

A REPORT
TO THE CITIZENS OF SALT LAKE COUNTY
BEN McADAMS, MAYOR



An Audit of the Key Controls of
Copperview Community Center

October 23, 2013

GREGORY P. HAWKINS

SALT LAKE COUNTY AUDITOR

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October 23, 2013

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

Re: An Audit of the Key Controls of Copperview Community Center

Dear Mayor McAdams:

We recently completed an analysis of the financial records of Copperview Community Center in compliance with Utah Code Ann. § 17-19a-204. Our purpose was to verify the accuracy and completeness of selected financial records and to assess compliance with certain internal controls that we have identified as key to good financial management. We also sought to identify areas of material risk to determine whether we should commit more of our limited resources in further auditing or investigation. A report of our findings and recommendations is attached.

Our work was designed to provide reasonable but not absolute assurance that records were accurate and complete and that the system of internal controls was adequate. There may be inaccurate or incomplete financial records that were not selected for review. Further, there may also be instances of noncompliance in areas not examined.

We appreciate the time spent by the staff at Copperview Community Center and the cooperation from Bess Thompson and other assigned staff members for answering our questions, gathering the necessary documents and records, and allowing us access to Copperview Community Center during our audit. The staff was friendly, courteous, and very helpful. We trust that the implementation of the recommendations will provide for more efficient operations and better safeguarded County assets. Please feel free to contact me with any questions.

Sincerely,

Gregory P. Hawkins
Salt Lake County Auditor

By Anita C. Kasal
Deputy Auditor

cc: Michele Nekota, Division Director
Paul Ross, Associate Division Director
Kristin Riker, Associate Division Director
Nancy Albiston, Fiscal Coordinator
Bess Thompson, Facility Manager



Objectives

Pursuant to § 17-19a-204, we analyzed the financial records and internal controls of Copperview Community Center. Our purpose was to verify the accuracy and completeness of selected financial records and to assess compliance with certain internal controls that are key to good financial management. We also sought to identify areas of material risk.

Conclusion

There were several risks with key internal controls at the Copperview Community Center. These risks identified, if not addressed, could result in the material loss of County assets.

Findings and Recommendations

Finding # 1 - The deposit preparer (Agent Cashier) did not review the MPF Form 3A for accuracy.

Risk Level: High

Salt Lake County Parks & Recreation Division, "Policies & Procedure for Cash Handling," "Procedures for Preparing the Daily Deposit, Using Sportsman Software - Agent Cashier or Designee," Section 4.3 states that a deposit preparer will:

"Verify the accuracy and sign the MPF Form 3A."

The deposit preparer was not verifying the Cash Balance Sheet for accuracy. During observations of the deposit preparer's duties, the MPF Form 3A was signed without any test of accuracy or review.

The bookkeeper stated she only needed to sign the form not review it.

When the deposit preparer signs the MPF Form 3A without verifying the accuracy of the information, funds are at a greater risk of being lost, stolen, or diverted for personal use.

Recommendation

We recommend that the deposit preparer only place their signature on the MPF Form 3A once they have verified the accuracy of the form.

Finding # 2 - Over/short logs were not always signed and were not reviewed by a supervisor.

Risk Level: High

Countywide Policy #1062 "Management of Public Funds," Section 5.3.1 states:

"All overages and shortages, regardless of the amount, should be recorded daily by each Cashier on MPF Form 11, Cash Over/Short Log. When a significant shortage or a pattern of shortages occurs in the accounts of any Cashier, Agency Management shall conduct an investigation of the circumstances and report their findings to the Auditor's office [Mayor's Finance]."

A review of MPF Form 11 forms in a seven month test showed 39 forms out of 51 were not signed by the cashier. None of the forms had a supervisor signature.

When MPF Form 11 forms are not signed and reviewed by a supervisor, funds are at a greater risk of being lost, stolen, or diverted for personal use.

Recommendation

We recommend that the MPF Form 11 be signed by the cashier and reviewed and signed by a supervisor.

