



December 12, 2012

Peter Corroon, Mayor  
2001 S. State Street # N2100  
Salt Lake City, UT 84114-4575

**Re: Criminal Justice Services Audit**

Dear Mayor Corroon,

We recently completed a limited scope financial audit of Criminal Justice Services (CJS). Our audit included a review of the following areas:

- Cash Receipting and Depositing
- Imprest Checking and Petty Cash
- Capital and Controlled Assets

Audit criteria included Countywide Policy #1062, *Management of Public Funds*, Countywide Policy #1203, *Petty Cash and Other Imprest Funds* and Countywide Policy #1125, *Safeguarding Property/Assets*. Our work was designed to provide reasonable but not absolute assurance that internal controls were adequate, records were accurate and complete, and daily transactions were valid.

Since our audit included only a sample of items, there is a risk that we may not have discovered problems related to items not selected for review. In addition, not all areas of CJS operations were reviewed, including purchasing, travel reimbursements, and payroll.

Some minor observations were discussed with CJS personnel at the time of our audit and have not been included in this letter. More significant findings and recommendations are included below and can be found in the following sections: 1 ) Cash Receipting and Depositing, 2) Imprest Checking and Petty Cash, and 3) Capital and Controlled Assets. The CJS written response to our findings and recommendations can be seen in Appendix A.

*Deficient internal controls, primarily in the area of controlled assets, create opportunities for undetected thefts to occur. These opportunities will continue to exist until CJS establishes proper controls, either by implementing our recommendations or some equivalent control measures.*

**CASH RECEIPTING AND DEPOSITING**

CJS collects court mandated payments for probation, misdemeanor and felony drug court, Presentence reports, and other services. Payment is only accepted in the form of a money order or cashier's check.

When a client makes a payment, the client's "voucher" form is pulled. The voucher contains the client's name, program (probation, drug

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court, etc.), the amount owed, and the amount and date of each payment. The transaction is entered into the cash register and the register transaction number is written on the voucher and on the face of the check or money order. Therefore, each payment can be tied back to a specific client and clerk. In addition, a log is created of all transactions using Excel. At the end of the day, funds collected are reconciled to the register tape, client vouchers, and the log of transactions and a deposit is prepared.

We performed an unannounced count of collections on September 5, 2012. Total payments for the day were \$1,190 for 19 transactions. All cashier's checks or money orders had been restrictively endorsed, marked payable to the Salt Lake County Treasurer and contained a written cross reference to the register transaction number. The transaction amounts recorded on the client's voucher matched the cashier's check or money order. For one transaction an incorrect amount had been entered into the cash register. In the one exception, the clerk had entered a \$40 cashier's check into the register as \$20, causing a \$20 overage. When we pointed the variance out, the transaction was voided and re-entered for the correct amount.

Clients may be given a certificate for bus tokens by their case manager. The certificate includes the client's name, the case manager's approval, support staff approval, and the number of tokens granted. When a client presents a certificate, clerks use the "no-sale" function of the register to open the drawer and retrieve the tokens. The token certificate is stapled to the no-sale receipt and is used each day to reconcile the beginning token balance to the ending balance using a preprinted form.

We selected a random sample of 58 deposits from September 2011 through August 2012 for review, including documentation related to bus tokens issued to CJS clients. Our random sample of deposits included forms documenting 547 bus tokens issued to CJS clients, documented on 255 bus token certificates. All bus tokens issued were documented using a certificate and reconciled to the number of "no-sales" reflected on the register tape without exception. In addition, 99 percent of bus token certificates were filled out in full, including required signatures. Overall, we found deposits to be well documented and maintained in an orderly fashion. We commend CJS staff for these positive findings. We did note some areas for improvement and have the following findings:

- *No approving signature was found for 4 (8%) of the 51 daily deposit balance sheets examined, and for 5 (10%) out of 51 daily bus token reconciliations.*
- *Overages and shortages were not tracked by individual cashiers, and over/short logs were not always approved.*
- *Voided receipts were not marked void, and two void forms were not signed by a supervisor.*

