

Salt Lake County Auditor's Office

Craig B. Sorensen, *AUDITOR*



May 7, 2003

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Glen Lu, Director
Parks and Recreation Division
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Dear Glen,

The Audit Division recently completed an unannounced count of the petty cash and change funds at the County Ice Center. We also conducted a review of the Ice Center's cash receipting and depositing, accounts receivable, fixed and controlled assets, and inventory procedures for the pro shop, vending machine, and concessions. We found internal controls to be generally adequate. The following section of the letter addresses some areas that need improvement to strengthen internal controls over cash handling, accounts receivable, inventory management, and safeguarding fixed and controlled assets.

CASH RECEIPTING AND DEPOSITING

Our audit included examining cash handling procedures to determine whether Countywide Policy #1062, "Management of Public Funds," is followed. During our review, we found several areas where controls relating to cash receipting and depositing could be improved. Our findings in this area include the following:

- **Cashiers are not following Countywide policy regarding daily balancing procedures.**
- **Checks received are not restrictively endorsed immediately upon receipt.**
- **Voided transactions are not handled properly.**

- **Adjustments made to the Cash Register Till Ztape Reports are not reviewed and signed by a supervisor (the Program Coordinator or Center Director).**
- **The Ice Center is not following Countywide policy regarding accounting for overages and shortages.**
- **Collections prepared for deposit are not sealed in a plastic, tamper-proof deposit bag.**
- **The cash register at the skate rental counter is not networked to the server.**

Cashiers are not following Countywide policy regarding daily balancing procedures. Countywide Policy #1062, "Management of Public Funds," Section 3.7.3.1, states, "*Each day all County agencies should balance collections to register totals [and prepare a deposit], using MPF Form 3 or a facsimile developed for the specific agency.*" While reviewing the deposits, we found that each cashier was not completing a daily cash balancing sheet for their cash register drawer. The Ice Center has more than one cash register which is used during the day. Cashiers are assigned to a register in a particular area of the Ice Center (e.g., front counter, pro shop, skate rental, and concessions).

The Ice Center started using the Sportsman Software System (Sportsman) in June 2002 for the pro shop and front counter transactions. Prior to using Sportsman, all cashiers balanced their collections to their register using the MPF Form 3. When the Sportsman Software System was installed, those cashiers using registers equipped with Sportsman no longer used the MPF Form 3 when balancing their drawers. The registers used for skate rental and concessions collections are not networked with Sportsman. Therefore, the cashiers using these registers continue to use MPF Form 3 when balancing their collections to the registers.

Sportsman enables the cashiers to print reports (Cash Register Till Ztape Reports) showing the total amounts for cash, checks, and credit cards. The cashiers include the Cash Register Till Ztape Reports with their cash, checks, and credit card receipts. However, the Cash Register Till Ztape Reports are not designed to enable cashiers to record the coin, currency, and check totals in their drawers when balancing collections to the register totals.

MPF Form 3 allows cashiers to record the coins and currency by denomination plus the total of the checks in their drawers, as well as giving them a signature line to sign acknowledging the funds they collected. Without the use of the MPF Form 3, there is no documentation from the cashiers of their collections or that they balanced their cash drawers to the Cash Register Till Ztape Reports.

During our review of deposits, we also noted several days when cashiers did not close out their tills, balance the collections to the register totals, and place the funds in the safe. On one particular Cash Register Till Ztape Report a note was written by a cashier which stated that the collections from the previous cashier were left in the drawer and the amount did not balance. We could not verify the outage because there was no written breakdown of the coin, currency and check totals. However, the original Cash Register Till Ztape Report showed a balance that was \$26 more on the Cash Drawer Summary than a second Cash Register Till Ztape Report, printed the following day. On the second report there were voids for \$25 cash and \$5 from a credit card transaction, including an adjustment made to increase the credit card total by \$4, for a net adjustment of \$26. The voids and adjustments, made the day following the original transaction date, indicate that the Cash Register Till Ztape Report was modified to match the actual funds left in the drawer, instead of reporting an outage.

