

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



November 5, 2002

David L. Beck
Chief Deputy

Patti Pavey, M.S.
Executive Director
Salt Lake Valley Health Department
2001 South State Street S2500
Salt Lake City, Utah 84190

*Salt Lake County
Government Center
2001 S. State Street
Suite N2200
Salt Lake City
Utah 84190-1100
Tel (801) 468-3381
Fax (801)-468-3296*

Dear Patti:

The Audit Division recently completed an unannounced count of all the cash funds at the Environmental Health Services Division located at 788 Woodoak Lane. Included in the count was the change fund used in the receipting process, which is distributed to the four in-residence Bureaus—Air Pollution Control, Food Protection, Sanitation & Safety, and Water Quality & Hazardous Waste. We also counted and reviewed two imprest checking accounts and the petty cash account in the custody of Administration and Air Pollution Control. We also audited cash collection, receipting and depositing, as well as fixed and controlled assets.

CASH RECEIPTING AND DEPOSITING

We found the procedures generally well controlled and in conformance with Countywide Policy 1062, *Management of Public Funds*. However, we found some problems that need to be resolved.

- ! **The petty cash fund and imprest checking amounts assigned to the Air Pollution Control bureau need to be corrected with the Auditor's Office.**
- ! **Some petty cash vouchers reviewed from the Administration Office fund were not completed prior to cash being released.**
- ! **No independent party reviews and approves the head cashier's monthly over short log.**

The petty cash fund and imprest checking amounts assigned to the Air Pollution Control bureau need to be corrected with the Auditor's Office. According to the Auditor's Office Petty Cash Report for 2002 the fund designated as a petty cash fund shown to be in the amount of \$2,000, is in reality \$3,000, and the imprest checking account shown as \$3,000, is in fact \$2,000. (See copy of report, Attachment A.)

RECOMMENDATION:

We recommend that the authorized fund balances be corrected with the Auditor's Office.

No independent party reviews and approves the head cashier's monthly over short log. During the course of our review we noted thorough documentation of amounts deposited, and very few overages and shortages. The agency also consistently uses MPF Form 10 to track the number of overages and shortages experienced by each cashier on a monthly basis. However, we noted that the head cashier approves her own over short log. While a minor finding, Countywide Policy 1062, *Management of Public Funds*, Section 5.1 does state, "MPF Form 10 must be maintained and a copy signed by the immediate supervisor shall be attached to the Monthly Report of Cash Receipts that is sent to the Auditor's Office."

RECOMMENDATION:

We recommend that the head cashier's over short log be reviewed and signed by the next level of supervisor.

FIXED AND CONTROLLED ASSETS

To determine if fixed and controlled assets are adequately controlled and accounted for, we evaluated the degree of compliance with Countywide Policy 1125, *Safeguarding Property/Assets*, and Countywide Policy 1100, *Surplus Property Disposition/Transfer/Internal Sale*. A fixed asset is an item of real or personal property meeting the criteria for capitalization, having an estimated life expectancy of more than one year, and a cost equal to or greater than \$5,000. A controlled asset is an item of personal property, sensitive to conversion to personal use, and having a cost of \$100 or greater. We obtained copies of the controlled asset lists retained by each of the bureaus and administration, a comprehensive list from the property manager which reflected the most recent inventory count, and a list of fixed assets from the Auditor's Office.

We conducted a physical inventory of assets in each bureau. (See Attachment B.) In comparing the department lists to our inventory count, we found:

- ! **The individual bureau and administration controlled asset lists are dated 1996 and 1999. The Food Protection bureau could not locate a controlled asset list.**
- ! **Physical inventory counts were not performed during 2000 and 2001. A fixed asset inventory has not been submitted to the Auditor's Office since 1999.**
- ! **The comprehensive asset list provided by the property manager did not always reflect accurate information or enough information, such as serial numbers, to adequately identify individual items.**

- ! **Out of 309 controlled assets listed, 37 assets of record could not be located, 57 were tagged, but not of record and 54 assets were neither tagged nor of record.**
- ! **Some assets had been moved from their designated location. Some radios had been used for the Olympics and returned to different bureaus.**

The individual bureau and administration controlled asset lists are dated 1996 and 1999. The Food Protection bureau could not locate a controlled asset list. Each of the bureaus has a folder containing controlled asset records. According to the property manager each file should contain a list of assets for that division, including any new acquisitions, PM-2 forms for surplus or transferred assets, and a supply of controlled asset tags. The property manager also indicated that tracking of asset management, in recent years, has occurred centrally.