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**No approving signature was found for 4 (8%) of the 51 deposit balance sheets examined, and for 5 (10%) out of 51 bus token reconciliations examined.** According to the Fiscal Manager, the Internal Services Manager typically performs this function once a month, reviewing and signing the previous month's deposits. We started our fieldwork during the first week of September. At that time no supervisory signatures were found on the Daily Balance Forms and Token Reconciliation Forms for August. August 2012 comprised seven of the 58 days sampled and is not included in the statistics cited above.

Overall there were four daily balance sheets prior to August in our random sample that did not contain a supervisory signature and five token reconciliation forms that did not contain a supervisory signature. Countywide Policy #1062, states in Section 4.2.2:

*The “master” balance sheet shall be reviewed and reconciled to the bank deposit slip, and signed by another employee designated by Agency Management; and if possible, by an individual with equal or higher authority than the individual who prepared the deposit*

When deposits are not reviewed by an independent party, errors are more likely to occur and the risk that resources will be misappropriated is increased.

**RECOMMENDATION:**

***We recommend that all Daily Balance forms and Token Reconciliation forms be reviewed and signed by a supervisor.***

**Overages and shortages were not tracked by individual cashier, and over/short logs were not always approved.** On one of the days sampled, the register report did not print correctly so collections could not be balanced. Overages occurred on three of the remaining days, one for \$7.60 and two for \$20 each. We were able to determine the cause of each overage. Two resulted from incorrectly performed voids and one resulted from a transaction entered into the register for the wrong amount. A void form is typically used to document the cause of overages and shortages and were filled out in full and signed by the clerk and a supervisor. The explanation on the void form was not always clear and could be improved so that an outside person, with no knowledge of the transaction could readily determine the cause of the variance without performing additional research.

We also reviewed over/short logs on file with the deposit documentation for each month in our random sample and found that three overages or shortages in excess of \$100 had occurred. The cumulative amount over or short by month can be seen in Table 1 below.

<b>Cumulative Overages and Shortages - by Month</b>		
<b>Month</b>	<b>Cumulative Amount Over/ (Short)</b>	<b>Number of days overage or shortage occurred</b>
<b>August</b>	\$ 136.10	4
<b>July</b>	\$ -	-
<b>June</b>	\$ 79.60	3
<b>May</b>	\$ 220.00	1
<b>April</b>	\$ -	-
<b>March</b>	\$ 39.80	2
<b>February</b>	\$ -	-
<b>January</b>	\$ 1,840.00	1
<b>December</b>	\$ (225.00)	1
<b>November</b>	\$ 30.00	1
<b>October</b>	\$ -	-
<b>September</b>	\$ (10.00)	2

**Table 1.** Variances between the amount collected and the amount entered into the register occurred in 8 out of 12 months reviewed.

We did not investigate each overage or shortage listed above, but we did investigate January's and found that several high dollar transactions had been erroneously voided. Void forms were attached to the deposit documentation. A review of documentation related to the \$225 shortage in December indicated that a clerk had entered a \$25 transaction as \$250.

Because each clerk uses the same register, the over/short log reflects the cumulative amount over or short for the day for all clerks. However, each transaction can be traced back to an individual clerk and the cashier's check or money order tendered. It is therefore possible for CJS to start tracking overages and shortages by clerk, in accordance with policy. Countywide Policy #1062, Section 2.5.3, states,

*All overages and shortages, regardless of the amount, must be recorded and reported daily by the agency on MPF Form [11], CASH OVER/SHORT LOG. When a significant shortage or a pattern of shortages occurs in the accounts of **any cashier**, the agency shall conduct an investigation of the circumstances and report its findings to the Auditor [emphasis added].*

MPF Form 11 provides an area for the cashier and the supervisor to initial the form. For 11 out of 12 over/short logs, the supervisor's signature line was left blank. Failure to track overages and shortages by clerk and to indicate supervisory review meant that patterns of overages and shortages among the clerks may be less apparent to management. Additional training may also not be provided and disciplinary actions may not be taken.

