



SALT LAKE COUNTY AUDITOR'S OFFICE
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**CELEBRATING OUR
SESQUICENTENNIAL
150 YEARS OF SERVICE
1852-2002**

August 1, 2003

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Dear Glen:

We recently conducted an audit at the Liberty Park Pool, that included an unannounced count of the change fund, and procedures to review the accuracy and integrity of cash collections and depositing. The authorized \$50 change fund balanced to its limit during our count. Most of the designated cash handling controls were in place. We also examined controlled assets, to determine whether these were properly accounted for and recorded.

At this point, we would like to suggest that the shabby appearance of the cashier's booth, both inside and out, did not fit with the recent renovations to the pool itself. The booth appearance detracts from the aesthetics of that environment. We question whether the County or City wants that image at a setting as popular as Liberty Park.

CASH HANDLING

While conducting the cash count, we reviewed all the controls that should be in place for receiving and controlling patron receipts. The Sportsman program was being used for recording cash transactions, the cashier had the forms on hand to account for the funds received, and she was aware of the proper cashiering procedures, including handling of collections, counting and balancing.

There is a drop safe on the premises and after each shift the funds are placed in the safe, then retrieved by fiscal personnel from Fairmont for deposit preparation the following morning. In spite of the generally adequate cash handling procedures, we note the following areas that need improvement:

! The one check that was in the cash box at the time of the count had not been restrictively endorsed.

! For one day, a small shortage shown on a cashier's balance sheet was not withheld from the daily deposit.

The one check that was in the cash box at the time of the count had not been restrictively endorsed. The only negative note regarding the cash handling at the site was that the only check that had been received and still in the cash box had not been endorsed. The endorsement stamp was available under the cashier counter, and was in usable condition.

When questioned, the cashier acknowledged that she was supposed to have stamped the check at the time of receipt. If a loss of funds occurs after funds are in possession of the County, restrictively endorsed checks are then safe from illegal endorsement. Countywide Policy #1062, "Management of Public Funds," Section 3.6.1 states, "*All checks and other negotiable instruments received by the agency Cashier should be restrictively endorsed immediately up receipt using the agency's approved endorsement stamp.*"

RECOMMENDATION:

We recommend that all cashiers be made aware of the importance of restrictively endorsing checks as soon as they are received.

For one day, a small shortage shown on a cashier's balance sheet was not withheld from the daily deposit. The shortage was only 25¢ for the day, however all persons who prepare bank deposits need to understand and remember that shortages in agency receipts are to be withheld from the deposit rather than the change funds, in order to keep the change funds at authorized levels. Policy 1062, Section 5.2, states, "*...Shortages will be withheld from the deposit to maintain the change fund at the authorized level.*"

RECOMMENDATION:

We recommend that all persons who prepare bank deposits be reminded of the requirement to short the deposits when cashier shortages occur, rather than reducing the change funds below their authorized level.

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CONTROLLED ASSETS

We secured a list of the controlled assets located at the Liberty Park pool. The list format was in compliance with Countywide Policy and generally correct. Since there are so few accountable assets located there, we conducted a 100 percent physical inventory and based on the list we found the following:

! A few differences existed between controlled assets listed and controlled assets observed.

A few differences existed between controlled assets listed and controlled assets observed. There were five lane lines rather than the four on the list, three pool vacuums rather than the one listed, and one computer was described as a monitor. The property manager told us that the lane lines had just been miss-counted when the last inventory was conducted and the two unlisted pool vacuums may belong to the City. He would have to verify that, so we E-mailed the descriptions to him for that purpose.

RECOMMENDATION:

We recommend that all assets be controlled and accounted for as required by Countywide Policy.

In closing, we express appreciation to the staff at both the Liberty Park Pool and Fairmont Aquatic Center for the cooperation and assistance they gave us during our audit. We trust that our work will be of benefit to you as you endeavor to make changes that will strengthen internal controls over these processes. If we can be of further assistance to you in this regard please feel free to call.

Sincerely,

James B. Wightman, CPA
Director, Internal Audit Division

cc: Paul Ross
Pamela Boyles
Gene McIntyre