On another balance sheet, a cashier wrote, "I did not receipt or touch any of this money until I closed the drawers. The previous cashier did not reset them before he left, so I have no idea how many different people handled this money." When cashiers do not close their tills and balance their collections, accountability for collections cannot be established. In addition, funds are susceptible to loss or theft. Collections should be counted and verified against the Cash Register Till Ztape Reports, but the Cash Register Till Ztape Reports should not be altered to match the funds that are in the drawers. If an outage occurs, it should be noted on the over/short log and reflected in the daily deposit.

RECOMMENDATIONS:

- 1. We recommend that all cashiers use MPF Form 3 to balance collections to the register. In addition, we recommend that cashiers certify their balancing with their signatures.***
- 2. We recommend that cashiers close out and balance their own cash drawers at the end of their shift.***
- 3. We recommend that accounting records not be altered to match the funds available when collections are counted.***

Checks received are not restrictively endorsed immediately upon receipt. Countywide Policy #1062, "Management of Public Funds," Section 3.6.1, states, "*All checks and other negotiable instruments received by the Agency Cashier should be restrictively endorsed immediately upon receipt using the agency's approved endorsement stamp.*" When we reviewed the checks in the cash register during our unannounced cash count, we found that they had not

been restrictively endorsed. The bookkeeper endorses the checks the following day as she prepares the deposit. The cashiers do not endorse the checks upon receipt.

Checks that are not restrictively endorsed are easier for someone who is not the designee to deposit. Should the check become lost or stolen, an individual may be able to cash the check or deposit it into an account other than the County's account. 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 cashiers restrictively endorse all checks upon receipt.

Voided transactions are not handled properly. Countywide Policy #1062, "Management of Public Funds," Section 3.5.2.2, states, "*When it is necessary to void a receipt, all copies will be marked 'void,' including the original (customer) copy, if available. The cashier who initiated the void will document on the front of the voided receipt the cause of the voided transaction and its resolution. A supervisor not involved with the transaction will review and sign the voided receipt along with the cashier who initiated the void. The voided receipts will be filed in proper numerical sequence and kept for audit purposes.*"

We reviewed a sample of 50 deposits and found voided transactions in 25 of them. Of the total voided transactions in our review, 20 were not properly documented with the reason for the void and the signature of the person initiating the voided transaction. In addition, none of the voided transactions had been reviewed, approved, and signed by a supervisor not involved with the transaction. Only five of the voids we reviewed had an explanation for the voided transaction. Of these five voids, only one had been signed by the cashier initiating the voided transaction. Employees could divert funds to personal use from voided transactions that are not properly acknowledged, by retention of the voided receipt, and that are not reviewed and approved by a supervisor.

In addition to the voided transactions from cashiers, the bookkeeper initiates voided transactions. Generally, this occurs if the form of payment has been entered incorrectly by the cashier. For example, if the cashier enters the form of payment as cash, but the customer actually paid by check, the bookkeeper will void the amount of cash and re-enter it with the form of payment being a check. The bookkeeper voids the transaction from the current day's deposit and re-enters the amount on the following day. This causes the daily collections to not be deposited intact. When this occurred during our review, we looked at the following day's deposit to verify that the bookkeeper re-entered the correct amount. Although we found no discrepancies, voiding

amounts from one day's deposit and re-entering them the following day does not lend itself to good internal control of daily collections. To maintain the best internal control over cash handling, the person who counts the collections and prepares the deposit should not have the capability of changing the accounting records. Because the bookkeeper has access to both the collections and the accounting records, and has the ability to initiate voided transactions, funds could be misplaced or misappropriated without detection. In addition, the integrity of revenue collections cannot be ensured. To eliminate the need for the bookkeeper to initiate voided transactions, cashiers should be instructed in the importance of entering the correct form of payment for transactions.

RECOMMENDATION:

1. *We recommend that voided transactions be handled as required in Countywide Policy #1062, including documentation for the cause of the void, and the review and signature of a supervisor.*
2. *We recommend that cashiers carefully enter the correct form of payment for transactions whenever possible.*

Adjustments made to the Cash Register Till Ztape Reports are not reviewed and signed by a supervisor (the Program Coordinator or Center Director). In addition, there was no written explanation for the adjustment on the majority of the adjustments we reviewed, nor was there a signature of the person making the adjustment. Without a signature from a supervisor, we could not be sure if someone is reviewing and approving the adjustments, and without a written explanation for the adjustment, the circumstances warranting the adjustment were not ascertainable. Currently, the bookkeeper has responsibility over counting collections and making adjusting entries. Ideally, the person who prepares the deposit should not have access to the accounting records (e.g., should not be able to make adjusting entries in the accounting records). When circumstances make it impossible to have this level of separation of duties, it is critical that a supervisor review both the adjustments and the deposit, and document those reviews with a signature. Additionally, to establish better accounting control over the funds and operations, a detailed explanation for all adjustments should be included on the Cash Register Till Ztape Reports.

