

# CITY OF SIOUX FALLS INTERNAL AUDIT

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## LANDFILL CASH HANDLING

**25-02**

*Audit Highlights*



# Background

- The Sioux Falls Regional Landfill plays a crucial role in the efficient and responsible handling of waste for Sioux Falls and the surrounding communities, serving a population of approximately 290,000 residents across five counties.
- Licensed waste haulers and residents bring loads through the scale house for disposal.
- The Landfill is an enterprise fund, and its fees generate revenues to fund the solid waste system.
- Customers enter through one of the various inbound lanes, dump their load, and exit through the outbound lane. Each lane has its own cash drawer and staff member to process transactions.
- The Landfill utilizes Paradigm software, which is an end-to-end weighing management solution. Elavon card readers are used for credit card payments.

# Objective and Scope

- The objective of this audit was to determine if cash collections are safeguarded, deposited in a timely manner, and accurately recorded.
- The audit scope included a review of current cash handling processes, a detailed review of a sample of deposit slips and supporting documentation, verifying physical security of cash, segregation of duties, reconciliation, and a review of policies and procedures.

# Methodology

- To test the effectiveness of internal controls over cash handling, we performed the following:
  - Reviewed Finance's Billing, Cash Receipts, and Collection policy and the Landfill's Standard Operating Procedures
  - Conducted on-site observation of access and security
  - Observed cash handling processes for compliance with policy and procedures
  - Interviewed key personnel involved
  - Analyzed a sample of prepared deposit slips and reviewed supporting documentation
  - Observed reconciliation process performed by Finance
  - Discussed refund and adjustment process

# Opportunity for Improvement

- A random sample of deposit slips and supplemental reports were selected for detailed testing. All reviewed deposit slips were filled out accurately and matched the corresponding Paradigm reports and reconciliation spreadsheet.
- However, none of the deposit slips reviewed included the name or ID of the employee who filled out the slip and made the deposit. There is an opportunity to increase transparency and accountability in the process of filling out deposit slips.

# Recommendations & Response

- We recommend employees start writing their name or employee ID on deposit slips to increase transparency on who is filling slips out and making the deposits. We also recommend adding this step to the Scale House Standard Operating Procedure.
- *Management's Response: "Management agrees with the recommendations suggested. Employee names are now required on each nightly deposit slip, and the SOP was updated with this additional step. These changes were made and implemented as of October 10th, 2025."*

# Conclusion

- Based upon our review of the Landfill cash handling processes, it was determined that cash assets are securely stored and deposited in a timely and accurate manner.
- Several internal controls are in place to ensure the safekeeping of cash.
- Areas of success include the documented reconciliation process with Finance, a secure facility with badge readers and surveillance cameras, and individually assigned cash drawers and Paradigm profiles.
- The recommendations we provided will ensure more transparency in determining which staff members are filling out deposit slips and making the bank deposit.
- We'd like to thank Landfill and Finance staff for their assistance provided during this audit.