Centralized tracking may explain the failure on the part of the individual bureaus to properly maintain asset records. Many on-site managers seemed unaware of their responsibility to maintain the lists. The Food Protection bureau could not locate their folder; the Air Pollution Control folder contained a list of assets dated 1996; Water Quality, Sanitation, and Administration folders contained a list of assets dated 1999.

The centralized list maintained by the property manager, as discussed below, was found to contain several inaccuracies. This may indicate that the assignment of one Property Manager for such a large, diversified, and dispersed organization may be too formidable for adequate monitoring by one person.

RECOMMENDATION:

We recommend that onsite managers be provided with an updated list and that they assume primary responsibility for asset control and maintenance.

Physical inventory counts were not performed during 2000 and 2001. A fixed asset inventory has not been submitted to the Auditor's Office since 1999. Countywide Policy 1125 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." In response to our inquiries, the property manager indicated that an annual inventory had not been performed during 2000 or 2001—due to time and budget constraints. Summer help had been retained and a comprehensive count performed during June of 2002. The data generated constitutes the centralized list used during our audit and, as discussed below, was found to be questionable with regard to accuracy.

In addition, Section 2.2.11 also states, "After each annual inventory is complete, submit form (supplied by the Auditor) to the Auditor's Office acknowledging accountability for fixed assets as listed in LGFS 0801 'Fixed Asset Inventory by Organization.'" No fixed asset inventory was submitted during 2000 or 2001. In addition, the 2002 fixed asset summer inventory count was never submitted to the Auditor's Office.

RECOMMENDATION:

We recommend that annual inventories be conducted as required by County policy.

The comprehensive asset list provided by the property manager did not always reflect accurate information or enough information, such as serial numbers, to adequately identify individual items. Distinct serial numbers allow assets, that are otherwise identical, to be uniquely identified and controlled. Assets without serial numbers can be identified through model numbers or other unique information. We noted 137 items listed, such as computer monitors, which did not have individual serial numbers recorded.

In addition, the controlled asset tag numbers for several items appear to have been recorded incorrectly. We found several assets listed whose serial numbers matched assets on hand at environmental health, but whose tag numbers were slightly different. These tag numbers were usually off by only one digit. It appears that at some point during the recording process a data entry mistake had been made.

RECOMMENDATION:

- 1. We recommend that controlled asset lists be updated to reflect an accurate accounting of items on hand.*
- 2. We recommend that adequate information be recorded, including at least the following: purchase date, purchase amount, serial number, model number, description, location, tag number (if used), and if individually assigned, the individual's name.*

Out of 309 controlled assets listed, 37 assets of record could not be located, 57 were tagged, but not of record and 54 assets were neither tagged nor of record. We compared the inventory count that we conducted to the comprehensive lists secured from the property manager. Six computer processing units (CPU's) listed had been surplused in September, but not removed from the property managers list. In addition, ten items listed had been transferred to the property manager's office for future disposal. After adjusting for this, 37 out of 309, or approximately 12 percent, of the assets listed by the property manager could not be located at Environmental Health (See Attachment B).

We also found 57 controlled assets in our search, with tags that were numbered in sequence with items shown on the lists, but not on record. Other items we physically located were neither tagged nor on the department list (See Attachment C). Policy 1125, Section 2.2.8 states the property manager will "Coordinate with organization's Purchasing Clerk to ensure all newly acquired property is identified and accountability is appropriately established." While the total number of 'extra' assets found, that were not listed, well exceeds the number missing, a general lack of control over fixed and controlled assets is evidenced. The lack of accountability demonstrated puts assets at risk for being converted to personal use without detection.

In addition to the items noted above, we found that some fixed assets acquired since the last inventory that were not on record, including three automobiles used for undercover audits: a Ford LTD, a Chevrolet Blazer, and a Ford van Club Wagon XI.