RECOMMENDATIONS:

1. *We recommend that adjustments to the Cash Register Till Ztape Report have sufficient detail to document the reason for the adjustment.*

2. ***We recommend that adjustments be reviewed by the supervisor and that the review be documented with the supervisor's signature.***

The Ice Center is not following Countywide policy regarding accounting for overages and shortages. Countywide Policy #1062, "Management of Public Funds," Section 5.2, states, "Any overages will be deposited into the agency's depository account and reported on MPF Form 3, Daily Cash Balance, MPF Form 10, Cash Over/Short Log and on the Monthly Report of Cash Receipts. Shortages will be withheld from the deposit to maintain the change fund at the authorized level and will be reported on MPF Form 3 and MPF Form 10. 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."

Prior to using the Sportsman Software System (Sportsman), an over/short log was kept for the \$1200 change fund for the entire Center. The bookkeeper also kept one sheet for each month for each area with a cash register (e.g., front counter, skate rental, concessions, and pro shop). The sheets listed all the names of the cashiers and the days of the month. There were no individual over/short logs maintained for each cashier. Therefore, cashiers were not signing an individual over/short log when amounts were recorded for their outages. In June 2002, the Ice Center started using the Sportsman Software System to record transactions and the bookkeeper stopped maintaining any over/short logs. We reviewed the over/short logs for January through May 2002. Although each month there was an ending balance which was over the authorized change fund amount, we were unable to locate a deposit the following month where the overages were included. However, the beginning balance for each succeeding month was \$1200, the authorized amount for the change fund. We reviewed the monthly reports of cash receipts and found no deposits of the overage amount. The final over/short log from May 2002 listed an overage of \$9.89. This amount was not deposited; however, the amount was not reflected in the change fund when we counted the fund in February 2003. When we counted the change fund, it totaled the authorized amount. There is no longer any record of the overage.

Beginning in June 2002, the Ice Center stopped recording outages. Differences between cash collected and receipted, and the amount deposited, are not recorded. No record of overages or shortages is kept and the deposit is forced to agree to cash register documentation. The Ice Center does not deposit excess funds with their regular daily deposit, nor do they withhold shortages from deposit totals. The overages and shortages are not reflected in the deposit as required by Countywide policy. In addition, the amounts are not added to, or taken away from, the amount in the change fund. Both the change fund and the daily deposits are kept intact. The Center ensures that both deposits and change funds are at the authorized amounts at all times, even though outages do occur. How both balances are kept intact is not known, but this may indicate the maintenance of an unauthorized fund, established by placing overages in a bag or

envelope, and adjusting the bag or envelope amounts as overages and shortages occur. It could also signal the diversion of funds from other sources, such as vending machine money, to make up for any shortages.

The explanation for no longer maintaining the over/short logs was that those cashiers who had overs and shorts were no longer working at the Ice Center and that the present cashiers never have overs and shorts. Therefore, over/short logs are not necessary. However, during our review of the cash collection, receipting, and depositing we found 9 deposits, out of our sample of 50 deposits, where the total collections in the drawer, as shown by the cash balancing sheets, did not match the cash register totals, leaving an overage or a shortage when the money was counted. We discovered that when the bookkeeper counted the collections to prepare the deposit, she changed the cashier's totals to make the collections match the cash register totals. The bookkeeper noted on the balancing sheet that the amount was either found in the drawer or in the start-up change fund bag. In addition to the outages recorded by the cashiers, outages were discovered by the bank whereby the amount listed on the deposit slip and the amount of the funds the bank counted did not agree.

The Ice Center is not following County policy regarding accounting for overages and shortages. Deposit totals are forced to match the totals on the Cash Register Till Ztape Reports. In the absence of balancing sheets prepared by all cashiers and currently maintained over/short logs, along with deposits and change funds kept intact at all times, the actual overages and shortages could not be determined.

