

Cash and Teller Operations - Night Drop & Mail

Review key and combination assignments relative to the night depository function for proper segregation and distribution. Are the following met?

- Two employees are present during the opening and removal of night depository contents.
- No one person has both the key and the knowledge of the combination to the night depository safe.
- Access to the night depository safe is limited to appropriate personnel.
- Access to the receptacle which holds bag keys is limited to a minimum number of employees.

For each night deposit bag in the vault, determine the following:

- The night deposit bag was recorded in the log.
- A night deposit contract is on file and is completed properly.
- The contract lists the authorized signers and bag numbers.
- The individual picking up the night deposit bag was authorized per the contract.
- The customer's account was properly credited.
- Ensure both employees check for evidence of a trapping device.
- Does the log contain the date the night drop was opened, total number of transaction envelopes in the box (or none if no envelopes were in the box), and a list of each envelope containing the account number, cash and checks total?
- Check for any note of irregularities or discrepancies on the log.
- If there is a discrepancy is the customer contacted prior to the processing of the deposit?
- Determine whether proper custody and control of night depository contents are maintained for all unverified deposits.
- Are all deposits verified prior to leaving the vault area?

If not - all unverified deposits must be under dual control until processed.

Night depository custodians should not be subject to interruptions or distractions during the verification process that could violate double-custody requirements.

Determine that all uncontracted night deposit bags and all keys to bags are maintained under dual control.

If there were no night deposit bags in the vault, further testing should be completed by reviewing the bags listed in the night deposit log for one or two more days prior to the audit date.

Review the log sheets for the three month prior to the audit date to determine the following:

- Log sheets are properly completed on a daily basis.
- Log sheets are signed by two employees

Plus:

- Are night deposit duties rotated regularly? If not, are the deposits rotated so that one person does not always open the same customer's bag?
- Is all opening of night depository contents and related processing accomplished before regular business hours?
- Is all incoming mail that is not specifically addressed to anyone opened under dual control?
- If mail is not immediately opened and processed, are the contents maintained under dual control at all times?
- Are deposit and/or payment receipts provided to each customer?