RECOMMENDATION:

We recommend that all fixed and controlled assets be properly accounted for, that items disposed of be promptly removed from the asset lists and that new assets be accounted for as soon as they are acquired.

Some assets had been moved from their designated location. Some radios had been used for the Olympics and returned to different bureaus. In the course of our audit we found some assets had been transferred between bureaus or to other locations, including storage. A fixed asset Canon copier found in Sanitation & Safety was listed under Air Pollution Control. In addition, we noted six controlled assets, including three computer processing units (CPU's), two monitors and one typewriter in locations different than what they had been listed under.

Countywide policy does not require transfer forms (PM-2 forms) to be filled out for controlled assets. In addition, the fixed assets discussed above never left the Health Department—again no PM-2 form was required. Policy 1125, Section 4.3.6 does state, however, “Although it may be impractical to define exact locations on the forms in circumstances where property is used by more than one employee, or where it is frequently moved or reassigned, Property Managers should use exact locations whenever possible (and update them as needed) to established better control.”

We also noted that radios returned to the Food Protection and Sanitation & Safety bureaus, following use by the Olympics, were not those of record. Tracking of smaller, more individualized items such as radios, cameras and laptops may be made easier through the use of an employee specific form. Policy 1125, Section 4.3.1 states, “‘Controlled Assets Inventory Form-Employee’ is used for those assets that due to their nature, are used by and therefore readily assignable to an individual.” No such form is currently used by Environmental Health.

RECOMMENDATION:

- 1. We recommend that, whenever possible, the listing of controlled assets be updated to reflect transfers between divisions.*
- 2. We recommend that Environmental Health begin using the “Controlled Assets Inventory Form- Employee” for individually assignable assets.*

In closing, we express appreciation to the staff at Environmental Health for the cooperation and assistance they gave to us during our audit. We are confident that our work will be of benefit to you and help you to strengthen internal controls throughout the Health Department. If we can be of further assistance to you in this regard, please contact us.

Patty Pavey, Executive Director

November 5, 2002

Page 6

Sincerely,

James B. Wightman, CPA
Director of Internal Audit

cc: Royal Delegge
Suzanne Kirkham
Leslie Workman
Ricardo Flores

WALTON LAKE COUNTY AUDITOR

PETTY CASH REPORT 2002

July 1, 2002

	FUND	ORG	OBJECT CODE	DATE ESTB	CUSTODIAN	AMOUNT	TYPE	INT.	
Environmental Health	370	2150	11	N/A	02/16/94	Barbara Hardiman	\$500.00	C	N
Environmental Health-AQ	370	2150	40	2430	05/31/01	Mark Larabee	\$2,000.00 3,000.00	P	N
CCMAC 21st So.	370	2150	12	N/A		Donna Stokes	\$400.00	C	N
Vital Records-City	370	2150	13	N/A		Ellen Freeman	\$400.00 300.00	C	N
SHIPP Clinic	370	2150	14	N/A		Debbie Reed	\$500.00	C	N
SHIPP Clinic	370	2150	15	2430	02/01/94	Debbie Reed	\$1,000.00	I-Ck	N
EPA Audits	370	2150	16	2430	03/23/87	Mark Larabee	\$3,000.00 2,122	I-Ck	N
C.D. Bureau-F.H.S.	370	2150	18	2430	07/27/94	Ann Holzaepfel	\$2,000.00	I-Ck	N
Communicable Dis. Clinic	370	2150	19	N/A	07/05/95	Gayie Williamson	\$25.00	C	N
Govt Center-F.H.S.	370	2150	20	2430		Connie Allen	\$2,000.00	I-Ck	N
Govt. Center-Refunds	370	2150	21	2430	12/20/89	Suzanne Kirkham	\$5,000.00	I-Ck	N
Magna Clinic	370	2150	23	N/A	07/16/92	Rosalie Mirabelli	\$50.00	C	N
South Main Clinic	370	2150	24	2430	02/01/94	Allison Dodge	\$1,000.00	I-Ck	N
Tobacco Inspection	370	2150	28	2430	05/14/97	Lorena Brown	\$625.00	P	N
Laboratory	370	2150	30	N/A		Woody Loveridge	\$50.00	C	N
Immunization Program	370	2150	32	2430	12/17/97	Barbara Snell	\$1,000.00	I-Ck	N
Travel Outreach	370	2150	33	2430	05/13/98	Donna Stokes	\$2,000.00	I-Ck	N
Child Care	370	2150	34	N/A	08/19/98	Cynthia Carrington	\$50.00	C	N
West Jordan Clinic	370	2150	35	N/A	11/09/98	Virginia Montanez	\$50.00	C	N
City Immun. Clinic	370	2150	38	2430	04/11/00	Linda Robledo	\$500.00	I-Ck	N
Rose Park Immunization	370	2150	39	N/A	06/28/00	Virginia Montanez	\$50.00	C	N
TOTAL HEALTH FUND							\$27,650.00		

