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SALT LAKE COUNTY AUDITOR'S OFFICE

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February 25, 2004

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Shauna O'Neil
Salt Lake County Aging Services
2001 South State Street #S1500
Salt Lake City, Utah 84190

RE: Theft of County Funds at Aging Services

Dear Shauna:

The Audit Division was recently notified of a theft of County funds at Aging Services. The theft occurred in the Senior Employment Program. Aging Services obtained bus passes from the Public Works Department Trip Reduction Committee to sell to Title V clients in the Senior Employment Program. Bus passes cost \$20.00 each and were sold for approximately two weeks each month. A caseworker in the program collected money from the clients who wanted to purchase bus passes and prepared receipts for the amounts paid. A prenumbered, three-part receipt book was used for the receipting and a log was kept of each bus pass sold. The bus pass log, cash collected, and any unsold bus passes were returned to the Public Works Department each month at the end of the sales cycle.

Aging Services provided bus passes at no cost to some indigent Title V clients who were new to the program and financially unable to purchase bus passes. Tosh Roberts, a caseworker in the Senior Employment Program, obtained funds from petty cash for any bus passes which were provided at no cost to clients. Tosh prepared a receipt indicating the name of the client and the amount needed to pay for the bus pass. The receipt was given to the Petty Cash Custodian to obtain petty cash funds.

We reviewed the records pertaining to bus pass purchases and found that the record keeping was sloppy and there was little supervision over the process. We examined the bus pass logs and found that receipt numbers were missing. In addition, the numbering sequence of the receipts used changed, indicating that numerous receipt books were used. Several of the receipts which were not included on

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the bus pass logs were used to obtain petty cash funds. Although Tosh received the petty cash funds, these receipts were not listed on the bus pass logs and bus passes had not been issued. Furthermore, there were several bus passes sold to Title V clients where cash was received from both the client and from the petty cash fund.

Total petty cash funds disbursed for bus passes during 2003 was \$600. Of that amount, receipts totaling \$180 could not be matched to the receipt numbers on the bus pass logs, indicating that petty cash funds were obtained, but not used to pay for bus passes. Instead, the funds were misappropriated by the caseworker.

Tosh was terminated and Aging Services has discontinued the practice of selling bus passes. Currently, clients who want to purchase bus passes must buy them from the Public Works Department. However, because new clients who are financially unable to purchase a bus pass can still obtain the pass at no cost, we discussed with the Program Manager of the Senior Employment Program the necessity of good internal controls and approvals for any bus passes which are paid for by Aging Services. We discussed that a written policy needs to be established which details when a client would not be required to pay for a bus pass and the approval process required before funds are transferred from Aging Services for payment of bus passes.

RECOMMENDATION:

We recommend that management in Aging Services establish a written policy to regulate the procedures regarding distribution of bus passes to Title V clients who are financially unable to purchase them.

We appreciate the cooperation and assistance we received from your staff during this review. If we can be of further assistance to you in this regard, please contact us.

Sincerely,

James B. Wightman, CPA
Director, Internal Audit Division

cc: Javaid Majid
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