



**SALT LAKE COUNTY AUDITOR'S OFFICE**  
**CRAIG B. SORENSEN, AUDITOR**

CELEBRATING OUR  
**SESQUICENTENNIAL**  
150 YEARS OF SERVICE  
**1852-2002**

**DAVID L. BECK**  
CHIEF DEPUTY

August 21, 2003

SALT LAKE COUNTY  
GOVERNMENT  
CENTER  
2001 S. STATE STREET  
SUITE N3300  
SALT LAKE CITY  
UTAH 84190-1100  
TELL (801) 468-3381  
FAX (801) 468-3296

Glen Lu, Director  
Parks and Recreation Division  
2001 South State Street #S4400  
Salt Lake City, Utah 84190

RE: Mill Creek Canyon Cash Audit.

Dear Glen:

We recently completed an unannounced count of the change fund at the Mill Creek Canyon admissions booth. At the same time, we examined receipts from operations, and audited the booth's cash handling processes, and controlled assets. The booth is in place at the mouth of Mill Creek Canyon to collect a \$2.25 fee from each car entering the canyon. Parks and Recreation personnel collect and deposit the fees, and the U.S. Forest Service receives a portion of the revenue based on an operating agreement with the County.

### **CASH COUNT**

The booth's authorized change fund of \$200 was divided into three components in three separate locations, \$50 in the cash register, another \$50 in a deposit bag in the safe, and the remaining \$100 in the Parks office safe at 3383 South 300 East. Our count of collections balanced to the Z tape report run for us at the time of our audit, and the \$50 portion of the change fund was intact and balanced to its designated limit. During our cash count we became aware of the following two findings:

- **A small unauthorized change fund was being maintained at the booth.**
- **The \$100 portion of the change fund at the Parks Operation's office was not being used.**

**A small unauthorized change fund was being maintained at the booth.** Cashiers maintain a small coin tray by the cash register, which contained \$3.54 in dimes, nickels and pennies at the time of our count, all stacked by denomination. When the booth gets busy, the tray is convenient for dispensing change to customers.

The cashiers like the little tray because it is easy to get to. It is a good and workable idea, in that the coins are all in line, easily counted and accessed quickly. Nevertheless it is not authorized and probably has been established through an accumulation of cash overages. Countywide Policy # 1062, "Management of Public Funds," Section 2.5.5 states "Any overage in the accounts of an Agency Cashier will be deposited in the appropriate fund through the normal process of regular depositing..." Section 3.7.3.2 states, "Change funds should be counted, restored to the established imprest balance..."

As an alternative, funds in the tray could be apportioned from the change fund. In accordance with County policy, a deposit should be made one time for the amount of the coin balance, and the tray can be filled from the authorized fund according to the wishes of the division staff and administration.

**RECOMMENDATION:**

***We recommend that coin tray change be deposited in the bank account and replenished from the authorized change fund in accordance with the desire of Parks staff and administration.***

**The \$100 portion of the change fund at the Parks Operation's office is not being used.** Idle funds are more susceptible to theft, therefore the \$100 or any portion thereof not deemed useful should be returned to the Auditor's Office. The \$100 was in an envelope as a single \$100 bill. A single bill could easily be stolen without its loss be recognized for some time.

**RECOMMENDATION:**

***We recommend that the dormant \$100 portion of the change fund in the Parks office safe be turned in to the Auditor's Office if no purpose for its existence can be substantiated.***

## **CASH HANDLING**

We reviewed a sample of deposits for the period September 2002 through June 2003 and compared individual cashier balance sheets with transmittal records, bank deposit slips, and Z tape reports. We found that for each of the sample days examined, amounts among these various records for each day agreed with one another.

Generally speaking, good cashiering controls were in place, in that checks were restrictively endorsed as soon as received and shift balance sheets were prepared and signed by the cashiers. We note here that at the time of our cash count the cashier on duty was very busy and handled the traffic and our untimely interruption with ease and amenable efficiency. However, we note the following finding in the area of cash handling:

- **Cash overs/shorts in the deposit were improperly adjusted to force the deposit amount to equal the cash register tape total.**

**Cash overs/shorts in the deposit were improperly adjusted to force the deposit amount to equal the cash register tape total.** From our review of 44 randomly selected deposits, we noticed that overs and shorts did not exist, suggesting that the unauthorized change fund in the coin tray mentioned in the previous section was used to even out these differences. Balance sheet totals in all cases examined matched the amount deposited.

While the best of intentions may have been used in carrying out this procedure, it is nevertheless contrary to sound cash handling practice and Policy 1062, Section 2.5.3, which states, "*All overages and shortages, regardless of the amount must be recorded daily on MPF form 10 CASH OVER/SHORT LOG.*" Section 5.2 states, "Any overages will be deposited into the agency's depository account...*Shortages will be withheld from the deposit to maintain the change fund at the authorized level...*"

Overs and shorts should be recognized as they occur by adjusting the amount deposited and recording the difference in an over/short log.

## **RECOMMENDATION:**

***We recommend that deposits be adjusted to reflect any occurrence of cash overs or shorts, and that the corresponding amount be recorded in an over/short log.***

Glen Lu, Director  
August 21, 2003  
Page 4

## **CONTROLLED ASSETS**

The only controlled asset was the cash register in the booth. We contacted the office property manager concerning the control and listing of the register and he confirmed that the asset had just been purchased and stated that as soon as the tag is received from the Division property manager the item would be listed.

In closing, we would like to express appreciation to the Parks staff for the cooperation and timely assistance which they gave our auditor. 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  
Thora Bell  
Meridee Syme