* Highlighted above imprest checking and petty cash fund amounts are reversed

Attachment A

Environmental Health: Controlled Asset Listing

Items not Found as of 12/2002

Found	Comment	TAG # OR SERIAL #	LOCATION	ITEM	RESP. PERSON
no s/n		T/5699	Air Pollution	CPU	James Braned
no s/n		T/3962	Environmental Health/ A	CPU	Cynthin
no s/n		T/14146	Environmental Health/ A	CPU	Cynthin
no s/n		T/7350	ENVIRONMENTAL/ AD	CPU	CYNTHIA
no s/n		T/5023	Food Protection	CPU,Micron	Tammy
no s/n		T/10550	Water Quality & Hazard	CPU,Micron	Brian Bennion
no s/n		T/10569	SANITATION AND SAF	MICRON CPU	LORA DREIBELBI
no s/n		T/13956	SANITATION AND SAF	MICRON CPU	LORA DREIBELBI
no s/n		T/8721	Water Quality & Hazard	Micron,Labtop	Brian Bennion
no s/n		T/13502	FOOD PROTECTION	GATEWAY MONITOR	DAN WHITE
no s/n		T/9527	WATER QUALITY AND	MICRON MONITOR	BRIAN BENNION
no s/n		T/10809	WATER QUALITY AND	MICRON MONITOR	BRIAN BENNION
no s/n		T/5386	Air Pollution	Monitor	James Braned
no s/n		T/1959	Net Work room	Monitor	Adminsnation
no s/n		T/14168	Environmental Health/ A	Printer	Cynthin
no s/n		T/6140	Environmental Health/ A	Printer	Cynthin
no s/n		T/16695	Storage	Astron	James Braned
no s/n		T/4779	ENVIRONMENTAL/ AD	MED-EQUIPMENT BO	CYNTHIA
		T/11994 SN/00274	Environmental Health/ A	CPU	Cynthin
		T/13951 SN/19205	ENVIRONMENTAL/ AD	CPU	CYNTHIA
		T/11950 SN/U563	ENVIRONMENTAL/AIR	CPU	JAMES BRANDE
		T/4654 SN/13996	Water Quality & Hazard	CPU,Micron	Brian Bennion
		T/97058 SN/13996	SANITATION AND SAF	MICRON LAPTOP	LORA DREIBELBI
		T/13955 SN/92571	SANITATION AND SAF	MICRON MONITOR	LORA DREIBELBI
		T/10548 SN/92571	SANITATION AND SAF	MICRON MONITOR	LORA DREIBELBI
		T/1925 SN/FB756	SANITATION AND SAF	MICRON MONITOR	LORA DREIBELBI
		T/8637 SN/FB756	ENVIRONMENTAL/ AD	MONITOR	CYNTHIA
		T/11999 SN/YA00	ENVIRONMENTAL/AIR	MONITOR	JAMES BRANDE
		T/8720 SN/7427H	Water Quality & Hazard	Monitor, Micron	Brian Bennion
		T/14153 SN/CLQ1	Environmental Health/ A	Printer	Cynthin
		T/12077 SN/JPKH	ENVIRONMENTAL/ AD	PRINTER	CYNTHIA
		T/3G1K39149ND	ENVIRONMENTAL/ AD	CAMERA	CYNTHIA
		T/11964 SN/40129	ENVIRONMENTAL/AIR	EMISSON SYSTEM	JAMES BRANDE
		SN/24P0804	Net Work room	IBM	Adminsnation
		SN/00N6398	Net Work room	IBM	Adminsnation
		T/9601 SN/NGQ0	SANITATION AND SAF	NP 6045 COPY MACHI	LORA DREIBELBI
		T/55798 SN/0075	Food Protection	Power Shred	Tammy

