

What is a surprise cash count?

A surprise cash count is an unannounced inspection of cash on hand, typically conducted to verify that the amount of physical cash matches the recorded amounts in the accounting records. It is used as a control measure to:

- Deter theft or fraud by keeping staff aware that their cash handling may be checked at any time
- Ensure proper cash handling procedures are being followed
- Identify discrepancies early so they can be investigated and corrected



What is the purpose of a surprise cash count?



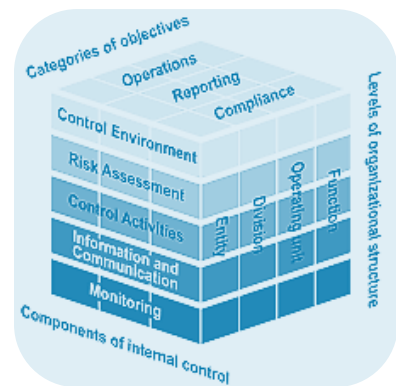
The purpose of a surprise cash count is to uphold and reinforce principles of transparency, accountability, and fiscal responsibility.

This activity is conducted quarterly at random locations and supports the County's commitment to responsible financial management by ensuring public funds are handled carefully and in line with established rules. Through this work, the Office of the County Auditor (OCA) seeks to build and maintain public trust in the County's financial operations.

What is internal control?

The policies, procedures, and systems used to safeguard assets (e.g., prevent theft or misuse), ensure accurate and reliable reporting, promote compliance with laws, rules, and internal policies, and support efficient and effective operations.

The Government Accountability Office Green Book provides a framework for designing, implementing, and operating effective internal control. It is built on 5 components and 17 principles that support accountability, transparency, and the achievement of organizational goals.



1. **Control Environment.** Sets the foundation with leadership ethics and clearly assigns responsibilities.
2. **Risk Assessment.** Identifies and analyzes risks to achieving objectives.
3. **Control Activities.** Policies and procedures that help mitigate risks.
4. **Information and Communication.** Ensures that quality information flows both internally and externally to support informed decision-making.
5. **Monitoring.** Involves regular evaluations to verify controls are functioning and to address deficiencies.

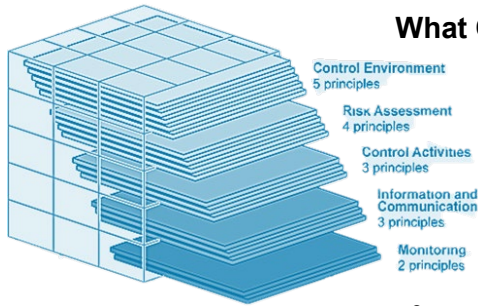
What OCA did.

On May 13, 2025, we conducted a surprise cash count of the Summer Fun Program operated by the Department of Parks and Recreation at the Kekuakalani Gym-Park Complex, located at 5500 Kuakini Highway, Kailua-Kona, HI.



Our procedures included:

- Site visit and verification of supporting documentation
- Reviewed various policies and procedures, including *Rule 14: Rules Relating to Summer Fun and Other Recreation Youth Program* and *Cash Handling Policies and Procedures for User Fees, Pavilion Reservation Fees, and Camping Fees Recreation Division Handling of Cash, Checks, and Credit Card Payments*
- Assessed compliance with Finance Memorandum 24-04, dated June 12, 2024, requiring cash deposits and treasury receipts within two working days
- Interviewed staff to assess their understanding of and compliance with applicable County policies and procedures



What OCA Found.

The Kekuakalani Gym-Park Complex excels in many ways. These include:

- Cash on hand during the surprise cash count matched recorded amounts, reflecting accurate handling and reconciliation practices
- Written policies are reviewed regularly, and updates are shared with staff in a timely manner
- Cash handling procedures are designed to minimize on-site storage, emphasizing safeguarding practices
 - On rare occasions, a check collected after the cut-off is secured under lock and key
- An appointment-based registration system supports organized and controlled transactions
- Endorsement procedures support proper check processing
- Receipts are issued in consecutive order, securely stored, and properly maintained, demonstrating good recordkeeping practices
- Voided receipts are retained to ensure proper recordkeeping
- Deposits are made daily to reduce the risk of loss or theft
- A supervisor verifies deposit records
- No exceptions or concerns were identified during the review

We commend P&R's Kekuakalani Gym-Park Complex for implementing internal controls over its cash handling processes.