

**Salt Lake County Auditor's Office**

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February 13, 2003

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RE: CCMAC Cash Audit

Dear Patti:

We recently conducted an unannounced count of petty cash and change funds at the City/County Medical Assessment Center (CCMAC). We also audited cash collections, depositing, and fixed and controlled assets. Cash handling and fixed and controlled assets management are generally adequate but some areas need improvement. Findings and recommendations are discussed below.

**CASH COLLECTIONS AND DEPOSITING**

During our audit we found that CCMAC's controls regarding cash collections and depositing followed guidelines specified in Countywide Policy #1062, Management of Public Funds. We commend them for their efforts in this area.

All of the checks we examined during our audit of cash collections were restrictively endorsed upon receipt and accompanied with a driver's license number. Also, each cashier is assigned and must logon to a specific cash drawer, which enables CCMAC management to identify the cashier accountable for discrepancies (errors, shortages, overages) regarding cash collections. Cashiers may only enter transactions from their designated workstation.

In addition, receipt numbers are recorded on all clinic sheets. By recording the receipt number on clinic sheets it ensures management that cashiers are collecting the amount billed for services provided. Thus, any discrepancy in the billed amount and the amount collected can be easily identified by examining the clinic sheet and its corresponding receipt.

We did note, however, a \$25 shortage in the change fund. In November 2001 a portion (\$25) of the change fund was inadvertently combined with the daily receipts and deposited—creating the shortage. The office manager immediately recognized the mistake and requested that the fund be replenished to its authorized level. As a result of the request, the change fund has been restored to its authorized level.

### **FIXED AND CONTROLLED ASSETS**

As defined in section one of Countywide policy #1125, Safeguarding Property/Assets, fixed assets are items having a value greater than or equal to the capitalization rate—currently \$5,000—while controlled assets are items valued between \$100 and \$4,999, and considered as convertible to personal use. We conducted of an inventory of CCMAC’s fixed and controlled assets and found the following:

- **CCMAC has not listed all of its controlled assets.**
- **An annual inventory of fixed and controlled assets is overdue.**
- **The location of controlled assets needs continued monitoring.**

**CCMAC has not listed all of its controlled assets.** The following are controlled assets that we located at CCMAC; however, none of them are recorded on the controlled asset list:

- |   |                            |
|---|----------------------------|
| -1 Hewlett-Packard, 3 Epson printers    | - Sony microtranscriber    |
| - Brother laminator                     | - 2 Motorola pagers        |
| - Sentry safe                           | - Maytag refrigerator      |
| - Acoustic System hearing testing booth | - Gateway computer monitor |

Countywide policy #1125, Safeguarding Property/Assets, section 2.2.2 states, *Property Managers are responsible for accounting for all controlled assets within the organization’s operational and/or physical custody.* Controlled assets are sensitive to conversion to personal use. A personal computer, for example, could be used by someone at home or resold on the market. Recording all assets, therefore, assists management in determining which items need to be accounted for.

### **RECOMMENDATION:**

***We recommend that all controlled assets be listed on the Controlled Asset Inventory report.***

**An annual inventory of fixed and controlled assets is overdue.** The latest Controlled Asset Inventory report was dated July 17, 2000. Countywide Policy #1125, Safeguarding Property/Assets, section 2.2.11 states, *At least annually, conduct physical inventory of fixed and controlled assets, to ensure complete accountability for all property owned by, or assigned to the organization.* Assets—fixed and controlled—that are not properly accounted for are increasingly sensitive to theft, misuse or abuse.

**RECOMMENDATION:**

*We recommend that an inventory of fixed and controlled assets be completed on an annual basis.*

**The location of controlled assets needs continued monitoring .** When we conducted an inventory of fixed and controlled assets we discovered that a Motorola Bravo LX personal pager could not be found. The employee assigned to the pager stated that it had been misplaced. The lost pager has not been reported to the SLVHD's property manager.

Countywide Policy #1125, Safeguarding Property/Assets, sections 2.3 and 2.3.1.states, *employees assigned fixed or controlled assets for their use are responsible to notify the Property Manager of any change in asset status for property assigned him/her.* Furthermore, the employee did not complete a Controlled Assets Inventory Employee Form as required by Countywide Policy #1125. This form is used for assets that are readily assignable to an individual, and places responsibility for control of that asset in the individual.

In addition, we noted that a Motorola personal radio had not been assigned to the proper individual as indicated on the SLVHD's Radio Inventory list. The custodian listed on the inventory list was not the person that maintained control over the asset. A controlled asset Inventory Employee form was not completed in this case either.

**RECOMMENDATION:**

*We recommend that a Controlled Asset Inventory Employee Form be completed for all assets assignable to specific employees.*

Patti Pavey, Executive Director

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In closing, we express appreciation to the staff at the City/County Medical Assessment Center (CCMAC) for the cooperation and assistance they gave to us during our audit. The staff was both friendly and helpful in completing this project. We are confident that our work will be of benefit to you and help you and strengthen internal controls throughout CCMAC. If we can be of further assistance to you in this regard, please contact us.

Sincerely,

James B. Wightman, CPA  
Director, Audit Division

cc: Suzanne Kirkham  
Leslie Workman  
Ricardo Flores