While having no outages seems commendable, perfectly balanced records can hide unauthorized cash diversions. Any amount over the authorized change fund amount should be immediately deposited, and daily overages and shortages should be added to or deleted from that day's deposit. An over/short log should be maintained for each cashier. The consolidated over/short log should reflect the total of the amounts on the individual cashiers' over/short logs. Finally, cashiers should sign the sheet for any over/shorts on their individual logs.

RECOMMENDATIONS:

- 1. We recommend that the County Ice Center maintain over/short logs and that cashiers sign their individual logs.***
- 2. We recommend that the Center follow the Countywide policy of accounting for overages and shortages with the daily deposits.***

Collections prepared for deposit should be sealed in a plastic, tamper-proof deposit bag. The bookkeeper prepares the deposit, places it in a locking zippered bag, and delivers it to the bank. However, this is contrary to Countywide Policy #1062, "Management of Public Funds," Section 3.7.4 which states, "*All County agencies will prepare their own deposit and seal it in a plastic, tamper-proof deposit bag.*" The advantage of using a tamper proof deposit bag is that once the bag is closed, no one can open it without it being evident that someone has tampered with the bag.

RECOMMENDATION:

We recommend that the Ice Center use plastic, tamper-proof deposit bags for deposits.

The cash register at the skate rental counter should be networked to the server. The cash register at the skate rental counter is used for collections from skate rentals as well as for skate admissions. Because the cash register is not networked to the server, all transactions entered into the cash register are added as adjustments to Sportsman. The adjustments are entered in one of two ways: 1) either the cashier at the skate rental cash register gives the money to the cashier at the front counter who includes the amount as a miscellaneous entry, or 2) the bookkeeper makes an adjustment to one of the Cash Register Till Ztape Reports the following day, before preparing the deposit. Not only is it time consuming for someone to re-enter the amounts, but there is the possibility of errors or lost funds without detection. In addition, there were several days with Z-tapes from the skate rental cash register which had "cancel" amounts. We were told that cashiers must cancel transactions which they have begun to enter into the register at the skate rental counter if the customer is paying with a credit card. The cash register currently used at the skate rental counter is not equipped to process credit card charges.

Having a cash register at the skate rental counter which is able to network into the server and can use the Sportsman Software System would eliminate the need to shuffle money from one register to another, and would also eliminate the need to cancel transactions. We tracked the amount of collections processed through the skate rental cash register for a sample of six days and found that at least \$200 was collected each day, with as much as \$780 of collections. The amount of money which is collected at this area (skate rental counter) warrants the use of a cash register which is connected to the server and operates with Sportsman.

RECOMMENDATION:

We recommend that the Ice Center use a cash register at the skate rental counter that is capable of being connected to the server and can operate with the Sportsman Software System.

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." 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 the existing capitalization rate, which is currently \$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, but less than the capitalization rate. Additionally, personal communication equipment such as pagers, cell phones, and radios regardless of cost are considered to be controlled assets. We obtained copies of the fixed and controlled asset list and conducted a physical inventory of assets at the Ice Center. Our review of fixed and controlled assets resulted in the following findings:

- **There is not a current inventory list of controlled assets for each employee.**
- **The list of controlled assets maintained by the property manager is incomplete and in some cases inaccurate.**
- **The model and serial number for several assets is not included on the controlled assets inventory log.**
- **The physical locations of the controlled assets listed on the controlled assets inventory log are not properly recorded.**

There is not a current inventory list of controlled assets for each employee. In addition to the controlled assets inventory for the organization, a "*Controlled Assets Inventory Form - Employee*" must be completed for each employee who is assigned fixed or controlled assets. The Ice Center has not completed the controlled asset inventory forms for employees who have items which are readily assignable to them, as described in Countywide Policy #1125, "Safeguarding Property/Assets." According to Countywide Policy #1125, Section 4.3, "*The property manager shall maintain records to manage controlled assets using the following forms and procedures: Controlled Assets Inventory Form-Employee and Controlled Assets Inventory Form-Organization.*" Because the "*Controlled Assets Inventory Form - Employee*" is not used, the employees have not signed forms indicating their acceptance of responsibility for the assets they have been assigned.