#### **RECOMMENDATIONS:**

- 1. We recommend that over/short logs be maintained for each clerk.*
- 2. We recommend that a supervisor review and sign each cashier's over/short log.*
- 3. We recommend that the explanation for over/shorts be improved so that an individual with no knowledge of the transaction can easily determine the cause.*

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**Voided receipts were not marked "void", and two void forms had not been signed by a supervisor.** Within our random sample of deposits there were 13 transactions that had been voided. All voided transactions were documented by a void form and the voided receipt had been attached to the void form. However, none of the voided receipts attached as documentation had been marked "void", in accordance with Countywide Policy #1062, Sections 3.7.1 and 3.7.2 which state:

*...The erroneous receipt shall be voided by writing "VOID" across the front of the receipt, and a new receipt reflecting the correct information will be issued.*

*All copies will be marked "VOID," including the customer copy, if available.*

In addition, for 2 (15%) of the 13 voided transactions, the void form had not been signed by a supervisor, indicating the transaction had been reviewed. Countywide Policy #1062, Section 3.7.3 states:

*A supervisor who was not involved with the transaction will review and sign one copy of the voided receipt.*

The improper handling of voids, including not obtaining the proper approvals, increases the risk that funds could be diverted to personal use.

**RECOMMENDATIONS:**

- 1. We recommend that when it is necessary to void a receipt, all copies be marked “void,” including the original (customer) copy, if available.*
- 2. We recommend that a supervisor, not involved in the transaction, sign all void forms.*

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**IMPREST CHECKING**

Criminal Justice Services maintains two imprest checking accounts, as shown in Table 2 below. One account is used for small dollar purchases related to day-to-day operations. A small portion of the account, less than \$200, is maintained in cash. The other imprest checking account is used exclusively to issue client refunds. Refunds are primarily the result of overpayment of fees.

<b>Criminal Justice Services: Imprest Accounts</b>	
<b>Account Type</b>	<b>Amount</b>
Imprest checking	\$1,500
Imprest checking refund account	\$1,225
<b>Total</b>	<b>\$1,725</b>

**Table 2.** *Criminal Justice Services maintains two imprest checking accounts*

We preformed an unannounced count of both accounts on September 5, 2012. Both accounts balanced to the amount on record without exception. Imprest checking account expenditures were each documented by a petty cash voucher that was filled out in full and signed by the recipient and custodian. All expenditures were accompanied by a matching receipt and no sales tax had been paid.

All refunds issued from the imprest checking refund account were documented by a refund form that was filled out in full and signed by the custodian and case manager. Each refund was accompanied by matching backup documenting the reason for the refund and the amount to be refunded.

In general, both accounts were well managed and maintained in a conscientious and orderly fashion. We commend CJS for these positive findings. We noted some areas for improvement and have the following findings.

- *Both imprest checking accounts were reconciled by the account custodians.*
- *The refund account checkbook was not properly safeguarded.*
- *Imprest checking funds were used to purchase a reward for CJS employees.*

**Both imprest checking accounts were reconciled by the account custodians.** CJS Fiscal Manager is the operational imprest checking account custodian and the Office Specialist is the refund imprest account custodian. Both accounts are reconciled each month by the respective custodian. They also reviewed each other's reconciliation and documented the review with a signature. Countywide Policy #1203, Section 5.1.3:

*In the case of Imprest Checking/Operating Accounts, the account's bank statement balance shall be reconciled at least monthly by an employee designated by Agency Management, who is not the Custodian.*

Bank reconciliations should be performed by an independent party to protect funds against misuse.