Environmental Health: Controlled Assets Found, Not Listed

	Tag No.	Serial No.	Dept	Item
1	2259		Air Pollution	oh projector
2	4611	1521537	Administration	Sony recorder
3	4612	12311339	Administration	Polycom Conf Phone speaker
4	4730	IECR14.JISSUM-2	Air Pollution	recorder, sony cassette
5	4731	692865	Air Pollution	dictaphone
6	4732	12228301	Air Pollution	polycom speaker
7	5572	075980130A10400058427	Food Protection	shredder, fellows
8	5586	ic058243	Water Quality	Sharp Calculator
9	5604	K8070022	Sanitation	Quest 214 Sound Level Meter
10	5605	3060101	Sanitation	Quest 2400 Sound Level Meter
11	5609	11821500018	Air Pollution	cpu, micron
12	5615		Net Work room	Merier
13	5619		Network Room	UPS Back-up battery
14	5626	JPHJ048846	Administration	HP laserjet 6L
15	6360	jphl1347	Sanitation	HP Printer
16	6694	F7NC003367	Air Pollution	vcr
17	6700		Air Pollution	tv-large sylvania
18	8757	FB7561337	Sanitation	Micron Monitor
19	8862		Administration	Compaq 150 (in corner)
20	8907	812A1025180	Air Pollution	okidata printer
21	8969	7487H1B00359	Air Pollution	monitor, micron
22	8972	6145	Administration	dictaphone
23	9041			Egan Board (Grease Board with Wheels)
24	9273		Emissions Testing	Scroll Air Compressor- 0002333
25	9597	mnn0011069-00	Water Quality	Micron Monitor
26	10580	0020349168	Water Quality	Gateway Laptop
27	10589	cd9110017	Sanitation	Quest Sound Level Meter
28	10591	QI9100160	Sanitation	Quest Calibration
29	10592	QE7110162	Sanitation	Quest Calibration
30	10662	usbdm023749	Sanitation	HP Printer
31	10957	PC2601	Administration	ibico laminator
32	13514	wk22200049	Sanitation	TC-1000NX CITRIX BOX (Network Connection)
33	13515	9077r1h10297	Sanitation	Micron Monitor
34	13520	307c148g5gkfn0048	Network Room	Vision Bank (Network Connection) Model GT320
35	13524	307c148g5gkfn0045		Vision Bank (Network Connection)
36	13526	0027144510	Sanitation	Gateway CPU
37	13532	nu17026d84434	Sanitation	Gateway Monitor
38	13538	27531401	Air Pollution	monitor, gateway
39	13539	0027531405	Sanitation	Gateway Monitor and CPU
40	13540	27531403	Food Protection	monitor, gateway
41	13540	27531402	Food Protection	monitor, gateway
42	13541	cncv139375	Water Quality	H.P. 1200 Printer
43	13543	27531404	Air Pollution	cpu&monitor, gateway
44	13544	CN18T1H099	Administration	HP ScanJef 5470
45	13545	3J573A01	Air Pollution	laptop,dell
46	13546	NX08D4664774127I40EK	Air Pollution	monitor, dell
47	13547	P/N 3v573a01	Water Quality	Dell Laptop
48	13548	mx-08d466-47741-271	Water Quality	Dell Monitor
49	13550	mx-08d466-47741-271-40fz	Water Quality	Dell Monitor
50	13551	36504573301 (Bar Code #)	Sanitation	Del Laptop
51	13958	USGN001689	Air Pollution	hp laserjet
52	14137	21368635	Air Pollution	cpu, gateway
53	14145	BVD0440517	Air Pollution	laptop, gateway
54	54167	2548 00010052	Administration	slide projector