Finding # 3 - Eleven capital assets were not listed on the Mayor's report.

Risk Level: High

Countywide Policy #1125, "Safeguarding Property/Assets," Sections 2.2.1 and 2.2.3 states that the Property Manager's Duties include:

"Accounting for all fixed assets within the organization's operational and/or physical custody as listed on the LGFS0801 Salt Lake County Fixed Asset Inventory by Organizational report... Maintain records as to current physical location of all fixed assets and controlled assets within the organization's operational and/or physical custody."

The Copperview Community Center had 11 capital assets that were not listed on the Mayor's report. 7 out of the 11 did not have capital asset tags. Additionally, there were two capital assets that were listed on the Mayor's Report but were missing from the facility.

When capital assets are not properly listed or properly tagged, assets are at a greater risk of being lost, stolen, or diverted for personal use.

Recommendation

We recommend that the Property Manager maintain an accurate capital asset inventory list and that all capital assets be properly tagged.

Finding # 4 - Seven out of eight deposits reviewed were not deposited within three days of receipt.

Risk Level: High

Countywide Policy #1062 "Management of Public Funds," Section 4.1.2 states:

"As required by §51-4-2, Utah Code Annotated, all public funds shall be deposited daily whenever practicable, but not later than three days after receipt."

Seven out of eight deposits made during October 2012, were not deposited within three days of receipt.

When funds are not deposited on a timely basis, funds are at a greater risk of being lost, stolen, or diverted for personal use.

Recommendation

We recommend that deposits be completed on the same day, if possible, but no later than three days after receipt.

Finding # 5 - A second employee was not verifying the accuracy of the daily deposit.

Risk Level: High

Salt Lake County Parks & Recreation Division, "Policies & Procedure for Cash Handling," Section 4.19 states:

"A second employee must verify the accuracy of the daily deposit including: composition of currency, coins, checks, charge slips, etc.; transmittal information; deposit slip; and reports included."

A second employee was not verifying the accuracy of the daily deposit. The supervisor was signing on the line "Transmittal & Deposit Verified By:" without performing a physical count of the deposit.

When a supervisor's signature verifying the deposit amount on the Transmittal form happens without a recount of the deposit, funds are at a greater risk of being lost, stolen, or diverted for personal use.

Recommendation

We recommend that a second employee verify the accuracy of the daily deposit then sign the Transmittal of Funds form verifying the deposit.

Finding # 6 - Deposit documentation was not properly secured and the bookkeeper was throwing the bank slip away.

Risk Level: High

Countywide Policy #2005, "Salt Lake County Records Management Program," Section 1.3.2 states:

"Each agency shall manage all records responsibly, shall maintain the security of records and shall ensure the preservation of vital and historically valuable records."

The deposit documentation was filed in an unlockable cabinet and the bank account deposit booklet was left out in the open on the bookkeeper's desk. This desk was used by other staff who were not authorized to have access to sensitive information. Additionally, the bookkeeper was not placing the white bank slip with the deposit records but was throwing it in a trash can.

When sensitive bank account information is not properly secured and maintained, funds are at a greater risk of being lost, stolen, or diverted for personal use.

Recommendation

We recommend that the bookkeeper secure and safeguard all deposit documentation and retain the white bank slips for County records.

Finding # 7 - Multiple cashiers were making transactions from the same cashier drawer during the same shift.

Risk Level: Moderate

Salt Lake County Parks & Recreation Division, "Policies & Procedure for Cash Handling," Section 3.1.5 states:

"Cashier shall use only the cash drawer assigned to them during their shift. At no time will cashier allow another cashier access to their cash drawer for any reason."

The Copperview Community Center had more than one cashier operating from the same cash drawer.

The off-duty cashier operating the till of the on-duty cashier, said the camera over the area would be enough to show she hadn't taken anything.

When more than one cashier operates from the same cash drawer, funds are at a greater risk of being lost, stolen, or diverted for personal use.