**RECOMMENDATION:**

***We recommend that imprest checking account bank reconciliations be performed by an employee designated by Agency Management, who is not the custodian.***

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**The refund account checkbook was not properly safeguarded.** The checkbook for the imprest checking refund account was kept in a drawer in the front desk area and was accessible to the front desk staff. In the interest of customer service, several employees had the ability to issue a refund and sign the check, if the custodian was not available. Countywide Policy #1203, Section 4.2, states:

*Cash on hand, bank statements, and checks must be retained in a secure location as prescribed by Countywide Policy #1062, Management of Public Funds.*

CJS has recently changed procedures, and the custodian is the only employee authorized to issue refunds.

**RECOMMENDATION:**

***We recommend that the checkbook be kept in a secure location that is accessible to only the custodian.***

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**Imprest checking funds were used to purchase a reward for CJS employees.** The imprest checking account was used to purchase chocolates for front desk staff in honor of administrative assistant's day. Countywide Policy #1203 Section 10.4.1, states,

*Items purchased to reward, compensate, or express sympathy to a County employee, employee's family members, or volunteer shall not be paid for using a Petty Cash or other Imprest Fund.*

**RECOMMENDATION:**

***We recommend that the imprest checking account not be used to purchase rewards for staff.***

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## **CAPITAL AND CONTROLLED ASSETS**

Our objective for this part of the audit was to evaluate the adequacy of internal controls over County capital and controlled assets, including compliance with Countywide Policy #1125, "Safeguarding Property/Assets." A capital asset is defined as 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 capitalization rate, currently \$5,000. A controlled asset is a personal property item, which is easily converted to personal use, having a cost of \$100 or greater, but less than the current capitalization threshold.

CJS Fiscal Manager is the current property manager, but has delegated responsibility for managing assets to the Personal Computer Technician (Technician). CJS's current Technician has been with the agency since December 2011. The inventory and controlled asset records reviewed during our audit were primarily the result of work performed by the prior Technician. While duties may be delegated, the Property Manager remains ultimately responsible for management of County property.

CJS provided a controlled asset database with 787 assets, including computers, printers, laptops monitors, kitchen equipment, camera's, recorders, etc. We noted that the make, model, and serial number was listed for 97 percent of controlled assets in the database. In addition, with one exception, assets observed at CJS during the audit had a controlled asset inventory tag attached. We commend CJS for implementing these controls. However, we noted several areas for improvement and have the following findings:

- *The 2011 controlled asset inventory did not include all areas of CJS.*
- *Thirteen controlled assets (19%) could not be located.*
- *Eight controlled assets (12%) were listed at the wrong location and 13 (19%) had been surplus.*

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**The 2011 controlled asset inventory did not include all areas of CJS.** CJS performed a controlled asset inventory in August 2011. Form Controlled Assets – Employee was on file and had been signed and dated by CJS employees. Unfortunately, the inventory did not include all areas of CJS, including assets awaiting surplus that were being stored in the garage.

Countywide Policy #1125, *Safeguarding Property/Assets*, Section 2.2.11, states,

*At least annually, conduct physical inventory of fixed assets and controlled assets, to ensure **complete accountability for all property owned by, or assigned to the organization [emphasis added].***

When all assets are not included in the annual inventory, accountability is not established, records are less accurate and assets are more susceptible to conversion to personal use

### **RECOMMENDATIONS:**

1. *We recommend that CJS conduct a full controlled asset inventory, including items awaiting surplus.*

**2. We recommend that all items inventoried be documented and signed for using Controlled Asset Inventory Form – Organization and Controlled Asset Inventory Form – Employee.**

**Thirteen controlled assets (19%) could not be located.** We selected a random sample of 67 controlled assets and were able to locate or verify the disposition of 54 (81%). 41 assets were found onsite and 13 were located on a PM-2. We were not able to locate the remaining 13 assets, seen in Table 3, below.