	Tag No.	Serial No.	Dept	Item
55	68900		Air Pollution	oh projector
56	97971	24114943	Administration	laptop
57	97972	24114944	Air Pollution	laptop, gateway
58	None	17014d661660	Sanitation	3M Monitor Gateway
59	None		Administration	Canon EP160 typewriter
60	None	30779	Air Pollution	dictaphone
61	None		Sanitation	Gateway CPU
62	None		Sanitation	Gateway CPU
63	None	0024114913	Water Quality	Gateway CPU
64	None		Water Quality	Gateway Laptop
65	None	10654810	Administration	Hitachi VHS Recorder
66	None	23X2611MN5Y	Administration	IBM netfinity (server)
67	None	145453	Administration	kodak 5600 carosel
68	None	264r051009		Micro Scan Monitor
69	None	ya009844084418	Sanitation	Micron
70	None	970312327k		Micron CPU
71	None		Sanitation	Micron Laptop
72	None	311480584421	Administration	micron port replicator
73	None	lic21704160	Food Protection	monitor, gateway
74	None		Network Room	Netfinity 5100 Server
75	None		Network Room	Netfinity 5100 Server
76	None		Network Room	Netfinity 5100 Server
77	None	hv7080062	Sanitation	Octave Band Analyzer
78	None	sn10gk1cd06amd	Water Quality	Palm SX
79	None	820013012097AO012	Auditorium	Polycom Conf Phone speaker
80	None	QE4110241	Sanitation	Quest Calibration
81	None	u80700113	Sanitation	Quest Calibration
82	None	0h15569	Sanitation	Sekonic Light Meter L508
83	None	108889086	Administration	Sharp Television Set
84	None	PS602020329E10085162	Air Pollution	shredder, fellows
85	None		Administration	Smart Board Electric Hookup
86	None	197301135	Auditorium	switch, intelligent
87	None	wk22200009	Sanitation	TC-1000NX CITRIX BOX (Network Connection)
88	None	wk22200080	Sanitation	TC-1000NX CITRIX BOX (Network Connection)
89	None	wk22200001	Sanitation	TC-1000NX CITRIX BOX (Network Connection)
90	None	wk22200094	Sanitation	TC-1000NX CITRIX BOX (Network Connection)
91	None	wk22200085	Sanitation	TC-1000NX CITRIX BOX (Network Connection)
92	None	wk22200108	Sanitation	TC-1000NX CITRIX BOX (Network Connection)
93	None	wk22200066	Sanitation	TC-1000NX CITRIX BOX (Network Connection)
94	None	wk22200050	Sanitation	TC-1000NX CITRIX BOX (Network Connection)
95	None	wk22200030	Water Quality	TC-1000NX CITRIX BOX (Network Connection)
96	None	wk22200048	Water Quality	TC-1000NX CITRIX BOX (Network Connection)
97	None		Water Quality	TC-1000NX CITRIX BOX (Network Connection)
98	None	wk22200113		TC-1000NX CITRIX BOX (Network Connection)
99	None	wk22200087		TC-1000NX CITRIX BOX (Network Connection)
100	None	wk22200109		TC-1000NX CITRIX BOX (Network Connection)
101	None	wk22200096		TC-1000NX CITRIX BOX (Network Connection)
102	None	wk22200056		TC-1000NX CITRIX BOX (Network Connection)
103	None	wk22200040		TC-1000NX CITRIX BOX (Network Connection)
104	None	wk22200009		TC-1000NX CITRIX BOX (Network Connection)
105	None	wk22200102		TC-1000NX CITRIX BOX (Network Connection)
106	None	wk22200008		TC-1000NX CITRIX BOX (Network Connection)
107	None	wk22200105		TC-1000NX CITRIX BOX (Network Connection)
108	None	wk22200018		TC-1000NX CITRIX BOX (Network Connection)
109	None	8077534	Auditorium	tv, sony 32"
110	None	307c148g5gkfn0044		Vision Bank (Network Connection)
111	None	307c148g5gkfn0043		Vision Bank (Network Connection)