



OFFICE OF INSPECTOR GENERAL PALM BEACH COUNTY

John A. Carey
Inspector General

TIPS AND TRENDS #2017-0001
JUNE 2017



Inspector General
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Employee Theft in Cash Transactions: Don't be naïve. It does happen, but you can help prevent it.

Yes, it Happens Here in Palm Beach County

A recent Office of Inspector General (OIG) report described how a local government employee stole at least \$27,575. The scheme involved a government employee pocketing cash from collected fees and deleting, altering, or recreating accounting records. The illegal activity had gone on undetected by the entity for over three years. The person was a long tenured and trusted employee, now unemployed, and we referred the case to the Office of the State Attorney.

The point is that while most government employees are ethical, conscientious public servants, a few "bad apples" can have a devastating effect by stealing our taxpayers' dollars, damaging organizations' reputations, and weakening public trust. There are ways to help prevent cash thefts that we recommend.

Implement Internal Controls

Simply put, internal controls are measures put in place to accomplish goals, ensure compliance with laws and regulations, safeguard assets, and promote efficiency and effectiveness. A few of the most basic internal controls are:

Separation of duties: No single person should have control over the entire cash process. Different people should receive and deposit cash, record payments, or reconcile cash receipts. The "two-person rule" tries to avoid having one person alone handling cash.

Access controls: Access to physical and financial assets and information, as well as, the accounting systems, should be restricted to authorized employees.

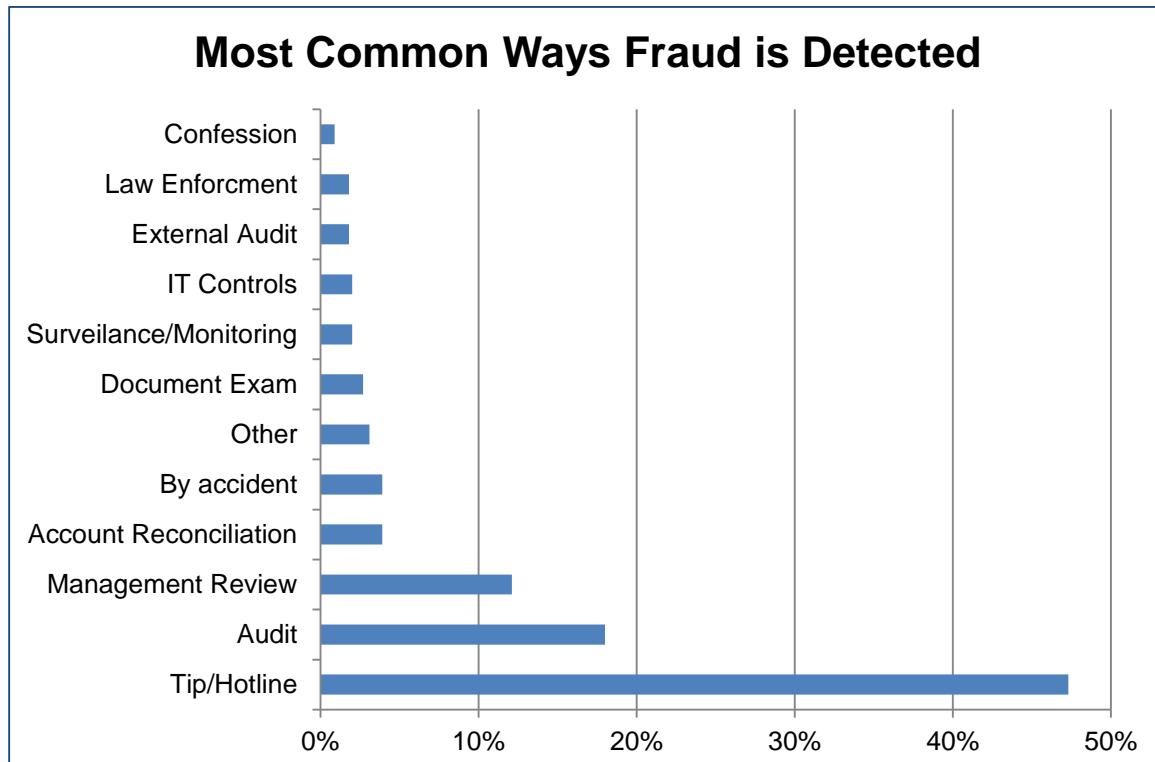
Authorization controls: Develop and implement policies prescribing how cash transactions are received, recorded, and reviewed.

Supervisory oversight: Supervisors should be involved and aware. Scheduled and unscheduled audits should be conducted.

"Enhancing Public Trust in Government"

Education/Awareness: Employees should be informed on pertinent policies, procedures, internal controls, and fraud awareness. Your OIG can assist in awareness training.

OIG Hotline: The most common fraud detections come from tips. We recommend that you post the OIG Hotline (we can supply posters, brochures, and cards) and maintain an environment where employees are encouraged to see themselves as the guardians of taxpayer dollars and the stewards of public trust. With this comes the civic obligation to report suspected fraud, waste, and abuse.



Source: Association of Certified Fraud Examiner's Report to the Nations on Occupational Fraud and Abuse

Protect our taxpayers' dollars. Report suspected fraud, waste, and abuse.