Missing Controlled Assets		
	Asset Description	Serial Numbers
1.	Monitor Dell: Monitor Dell	CN0N199J728728AG00WS
2.	FS-1320D Kyocera Printer: FS-1320D Kyocera Printer	Q620604349
3.	760 Optiplex Dell Desktop: 760 Optiplex Dell Desktop	5B8KQH1 11563443973
4.	Monitor Dell: Monitor Dell	CN0Y42997161857ICA5X
5.	GX520 Optiplex Dell Desktop: GX520 Optiplex Dell Desktop	1WSCB81
6.	Monitor Dell: Monitor Dell	CN0Y42997161857KCAM8
7.	GX520 Optiplex Dell Desktop: GX520 Optiplex Dell Desktop	J8V2B81
8.	111 HP IPAQ PDA: 111 HP IPAQ PDA	3CC939OPFB
9.	GX260 Optiplex Dell Desktop: GX260 Optiplex Dell Desktop	5D4N021
10.	Monitor Dell: Monitor Dell	MY08G1574760328MBZJJ
11.	Monitor Dell: Monitor Dell	MX0X37824760554PBFZY
12.	Monitor Dell: Monitor Dell	MX0X378247605515B01W
13.	Monitor Dell: Monitor Dell	MX0X378247605515B021

**Table 3.** Criminal Justice Services was unable to account for 13 out of 67 sampled controlled assets.

Ten of the 13 assets were listed as being located in “surplus” or the “garage”—an area used to store assets prior to disposal. As mentioned previously, not all areas of CJS, including the garage, were included in the 2011 annual inventory. The make and model for computers listed indicated older models from 2002 to 2005. The Dell 760 Optiplex Desktop model came out in 2008.

CJS staff indicated the assets may have been surplused, but they do not have copies of the PM-2s. They stated that a copy of the PM-2 has not always been sent back to CJS by the receiving agency (County surplus or another County agency).

Countywide Policy #1125, Section 2.2.3, under property manager’s duties, states,

*Maintain records as to the current physical location of all fixed assets and controlled assets within the organization's operational and/or physical custody.*

Mayor’s Office Financial Administration-Accounting, *Accounting Policies and Procedures*, addresses the proper procedure for missing capital assets. Section 5.0, Subsection 5.1, Paragraph 5, states,

*Form PM-2, 'Salt Lake County Personal Property Transfer/Disposal/Internal Sale Form,' is to be completed for all types of transfers, including, Unaccounted or/Destroyed/Junked/Lost/Stolen assets.*

The policy does not specify the procedure for missing controlled assets, however, most organizations use Form PM-2 to document controlled asset removal as well.

When assets are not tracked from purchase to ultimate disposal, thefts of assets are more likely to occur and remain undetected. If the results of our random sample are extrapolated to the entire population, an estimated 152 controlled assets would be unaccounted for.

**RECOMMENDATIONS:**

- 1. We recommend that the missing controlled assets be removed from the controlled asset database and be documented on a Form PM-2.**
- 2. We recommend that CJS keep copies of all PM-2s on file and follow-up if the receiving agency does not send a signed copy of the Form PM-2 back.**

**Eight assets (12%) were listed at the wrong location and 13 (19%) had been previously surplused.** In the course of our fieldwork, we noted assets that were listed in the wrong location. Assets listed in the wrong location can be seen in Table 4, below.

<b>Assets Listed Under the Wrong Location</b>		
	<b>Asset Description</b>	<b>Serial Numbers</b>
1.	ICD-P620 Sony DVR: Sony Digital Voice Recorder	1413440
2.	760 Optiplex Dell Desktop: 760 Optiplex Dell Desktop	FH6CQH1 33690331909
3.	Monitor Dell: Monitor Dell	CN0N199J728728AG0NRS
4.	760 Optiplex Dell Desktop: 760 Optiplex Dell Desktop	7H6CQH1 16276073221
5.	B4600 OKI Printer: B4600 OKI Printer	BB84006153A0
6.	ip90v Canon Mobile Printer: ip90v Canon Mobile Printer	HFKA87527
7.	Monitor Dell: Monitor Dell	CN0N199J728728AG00YS
8.	Dell Monitor	

**Table 4.** *Eight assets were listed at the wrong location.*

In addition, 12 assets were included on a PM-2 dated November 6, 2009, and one asset was included on a PM-2 dated April 2, 2009, documenting the assets' removal at that time. Assets previously surplusd can be seen in Table 5, on page 10.