Recommendation

We recommend that cashier's operate their cash drawer, exclusively.

Finding # 8 - A tamper-proof deposit bag was not being used.

Risk Level: Moderate

Countywide Policy #1062, "Management of Public Funds," Section 4.3.1 states:

"Agencies will submit their daily deposits in a sealed, plastic, tamper-proof deposit bag."

The bookkeeper was not securing the deposit with a tamper-proof bag.

When a deposit is not secured in a tamper-proof bag, funds are at a greater risk of being lost, stolen, or diverted for personal use.

Recommendation

We recommend that the employee verifying the deposit, secure it in a tamper-proof bag before its transported it to the bank.

Finding # 9 - "No sale" or "no money taken" transactions were not always being documented or reviewed by an agent cashier (supervisor).

Risk Level: Moderate

Salt Lake County Parks & Recreation Division, "Policies & Procedure for Cash Handling," Section 1.1 states:

"Agent Cashiers for the Parks & Recreation Division are defined as Program Managers, Assistant Section Supervisors, Director of Recreation..."

In addition, Section 4.17 states:

"The agent cashier shall independently review all transactions for the day and report all inconsistencies, errors, or questionable transactions to the facilities program manager."

The center was not documenting or having supervisory review of "no-sale" or "no money taken" transactions. In a review of 11 days, 103 of the 325 transactions were listed as "Cash Drawer Open" with a \$0 amount for the transaction. No documented reason for these actions was made by the cashiers.

When cashiers can open their cash drawers without documenting the reason and without a review by a supervisor, funds are at a greater risk of being lost, stolen, or diverted for personal use.

Recommendation

We recommend that cashiers document each "no-sale" or "no money taken" transaction and have a supervisor review that transaction.

Finding # 10 - The online system transaction report was missing receipt numbers.

Risk Level: Moderate

Countywide Policy #1062, "Management of Public Funds," states in the Purpose:

"Effective internal controls provide reasonable assurance that daily transactions are executed in accordance with applicable statutes, ordinances, and policies and errors, irregularities, and omissions are effectively minimized or detected."

The transaction report was missing receipt numbers. A review of the first 11 days of a 60 day transaction report showed there were 36 missing receipt numbers from a range of 325.

When daily transaction records are incomplete because receipt numbers are missing, funds are at a greater risk of being lost, stolen, or diverted for personal use.

Recommendation

We recommend that Parks and Recreation administration produce transaction reports showing all receipt numbers and their detail.

Finding # 11 - The manual receipt system was not safeguarded and properly maintained.

Risk Level: Moderate

Countywide Policy #1062, "Management of Public Funds," Section 3.5.4 states:

"The supply of unissued manual receipts shall be secured in a safe, locked drawer, or other secure area. The first and last numbers of receipts should be verified by the Cashier Supervisor and entered into a receipt log maintained by the Agency. As blank receipts are released to Cashiers for use, the log shall be updated, accordingly."

The Copperview Community Center supply of unused manual receipts and journal paper (unused and used) dating back to 2006 was kept scattered about on the shelves in an unlocked cupboard. No cashier or supervisor was controlling the pre-numbered receipts to ensure all were present and accounted for.

When the manual receipt system is poorly maintained and is not safeguarded, funds are at a greater risk of being lost, stolen, or diverted for personal use.

Recommendation

We recommend that Copperview Community Center properly secure the unissued manual receipts.

We further recommend that management maintain a receipt log that accounts for all pre-numbered manual receipts.

Finding # 12 - A petty cash disbursement was split to circumvent the \$200 limit.

Risk Level: Moderate

Countywide Policy #1203, "Petty Cash and Other Imprest Funds," Section 10.1.1 states:

"No disbursements from Petty Cash and other Imprest Funds are allowed in an amount greater than the amount authorized per transaction, currently \$200."

On August 22, 2012 two purchases were made for \$144 each to Airborne Trampoline Arena. The auditor was told this transaction was done in order to circumvent the \$200 limit.

