reported Benefit:

We found that changes to the Senior Services' record retention process, to include an electronic method of storing records, will reduce cost of logistics and man-hours used to organize and store information and result in indirect cost savings. Pending the results of the cost-benefit analysis, the implementation of CivicRec throughout the Senior Services Department may also result in a more efficient use of resources.

Auditee's Response



COBB COUNTY SENIOR SERVICES DEPARTMENT

P.O. Box 649
Marietta, Georgia 30061-0649
770.528.5366

DATE: February 20, 2019

TO: Latona Thomas, CPA, Director, Internal Audit

FROM: Sandee Panichi, Interim Director, Senior Services 

SUBJECT: **DRAFT Letter Report**– Evaluation of the Record Retention Methodology of Cashier Register Tape Rolls at the Senior Services Neighborhood Centers

Three recommendations were made and our response to those recommendations are below.

Recommendations

The Interim Senior Services Director or designee should:

Recommendation 1: Ensure that the cash register tape rolls are disposed of upon completion. The disposal of the cash register rolls should be done properly and in accordance with the County's policies/procedures for records disposal/destruction. Any changes in the cash register roll maintenance and destructions should be adequately documented, effectively communicated, and periodically monitored for adherence.

Response: [State: Concur, Disagree, or Concur with Alternate Solution]

Senior Services concurs with Recommendation 1 and will dispose of cash register rolls in accordance with the County's policies/procedures for records disposal/destruction. Senior Services Senior Program Specialist will work in conjunction with Records Management to ensure compliance with a projected completion date of April 5, 2019.

Recommendation 2: Perform an assessment of the Senior Services Department's process for storing records and ensure that all records are uploaded and retained in OnBase or another electronic database. Additional actions should include, but not be limited to:

- Ensure that the electronic record retention process is streamlined and performed consistently across the Senior Services Department.
- Coordinate with Information Services (IS) to establish how to adequately ensure that the documents with sensitive information are to be stored in OnBase or another electronic database.
- Perform onsite training to ensure that new procedures are clearly understood.

- Document and communicate policies and procedures regarding the implementation of the new requirement for electronic record retention.
- Perform periodic follow up actions to ensure that the newly established procedures are being adhered to.

Response: [State: *Concur, Disagree, or Concur with Alternate Solution*]

Senior Services concurs with Recommendation 2 and storage of records will be uploaded and retained in the Civic Rec database. Senior Services Senior Program Specialist and Senior Services Grants Coordinator are responsible for corrective action. Projected completion date of April 5, 2019.

Recommendation 3: Perform a cost benefit analysis on the implementation of CivicRec throughout the Senior Services Department in all areas where cash receipt transactions are processed. The cost benefit analysis should include, but not be limited to a comparison of the cost of hardware, licenses, maintenance and operating costs; the benefit of direct and indirect man-hours and storage cost reduction; the impact on the accuracy of transactions processed, the level of improved safety controls in cash held; and the potential consistency across the entire Senior Services centers.

Response: [State: *Concur, Disagree, or Concur with Alternate Solution*]

Senior Services concurs with Recommendation 3. Senior Services Senior Project Specialist is responsible for corrective action with a projected completion date of April 5, 2019.