



December 31, 2012

Ben McAdams, Mayor  
2001 S. State Street # N2100  
Salt Lake City, UT 84114-4575

Re: Audit of Rose Park Clinic

Dear Mayor Adams,

We recently completed an analysis of the financial records of the Rose Park Clinic (Health Center) that provides services for the Women Infant and Children (WIC) and a once-a-week Immunization Clinic. The audit's primary focus was the period from August 01, 2011 to July 31, 2012. During our examination, we reviewed cash receipting and depositing, capital and controlled assets, the change fund, and fraud awareness.

For each of these areas, we examined internal controls and procedures in place to determine compliance with Countywide Policies and Salt Lake Valley Health Department (SLVHD) cash handling standards. Our audit objectives were to determine compliance with the guidelines for cash handling and asset management found in Countywide Policies #1062, *Management of Public Funds*, #1203, *Petty Cash and Imprest Funds*, and #1125, *Safeguarding Property/Assets*.

Our review of deposits was done on a sample basis; therefore, problems may have occurred in deposits that were not selected for review. However, a statistically significant random sample is designed to provide a degree of assurance that the complete nature of transactions and processes are examined. In addition, findings relating to non-compliance with Countywide Policies may be present in areas not examined. During our review, we noted some cash handling procedures, which could be improved. In addition, some improvements regarding management of controlled assets are recommended.

We have limited our comments to significant findings and recommendations, and have divided the report into the following sections: 1) Cash Handling and Depositing, and 2) Capital and Controlled Assets.

### **CASH HANDLING AND DEPOSITING**

Our audit included counting all funds on the premises, which was limited to only the once-a-week Immunization cash drawer change fund. At the time of the surprise cash count, no money had been collected. The change fund balanced to its authorized limit, as recorded on the Salt Lake County Petty Cash and Other Imprest Accounts Report. We also reviewed a sample of deposits from the past twelve months, and reconciled these deposits to bank statements on file.

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To review cash handling and depositing, we selected a statistically-valid, random-sample of deposits from August 01, 2011 to July 31, 2012. Our findings in the area of Cash Handling and Depositing are as follows:

- *The Custodian of Record is located at a different clinic.*
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*The Custodian of Record is located at a different clinic.* The Immunization Clinic's change fund is stored securely at the Rose Park Clinic. However, the custodian of record is a supervisor is located at Ellis Shipp Clinic.

The Custodian of Record for the Rose Park Immunization Clinic's change fund was assigned to a supervisor of a different clinic, specifically the Ellis Shipp Clinic. However, the assigned custodian did not match the custodian of record with the Mayor's Accounting and Finance Office. The fund is securely stored at the Rose Park Clinic.

Countywide Policy #1203, *Petty Cash and Other Imprest Funds*, Section 1.5 states,

*Custodian - An individual designated by Agency Management to be personally responsible for the operation and integrity of a Petty Cash or other Imprest Fund Account...*

The custodian of record is personally responsible and accountable for the imprest funds. When the assigned custodian does not work at the same location, accountability could be compromised as they are not aware of the day-to-day status of the change fund.

Rose Park is considered a "shared" clinic, since staff from other clinics may step in to assist when the need arises. The fund was assigned to a supervisor who oversees the staffing of the once-a-week Immunization Clinic, which is the only clinic that accepts payments at the center.

**RECOMMENDATION:**

*We recommend that management review the arrangement and modify controls to provide accountability to the custodian, or reassign the fund to a custodian who is a Rose Park Clinic staff member.*

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In closing, we express appreciation to the staff at the Health Center for their cooperation and assistance during our audit. Implementation of the recommendations in this letter will help to improve operations, ensure the security of County assets, and strengthen internal controls throughout the Health Center. We trust that our work will be of benefit to your staff. If we can be of further assistance to you in this regard, please contact us.

Sincerely,  
Gregory P. Hawkins  
Salt Lake County Auditor

By:   
James Fire, MBA/ACC  
Deputy Auditor

cc: Gary Edwards