

Salt Lake County Auditor's Office
Craig B. Sorensen, *AUDITOR*



November 27, 2002

David L. Beck
Chief Deputy

Larry W. Richardson
Salt Lake County Treasurer
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Dear Larry:

We have completed an unannounced count of cash on hand in the cashiering areas and vault of the Treasurer's Office and found that it materially matched the authorized change fund amount. We reviewed the office procedures and records for receipting, depositing and controls in place to determine whether Countywide Policy 1062, *Management of Public Funds*, is followed. In addition, we reviewed controls over fixed and controlled assets and the petty cash fund.

Your office is to be commended for the efforts and controls in place regarding the protection of County funds, that set a standard for the County, such as the collection accountant's reviews of deposits the day following to assure they are correct and match cashier deposit records. Your daily review of check-cash composition, courier logs, and the cashier deposit records, insure that any errors are determined immediately. Each month the head cashier and another person complete a vault count, and the accounting section performs a monthly unannounced cash count and a vault count every two weeks. Over/short logs are prepared each day and reviewed at month's end.

At the time of our unannounced count we found a cashier was short \$19.00. Management was already aware of the shortage because of controls and reviews in place, and the problem had been addressed. The review process pinpointed the cashier shortage the day following its occurrence, and the reason for it was determined as an over deposit of funds. We sampled deposit documentation from 36 separate days over the previous year, and found consistent balancing procedures, and minimum overages and shortages.

The petty cash fund was in balance, and properly controlled. The fund balanced to the authorized amount, and all vouchers were complete with the required signatures, consecutive numbers, and receipts attached. All expenses met policies 1062 and 1203 standards, and all of the amounts expended were within authorized amounts.

FIXED AND CONTROLLED ASSETS

To determine if fixed and controlled assets are adequately controlled and accounted for, we evaluated compliance with Countywide Policy 1125, *Safeguarding Property/Assets*, and Countywide Policy 1100, *Surplus Property Disposition/Transfer/Internal Sale*.

Larry W. Richardson

November 27, 2002

Page 2

A fixed asset is an item of real or personal property owned by the County, meeting the criteria for capitalization, having an estimated life expectancy of more than one year and a cost equal to or greater than the existing capitalization rate, which is currently \$5,000. A controlled asset is a personal property item having a cost of \$100 or greater, but less than the current capitalization rate, *and* (emphasis added) which are *sensitive to conversion* to personal use. Personal communication equipment such as pagers, cell phones, and radios regardless of cost are considered to be controlled assets.

We obtained a fixed assets report, AFIN 0801, showing Treasurer = s Office fixed assets, and with the assistance of your property manager located each of those items.

In addition, we obtained from the Treasurer = s Office property manager, a copy of the controlled assets list. From that list we chose a sample of items to locate and were able to locate all of our sample items. We also reviewed the processes and records of asset management controls. While records and controls are generally in place we did find that:

! Individually assigned items are not being controlled as required.

Individually assigned items are not being controlled as required. A cell phone and lap top computers assigned to individuals are not being controlled per Countywide policy. County wide Policy 1125, section 4.3 states **A** The Property Manager shall maintain records to manage controlled assets using the following forms (or forms that contain substantially the same information) and procedures. @Section 4.3.1 **A** Exhibit 3 - >Controlled Assets Inventory Form - Employee = is used for those assets which, due to their nature, are used by (and therefore readily assignable to)an individual. @These assets had not been assigned to any one employee by completing this form.

RECOMMENDATION:

We recommend that individually assigned items be controlled by completing the “Controlled Assets Inventory Form Employee.”

In closing, we would like to express appreciation to the Treasurer’s Office staff for the cooperation and timely assistance which they gave our auditor. We trust that our work will be of benefit to you. If you have any questions, please contact me.

Sincerely,

James B. Wightman CPA
Director, Internal Audit Division