<b>Assets That Had Been Previously Surplused</b>		
	<b>Asset Description</b>	<b>Serial Numbers</b>
1.	GX520 Optiplex Dell Desktop: GX520 Optiplex Dell Desktop	3TSCB81
2.	Monitor Dell: Monitor Dell	CN0Y42997161857KCAUA
3.	GX520 Optiplex Dell Desktop: GX520 Optiplex Dell Desktop	487CB81
4.	GX520 Optiplex Dell Desktop: GX520 Optiplex Dell Desktop	777CB81
5.	Monitor Dell: Monitor Dell	CN0Y42997161857ICA0N
6.	GX520 Optiplex Dell Desktop: GX520 Optiplex Dell Desktop	HSSCB81
7.	GX520 Optiplex Dell Desktop: GX520 Optiplex Dell Desktop	1SSCB81
8.	Monitor Dell: Monitor Dell	CN0Y42997161857KCAM7
9.	GX520 Optiplex Dell Desktop: GX520 Optiplex Dell Desktop	DF7CB81
10.	Monitor Dell: Monitor Dell	CN0Y42997161857KC686
11.	Monitor Dell: Monitor Dell	MY08G1574760328MBXNK
12.	Monitor Dell: Monitor Dell	MX0X3782476054BTBSVK
13.	760 Optiplex Dell Desktop: 760 Optiplex Dell Desktop	5X6RPH1 12890665909

**Table 5.** *Thirteen of the 26 missing assets were listed on a PM-2 dated November 6, 2009*

Countywide Policy #1125, Section 2.2.3, under property manager’s duties, states,

*Maintain records as to **current** physical location of all fixed assets and controlled assets within the organization's operational and/or physical custody [emphasis added].*

If the results of our random sample are extrapolated to the entire population, an estimated 94 assets would be listed at the incorrect location and 152 would have been previously surplused. When assets are not listed at the correct location, employee accountability is not established, asset inventories are more difficult to perform and assets are more susceptible to conversion to personal use. The asset database should be updated when assets are surplused, by either removing the assets from the database, or by updating the asset record to reflect its status.

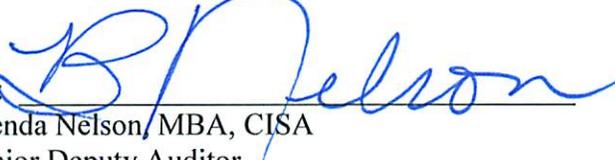
**RECOMMENDATIONS:**

- 1. We recommend that asset locations be updated, on an ongoing basis, to reflect the current location of assets.*
- 2. We recommend that CJS update the asset database whenever assets are surplused, by either removing the assets from the database, or by updating the asset record to reflect its current status.*

We appreciate the cooperation and assistance received from CJS staff during our audit. We are confident our work will be beneficial to you as you endeavor to make changes to strengthen internal controls. If we can be of further assistance to you, please contact us.

Sincerely,

Gregory P. Hawkins  
Salt Lake County Auditor

By:   
Brenda Nelson, MBA, CISA  
Senior Deputy Auditor

cc Jean Nielsen  
Gary Dalton  
Connie Young  
Donna Rackl  
Dominic Ruiz



## CRIMINAL JUSTICE SERVICES

### RESPONSE TO SEPTEMBER 2012 AUDIT

#### CASH RECEIPTING AND DEPOSITING

RECOMMENDATION: We recommend that all Daily Balance forms and Token Reconciliation forms be reviewed and signed by a supervisor.