The Ice Center has a list of controlled assets for the entire facility. However, the property manager at the Ice Center did not have the "*Controlled Assets Inventory Form-Employee*" for

each employee, and was not aware that those employees with assignable assets should each complete a separate inventory form.

RECOMMENDATION:

We recommend that the property manager use the ‘Controlled Assets Inventory Form-Employee’ (Exhibit 3 of Countywide Policy #1125) for the record of controlled assets and have each employee who has been assigned specific assets complete and sign the form.

The list of controlled assets maintained by the property manager is incomplete and in some cases inaccurate. During our inventory of the controlled assets, we found several items at the Ice Center which were not recorded on the controlled asset inventory log. Assets cannot be safeguarded properly if the items have not been recorded on the asset list. Additionally, controlled assets are sensitive to conversion to personal use when they are not closely tracked by management. According to the property manager, the Ice Center performs an annual inventory and adds newly acquired items to the controlled asset inventory list when an inventory is performed. However this is contrary to Countywide Policy #1125, “Safeguarding Property/Assets.” Countywide Policy #1125, Section 2.2.8, states that property managers are responsible to “*coordinate with the organization’s purchasing clerk to ensure all newly acquired property is identified and accountability is appropriately established.*” To sustain the controlled asset lists as reliable records for tracking assets, they should be maintained on an ongoing basis. Items should be added to the organization and/or employee controlled assets inventory forms as purchases occur. Accountability for controlled assets would be improved if management maintained the controlled asset records on an ongoing basis. The controlled assets inventory lists should be continually updated as new items are purchased, transferred, or as items are surplus.

RECOMMENDATION:

We recommend that the controlled asset inventory log be updated on a regular basis to accurately reflect the assets at the Ice Center.

The model and serial number for several assets need to be included on the controlled assets inventory log. There are six computers on the list which do not have the model and serial number recorded. Without the serial number, it is impossible to distinguish between two identical pieces of equipment. Makes and models of similar equipment are alike; however, the identifying mark on an item is its serial number. Countywide Policy #1125, “Safeguarding Property/Assets,” Exhibits 3 and 4, indicate that the make, model, and serial number are to be recorded on the controlled assets inventory form for each controlled asset. The controlled assets inventory form

currently used by Parks and Recreation has one column for make, model, and serial number. The form should be revised to provide three separate columns for make, model, and serial number.

RECOMMENDATION:

We recommend that the controlled assets inventory form be revised to provide three separate columns for make, model, and serial number, and that the necessity for including assets' serial numbers be emphasized to those completing the log.

The physical locations of the controlled assets listed on the controlled assets inventory log need to be recorded. We found that most of the controlled assets on the controlled assets inventory log did not have a physical location for the asset listed on the log. According to Countywide Policy #1125, the property manager should maintain records as to current physical location of all fixed and controlled assets within the organization's operational custody. Control over the assets is improved when the physical location of assets is recorded on the controlled assets inventory log. Countywide Policy #1125, Section 4.3.6, states, "*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 re-assigned, property managers should use exact locations whenever possible (and update them as needed) to establish better control.*"

RECOMMENDATION:

We recommend that the property manager include the current physical location for all controlled assets on the controlled assets inventory log.

MERCHANDISE INVENTORY PROCEDURES

We reviewed the procedures used for pro shop, concessions, and vending machine inventories. During our review of the inventory procedures, we found that:

- **Inventory methodology for concession and vending machine inventories could be improved.**
- **Results of inventories are not reconciled to collections.**

Inventory methodology for concession and vending machine inventories could be improved. Although the Program Coordinator in charge of these areas has started conducting an

inventory of the products on a quarterly basis and performing an analysis of the beginning and ending inventory and actual sales, the computations are not detailed enough to determine how the amounts were calculated. When the program coordinator was questioned as to how the amounts for ending inventory were determined, she stated that she used a spreadsheet on her computer, but did not save the information. A financial summary is prepared each quarter listing the beginning inventory, purchases, current inventory, sales, and cost of goods sold. A product inventory sheet for the same time period lists item descriptions with the number of items counted. However, there are no costs for the items or an extended total based on the number of items in each category.