When purchases from petty cash show transactions are being split to circumvent policy, funds are at a greater risk of being lost, stolen, or diverted for personal use.

Recommendation

We recommend that petty cash expenditures not exceed the \$200 limit.

We further recommend that the Parks and Recreation administration examine receipts for signs of split purchases when reviewing petty cash logs.

Finding # 13 - Documentation and signatures were missing on several voids.

Risk Level: Moderate

Countywide Policy #1062, "Management of Public Funds," Sections 3.7.2 and 3.7.3 state:

"All copies will be marked "VOID," including the customer copy, if available. The cashier initiating the voided transaction will document, on the front of the voided receipt, the cause of the voided transaction and its resolution...A supervisor who was not involved with the transaction will review and sign one copy of the voided receipt, along with the cashier who initiated the void. All voided receipts will be attached to the daily cash balance sheet for audit purposes."

A review of voided transactions over a 60-day period showed 21 out of 31 voids had no documentation attached to the daily cash balance sheet. Additionally, 29 out of those 31 voids were missing a supervisor's signature.

When voided transactions are processed without documentation or supervisor signatures, funds are at a greater risk of being lost, stolen, or diverted for personal use.

Recommendation

We recommend that voids are documented, reviewed, and signed by a supervisor, and that the void documentation is attached to the daily cash balance sheet.

Finding # 14 - The change fund was not counted daily.

Risk Level: Moderate

Countywide Policy #1062 "Management of Public Funds," Section 3.8.2 states:

"Change funds should be counted, restored to the established imprest balance, and any daily shortages or overages recognized and recorded on MPF Form 3A, Cash Balance Sheet, and on MPF Form 11, Cash Over/Short Log."

Part of the change fund was held in reserve kept in two bags in the large safe. The logs contained in these two bags showed that one was only counted 61 times and the other bag only 39 times over a 176 day period.

When a change fund is divided and any part of the change fund is not counted daily, funds are at a greater risk of being lost, stolen, or diverted for personal use.

Recommendation

We recommend that cashiers count the entire change fund daily.

Finding # 15 - The change fund was not divided among the number of cash registers.

Risk Level: Low

Countywide Policy #1062, "Management of Public Funds," Section 2.7.5 states:

"The change fund allocated to an Agency may be divided into separate amounts according to the number of cash registers or other cash collection points."

The \$135 change fund was divided into three bags but there is only one operating cash registers.

When a change fund is not divided according to the number of cash collection points accountability for the entire change fund cannot be established and funds are at a greater risk of being lost, stolen, or diverted for personal use.

Recommendation

We recommend that management divide the change fund according to the number of cash registers.

Finding # 16 - Identical receipts could be reprinted from prior transactions.

Risk Level: Low

Standard business practice regarding electronic receipts is that cashiers should not be able to reprint receipts.

A cashier reprinted a receipt, at the auditor's request, which was identical to the original receipt.

When cashiers are able to reprint a receipt, funds are at a greater risk of being lost, stolen, or diverted for personal use.

Recommendation

We recommend that the ability for cashiers to reprint receipts for prior transactions be disabled.

Finding # 17 - Cashiers did not consistently sign a transfer log when moving the change fund to and from the safe.

Risk Level: Low

Countywide Policy #1062 "Management of Public Funds," Section 2.7.3 states:

"Cashiers shall sign an MPF Form 7, Fund Transfer Ledger, or similar log, each time they retrieve the change fund from the safe or lockbox; and return the fund to the safe or lockbox."

The center was using two forms (MPF Form 7 or equivalent) that inconsistently recorded the movement of the change fund to and from their safes. The form located near the large safe showed nightly drops to the small safe. However, there was not a drop recorded for 2 of the 21 days reviewed. The other form located near the small safe was titled "Set Up Transfer Sheet." It included the date, till number, opening set up amount, and cashier initials. The auditor reviewed 13 days worth of entries. There were 12 out of 46 till numbers missing. Also, there was no cashier activity recorded on June 30, 2013.