RESPONSE:

Implemented 11/2012 - The Support Services supervisor will sign the Daily Balance forms on a regular basis, but at least weekly.

RECOMMENDATION:

1. We recommend that over-short logs be maintained for each clerk.
2. We recommend that a supervisor review and sign each cashier's over/short log.
3. We recommend that the explanation for over-shorts be improved so that an individual with no knowledge of the transaction can easily determine the cause.

RESPONSE:

Implementation 11/2012 - The Support Services supervisor will track daily overages and shortages by cashier and sign the monthly over/short log at the end of each month.

RECOMMENDATIONS:

1. We recommend that when it is necessary to void a receipt, all copies be marked "void," including the original (customer) copy, if available.
2. We recommend that a supervisor, not involved in the transaction, sign all void forms.

RESPONSE:

Implemented 11/2012 – Void slips will be filled out with better explanations as to the reasons for void, and originals and copies of receipts will be marked with "void" written on them. Supervisor signature will be on all void slips.

#### IMPREST CHECKING

RECOMMENDATION:

We recommend that imprest checking account bank reconciliations be performed by an employee designated by Agency Management, who is not the custodian.

RESPONSE:

Implemented 10/2012 - Both the Refund and Petty Cash Checking Accounts are now being reconciled by someone other than the custodians of the accounts.

RECOMMENDATION:

We recommend that the checkbook be kept in a secure location that is accessible to only the custodian.

**RESPONSE:**

Implemented 11/2012 - A locking file cabinet has been placed in the custodian's office to allow the refund checkbook to be secured and accessed only by the custodian.

**RECOMMENDATION:**

We recommend that the imprest checking account not be used to purchase rewards for staff.

**RESPONSE:**

Immediately implemented 09/2012 - Future purchases will not be made for staff rewards from Petty Cash.

**CAPITAL AND CONTROLLED ASSETS**

**RECOMMENDATIONS:**

1. We recommend that CJS conduct a full controlled asset inventory, including items awaiting surplus.
2. We recommend that all items inventoried be documented and signed for using Controlled Asset Inventory Form – Organization and Controlled Asset Inventory Form - Employee

**RESPONSE:**

We currently are using the Controlled Asset Inventory Form referred to in the recommendation, but several employees had not signed their individual lists. All employees responsible for controlled assets will sign their forms by 12/31/12, and changes will be updated immediately.

**RECOMMENDATION:**

1. We recommend that the missing controlled assets be removed from the controlled asset database and be documented on form PM-2.
2. We recommend that CJS keep copies of all PM-2s on file and follow-up if the receiving agency does not sent a signed copy of the Form PM-2.

Inventory began in September, 2012 to locate and/or document items that were listed as missing. Eleven of the 13 missing items were found in other locations or on transfer paperwork.

Missing controlled assets will be removed from the asset database and documented on PM-2s submitted to the Auditor's Office.

Future transfers of property to other divisions will be documented with signed transfer slips from the receiving organization, with follow-up, when necessary.

RECOMMENDATION:

1. We recommend that asset locations be updated, on an ongoing basis, to reflect the current location of assets.
2. We recommend that CJS update the asset database whenever assets are surplus, by either removing the assets from the database, or by updating the asset record to reflect its current status.

RESPONSE:

Beginning November, 2012, records that have been overlooked in the past have been updated, specifically items transferred to the garage for surplus. By 12/31/12, a complete inventory of all CJS controlled assets will be completed. A separate area in the garage will be designated for surplus or transfer controlled assets to help reduce errors on transfers.

A “team” has been established to insure that future asset movement will be tracked and recorded to reflect current locations.

We appreciate Brenda Nelson for the conscientious job in auditing at CJS. She has brought CJS the opportunity to improve some of our processes. Future follow-up will show that CJS is determined to correct inefficiencies and oversights to improve our operations and secure Salt Lake County assets.

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Connie Young, Fiscal Manager

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Date