

Salt Lake County Auditor's Office

Craig B. Sorensen, *AUDITOR*



David L. Beck
Chief Deputy

September 29, 2000

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Lee Gardner
Salt Lake County Assessor
2001 South State Street #N2300
Salt Lake City, Utah 84190

Dear Lee:

The Audit Division recently completed a review of fixed and controlled assets and of cash collection, receipting, and depositing functions in the Assessor's Office. Additionally, we examined the office's petty cash and change funds. Our review included examining cash handling procedures to determine whether Countywide Policy #1062, *Management of Public Funds*, and the Assessor's Office policies and procedures are followed. As part of our review of fixed and controlled assets, we determined whether the office was complying with Countywide policies.

While some controls are in place and working effectively, other areas need improvement. During our review we noted cash handling procedures which could be improved. In addition, improvements regarding controlled assets are needed. We found that:

- **Voided transactions are not handled in accordance with Countywide Policy #1067, *Management of Public Funds*.**
- **There are no over/short logs for the change funds.**
- **Accountability for controlled assets could be improved.**
- **Some controlled assets are not included on the list of assets.**

Voided transactions are not handled in accordance with Countywide Policy #1067, *Management of Public Funds*. The handling of voided transactions could be improved in the Assessor's Office. During our review, we noted that there were voided transactions on the majority of days examined; however, employees do not handle voided transactions in any special manner. Voided transactions were not signed by the person initiating the void. Also, a supervisor

or designee not involved with the transaction did not sign the voided receipts to indicate a review of the voided receipt. In addition, the reason for the void was not documented. Without a signature from a supervisor or designee, we cannot be sure if someone is reviewing and approving voids. When voided transactions are not reviewed, it appears that supervisors are not monitoring cashier performance. Also, when the reason for the void is not indicated on the receipt, it is difficult to determine why the transaction was voided.

According to Countywide Policy #1062, *Management of Public Funds*, when it is necessary to void a receipt, the cashier who initiated the void will document on the front of the receipt the reason for the void. A supervisor or designee not involved in the transaction will review and sign the voided receipt along with the cashier who initiated the void.

RECOMMENDATIONS:

1. ***We recommend that voided transactions be signed by the person initiating the void and a supervisor or designee not involved in the transactions, in accordance with Countywide Policy #1062, Management of Public Funds.***
2. ***We recommend that the reason for the void be documented on all voided transactions.***

There are no over/short logs for the change funds. When over/short logs are not maintained, there is not a running balance of the change funds recorded at the end of each day. The failure to use over/short logs deprives management of a key internal control and opportunity to review the performance of cashiers. Countywide Policy #1062, *Management of Public Funds*, and the Assessor's Office *Internal Cash Policies and Procedures*, requires that "over and short logs, along with a running balance, must be established and maintained for each change fund."

RECOMMENDATION:

We recommend that over/short logs, along with a running balance, be established and maintained for each change fund in accordance with Countywide Policy #1062, Management of Public Funds, and the Assessor's Office Internal Cash Policies and Procedures.

Accountability for controlled assets could be improved. The Assessor's Office is using an Excel spreadsheet to record controlled assets, but does not have hard copies for the employees to sign. The employees are listed on the spreadsheet by the controlled assets assigned to them. However, because the *Controlled Assets Inventory Form - Employee* is not used, the employees have not

signed forms indicating their accountability of the controlled assets assigned to them.. In addition, because the *Controlled Assets Inventory Form - Organization* is not used, the Property Manager has not signed the form indicating accountability for controlled assets not assigned to individual employees.

Countywide Policy #1125, *Safeguarding Property/Assets*, requires that “the Property Manager shall maintain records to manage controlled assets using the following forms (or forms that contain substantially the same information) and procedures.” 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. Exhibit 4 - “*Controlled Assets Inventory Form - Organization*” is used for property not readily assignable to an individual employee or which is shared by more than one employee. The “certification” on Exhibits 3 and 4 states that the employee (for assets assigned to employees) and the Property Manager (for assets not assigned to individual employees) are accountable for all property assigned to them.

During our review of controlled assets, we noticed several controlled assets which had been changed between employees. However, the Property Manager was unaware that the employees had changed the controlled assets which were assigned to them. Countywide Policy #1125, Section 4.1 states, “General accountability for controlled assets is the responsibility of each organization’s Property Manager; however, individual accountability rests with each employee assigned controlled assets.” The advantage of using the “*Controlled Asset Inventory Form - Employee*” is that it fixes accountability for equipment by requiring employees to sign the form indicating their acceptance of responsibility for the items they have been assigned.

RECOMMENDATIONS:

1. ***We recommend that the Property Manager have employees sign the “certification” portion of the “Controlled Asset Inventory Form - Employee” which states that they are accountable for the controlled assets assigned to them as required by Countywide Policy #1125, Safeguarding Property/Assets.***
2. ***We recommend that the Property Manager complete the “Controlled Assets Inventory Form - Organization” or a form that contains substantially the same information and sign the “certification” indicating accountability for controlled assets not assigned to individual employees as required by Countywide Policy #1125, Safeguarding Property/Assets.***

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Some controlled assets are not included on the list of assets. There are three printers located in the common area of the office for use by the office personnel. These printers are not assigned to individual employees. The printers are not listed on the Excel spreadsheet which the

Property Manager is using to record controlled assets; therefore, they are not inventoried and controlled as is required by Countywide Policy #1125, *Safeguarding Property/Assets* and are at risk of being misplaced. Countywide Policy #1125, *Safeguarding Property/Assets*, has a listing of assets considered to be sensitive to conversion to personal use. PC printers and peripherals (Commodity Code 15500) are listed as assets to be controlled under this policy. It is the Property Manager's duty to safeguard all property, subject to this policy, for which the organization has custodial responsibility.

ACTION TAKEN:

We discussed the situation with the Property Manager who has included the printers in the list of controlled assets.

We appreciate the cooperation we received at the Assessor's Office and the efforts of you and your staff to implement our audit recommendations. We hope our work will be of benefit to you. If you have any questions, please contact me.

Sincerely,

David L. Beck
Chief Deputy

cc: Paul J. "Pete" Lund
Kevin Jacob