When movement of the change fund is not always consistently recorded, funds are at a greater risk of being lost, stolen, or diverted for personal use.

Recommendation

We recommend that all movement of the change fund be properly recorded.

Finding # 18 - Manual receipts were not used in numerical order.

Risk Level: Low

Countywide Policy #1062 "Management of Public Funds," Section 3.5.3 states:

"If a County Agency uses manual receipts, they shall be pre-numbered and used in numerical order."

Receipt logs showed that manual receipts were not being used in numerical order.

When receipts are not used in numerical order, funds are at greater risk of being lost, stolen, or diverted for personal use.

Recommendation

We recommend that cashier's use the manual pre-numbered receipts in numerical order.

Finding # 19 - Receipt numbers were not printed on electronically printed receipts.

Risk Level: Low

Countywide Policy #1062, "Management of Public Funds," Section 3.5.6 states:

"The online cashiering system shall produce receipts in a sequentially numbered order, and the receipt number shall appear on the receipt issued to the customer."

The receipt numbers were not being printed on the receipts.

When online cashiering systems do not produce sequentially numbered receipts, funds are at a greater risk of being lost, stolen, or diverted for personal use.

Recommendation

We recommend that sequential receipt numbers are printed on all receipts.

Finding # 20 - Same-day cash refunds on vending machine sales were not documented properly.

Risk Level: Low

Countywide Policy #1062, "Management of Public Funds," Section 6.1.1 states:

"...The void slip, or other documentation used in the refund transaction, shall be signed by the Cashier and an Agency Supervisor, the reason for the refund recorded on the void documentation, and retained on file at the County Agency."

A bag titled "Coke Bag" was kept in the large safe to reimburse patrons who claimed the vending machine took their money. No void or refund slip was filled out and cash was given without a cashier, supervisor, or patron signature.

When cash refunds are made without proper documentation and proper signatures, funds are at a greater risk of being lost, stolen, or diverted for personal use.

Recommendation

We recommend that same-day cash refunds have proper documentation and proper signatures before being processed.

Finding # 21 - The change fund was not reconciled to the Mayor's Finance amount.

Risk Level: Low

Countywide Policy #1062, "Management of Public Funds," Section 2.7.2 states:

"Change Funds shall be maintained at the amount authorized by the Auditor's Office [Mayor's Finance]..."

The cash count on the change fund totaled \$160 and the imprest balance authorized by Mayor's Finance was \$135.

When the amount retained in the change fund is more than the authorized amount, funds are at a risk of being lost, stolen, or diverted for personal use.

Recommendation

We recommend that the change fund be maintained at its authorized amount and that excess funds be returned to Mayor's Finance.

Finding # 22 - Asset transfer forms (PM-2) referenced agency tag numbers, not County asset tag numbers.

Risk Level: Low

Countywide Policy #1125 "Safeguarding Property/Assets," Section 2.2.5 states that Property Manager's Duties include:

"Prepare 'Salt Lake County Personal Property Transfer/Disposal/Internal Sale Form PM-2' in advance for all fixed asset property transfers, disposal or sales between the Property Manager's organization and any other organization. Research is to be performed if necessary to identify and report the correct fixed asset (tag) number on the PM-2 form."

The manager's file of PM-2 forms showed JV facility tag numbers and not the County tag numbers for the assets listed.

When the movement of a capital asset is not properly reported on the PM-2 using the County tag number, assets are at a greater risk of being lost, stolen, or diverted for personal use.

Recommendation

We recommend that the Copperview Community Center perform the necessary research to identify the correct capital asset tag numbers when filling out the PM-2 form.

Finding # 23 - No comprehensive software inventory was on file.

Risk Level: Low

Countywide Policy #1400-3 "Information Technology Security Policy: Software Licensing Policy," Section 3.5 states:

"County agency management shall maintain a current software inventory which includes at least the following: number of authorized and actual installations, license agreement, and proof of purchase. County agency management shall conduct an annual review of their software inventory. Software inventories shall be updated whenever new software is acquired and/or installed or software is uninstalled, or the IT resource and/or system is transferred, decommissioned or sent to surplus."

