



SALT LAKE COUNTY AUDITOR'S OFFICE
CRAIG B. SORENSEN, AUDITOR

July 31, 2003

**CELEBRATING OUR
SESQUICENTENNIAL
150 YEARS OF SERVICE
1852 – 2002**

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Glen Lu, Director
Parks and Recreation Division
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Dear Glen:

The Audit Division recently completed an audit of cash collections, receipting and depositing functions at the Draper Outdoor Pool (Draper). We also examined Draper's change fund and controlled assets. Currently, Draper uses Sportsman software for admissions and off-line cash registers for concessions. Draper does not accept credit cards.

CASH RECEIPTING AND DEPOSITING

We found the procedures well-controlled and in conformance with Countywide Policy #1062, "Management of Public Funds." The Draper change fund is divided into seven zippered pouches in the amount of \$60.00 each, and one zippered pouch for \$80.00. These pouches are the start-up change amount for the two cash boxes at the admissions window and the two cash registers in the concessions area. We counted the cash boxes, cash registers and change fund pouches and found the totals in balance. The total change fund balanced with the amount authorized, and the custodian was correct as listed in the Auditor's Office. Though generally adequate, controls over cash could be strengthened, as noted by the following findings:

- **Checks are not always restrictively endorsed upon receipt.**
- **Cashiers are not asking for identification when accepting personal checks.**
- **Balance sheets are not completed for all cashiers.**

Checks are not always restrictively endorsed upon receipt. Fourteen checks were received at the pool on the day of the audit. Four of the checks were not restrictively endorsed. Countywide Policy #1062, "Management of Public Funds," Section 3.6.1, says, "*As a rule, all checks and other negotiable instruments received by the Agent Cashier will be made nonnegotiable as soon as possible after receipt.*" As checks are presented, the cashiers should restrictively endorse each one. Endorsing checks upon receipt provides additional protection against checks being deposited into the wrong account, or being cashed by an individual.

RECOMMENDATION:

We recommend that all checks be restrictively endorsed upon receipt.

Cashiers are not asking for identification when accepting personal checks. Cashiers report that patrons leave identification in their cars and bring only the check for admission. Therefore, the cashiers ask only if the information on the check is correct. Countywide Policy #1301, "Acceptance of Checks," Section 2.0, states, "*Except for otherwise provided herein, or where prohibited by law, it is the policy of Salt Lake County, when receipting payments for user fees and other revenues (hereinafter referred to as 'receipts'), to require that 'over-the-counter' receipts, i.e., those not received through the mail, be in the form of personal check accompanied by a valid form of identification.*" Section 1.2 states, "*Valid form of Identification – The following forms with a current expiration date: driver's license, Utah identification card or check guarantee card.*" Draper personnel should ask for identification when accepting personal checks. By obtaining a proper identification, cashiers will provide increased protection to the County in the event the bank dishonors the check.

RECOMMENDATION:

We recommend that identification be requested for checks received.

Balance sheets are not completed for all cashiers. As part of our audit, we selected a sample of deposits from 24 different days since the current season began Memorial Day. Overall, the deposit process was well-organized and documented, and the lack of excessive overs and shorts demonstrated conscientious effort by Draper employees to accurately record all transactions.

There were four instances where balance sheets were not completed for money received. Countywide Policy #1062, Section 3.7.3.1, states, "*Each day, all county agencies should balance collections to register (or receipt log) totals and prepare a deposit, using MPF Form 3 or a facsimile developed for the specific agency.*" All cashiers should complete balance sheets when ending their shift. When a deposit sheet is not included in the reconciliation, it is difficult to track receipts and ensure accuracy.

RECOMMENDATION:

We recommend that all cashiers complete a balance sheet at the end of their shift.

CONTROLLED ASSETS

To determine if controlled assets are adequately managed, we evaluated compliance with Countywide Policy #1125, "Safeguarding Property/Assets." A controlled asset is an item of personal property, sensitive to conversion to personal use, with a cost of \$100 or greater but less than the \$5,000 threshold for fixed assets. We obtained a copy of the controlled assets list at Dimple Dell Recreation Center that included assets for Draper. The assets assigned to Draper were designated as a separate location and were found easily. We found serial numbers and locations on the list that were helpful in our search. We found some assets that no longer had a tag attached but could be identified by brand name or product type. We note one small finding from our inventory of controlled assets:

- **Several items on the list did not have a tag.**

Several items on the list did not have a tag. Due to the fact that certain assets are used extensively in water, tags have fallen off those assets. It is difficult to determine if assets are still in the control of the facility if there are no tags to verify its existence. Tag numbers could be engraved on the asset, in addition to placing a tag, to ensure identification.

RECOMMENDATION:

We recommend that assets used extensively in water be engraved with the tag number for future identification.

We appreciate the cooperation we received at Draper and the efforts of you and your staff. We trust our work will be of benefit to you as you implement recommendations in this letter. If you have any questions, please contact me.

Sincerely,

James B. Wightman, CPA
Director, Audit Division

cc: Paul Ross
Kristen Riker