Without extending the cost-per-item with the number of items counted during the inventory, it is impossible to calculate an amount for the ending inventory. Without a dollar amount for ending inventory, the amount for goods sold cannot be computed, and therefore, the amount of revenue that should have been collected cannot be compared to actual sales to determine whether products are missing. In addition, some of the inventories of items were hand written on scratch paper and attached to the quarterly financial summary. There were, however, some inventory lists used during the first two quarters of 2002 to record the number of items, which indicated that the Ice Center was beginning to develop formalized inventory lists. These lists are not used consistently each quarter. Additionally, the lists should be redesigned to include both the count of each item and the corresponding cost.

RECOMMENDATIONS:

- 1. We recommend that formalized inventory lists be developed which include both the count of the items and their corresponding cost; and that these lists be used for each inventory of concessions and vending machine merchandise.***
- 2. We recommend that documentation for the calculations of ending inventory costs be retained.***

Results of inventories are not reconciled to collections. There is no system in place, comparing actual sales to beginning and ending inventory counts, that would tell whether collections and product are properly accounted for. Beginning inventory plus additions, minus ending inventory should equal the number of products sold. Comparing these numbers with the sales prices should equal what is reported as collections. A formal analysis that compares the amount collected for sales to the amount that should have been collected according to inventory results should be conducted in conjunction with each inventory.

RECOMMENDATION:

We recommend that the amount of revenue that should have been collected, based on inventory results, be compared to actual sales to determine whether goods were properly transacted.

ACCOUNTS RECEIVABLE

Several customers use the Ice Center on a recurring basis over the period of several months. The customers are billed on a monthly basis, thereby creating accounts receivable. Our major findings related to accounts receivable are:

- **Adjustments to account balances are not properly authorized.**
- **The Ice Center does not have a signed contract from each customer who has accounts receivable.**
- **An aging schedule is not prepared for accounts receivable.**

Adjustments to account balances are not properly authorized. We reviewed the accounts receivable ledgers and noted seven adjustments that had been entered. These adjustments reduced the account balances by a total of \$1,841. None of the adjustments were signed by a supervisor to indicate authorization for the reductions. Not requiring account adjustments to be approved by a supervisor creates an opportunity for misappropriation of funds. The supervisor that initiates and/or approves adjustments to customer accounts should indicate authorization of that adjustment by signing next to the entry in the customer's account ledger or on the appropriate log. There should also be a detailed explanation for each adjustment.

RECOMMENDATION:

We recommend that a supervisor indicate authorization of all adjustments to customer accounts by signing the adjusting entry in the customer's account ledger.

The Ice Center does not have a signed contract from each customer who has accounts receivable. The contract lists the conditions of the agreement between the customer and the County. A signed contract from each customer who has accounts receivable improves regulation of those accounts. In addition, the contract makes the customer accountable for the amounts charged to the account and better ensures a commitment of the customer for the terms of the collection actions.

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RECOMMENDATION:

We recommend that the Ice Center have a signed contract from each customer who has accounts receivable.

An aging schedule is not prepared for accounts receivable. Some of the customers with accounts receivable do not remit payments in a timely manner; therefore, balances for unpaid services accumulate. As of February 28, 2003, \$11,935 was due from customers. Of this amount, \$4,783, or 40 percent, was more than 30 days past due. However, we found that delinquent accounts are not aged. An aging schedule shows the length of time each amount has been unpaid. Preparing an aging schedule for accounts receivable would provide an effective management tool to facilitate the process of tracking overdue customer accounts and help ensure that collection is made.

The Director at the Ice Center stated that the Center is planning to purchase a software package to manage accounts receivable. The software should have the capability of tracking accounts and enable personnel to prepare an aging schedule.

RECOMMENDATION:

We recommend that accounts receivable be aged to expedite the process of tracking overdue customer accounts.

We appreciate the cooperation and assistance we received from your staff during our audit. We are confident that our work will be of benefit to you as you endeavor to make changes that will strengthen internal controls over cash handling activities and improve procedures regarding accounts receivable, merchandise inventory, and fixed/controlled assets throughout the Parks and Recreation Department. If we can be of further assistance to you in this regard, please contact us.

Sincerely,

James B. Wightman, CPA
Director, Internal Audit Division

cc: Paul Ross
John Barenbrugge