The Parks and Recreation administration did not have a completed software inventory at the time of the audit.

When a software inventory is not maintained, there is an increased risk of unlicensed software on Copperview Community Center's computers, which could result in fines and penalties.

Recommendation

We recommend Parks and Recreation administration complete a software inventory.

Finding # 24 - An SAQ representing Copperview Community Center's compliance with PCI-DSS had not been completed and was not on file.

Risk Level: Low

Countywide Policy #1400-7 "Payment Card Industry Data Security Standard Policy," Section 3.0 states:

“Any County agency that accepts, processes, transmits or stores cardholder data using any County IT Resource or system shall comply with the Payment Card Industry Data Security Standard (PCI-DSS) in its entirety.”

An SAQ representing Copperview Community Center's compliance with PCI-DSS had not been completed and was not on file.

Not completing this self-evaluating questionnaire for PCI-DSS increases the risk of fines and an inability of accepting credit cards as payment.

Recommendation

We recommend that Parks and Recreation management complete and sign an annual SAQ and that Copperview Community Center keep a copy of the SAQ on file to show they are aware of and compliant with PCI.

Additional Information

Background

The Copperview Community Center is a part of the Salt Lake County Parks and Recreation Division and is located at 8446 South Harrison Street, in Midvale. Salt Lake County Parks and Recreation was formed and came into existence on May 11, 1946. Ten days later the organization dedicated its first park, today over 50 years later -- 104 parks, and over 20 recreation facilities are in operation.

Scope

Our work included a formal examination of financial records related to the following key internal controls, to the degree applicable:

- Change fund
- Petty Cash and Imprest Accounts
- Cash Receipting
- Cash Depositing
- Credit / Debit Card
- Capital and Controlled Assets and Software Inventory
- Financial Computer Controls
- Purchasing Card Use
- Payroll Practices

Our examination period covered up to twelve months ending June 15, 2013. In addition to reviewing financial records, we reviewed and examined current practices through observation. Sampling of daily cash deposits, where applicable, was performed to assess compliance with Countywide policy and standard business and internal control practices.

Management response to findings in this report, when received, will be attached as Appendix A.



2013 Summary of Audit of Key Control

Findings and Recommendations

Copperview Rec Center

No.	FINDING	RECOMMENDATION	RESPONSE / ACTION TAKEN
1.	<i>The deposit preparer (Agent Cashier) did not review the MPF Form 3A for accuracy.</i>	We recommend that the deposit preparer only place their signature on the MPF Form 3A once they have verified the accuracy of the form.	Implemented all recommendations. Will also follow- through with deposit preparer and verify each MPF Form 3A. Manger will review once a month. Attached is the MP3 form we use that has been in place for over a year to make sure all front desk staff is filling out the supporting forms. We will also schedule a training specific for the deposit preparers in effort to understand the deposit process, expectations and supporting forms.
2.	<i>Over/short logs were not always signed and were not reviewed by a supervisor.</i>	We recommend that the MPF Form 11 be signed by the cashier and reviewed and signed by a supervisor.	Front desk staff will be reminded to fill out MPF form 11. All three forms [over short log, fund transfer ledger and Set up transfer sheet] are noted on the bottom of our MPF from 3A [see example]. This has been set in place for over a year. Will schedule a cashier training for all cashiers and full-time staff by/before Nov. 1, 2013.
3.	<i>Eleven capital assets were not listed on the Mayor's report.</i>	We recommend that the Property Manager maintain an accurate capital asset inventory list and that all capital assets be properly tagged.	Capital asset tags are taken care of in a different office. I will implement the recommendation to ensure all capital assets times are tagged properly.
4.	<i>Seven out of eight deposits reviewed were not deposited within three days of receipt.</i>	We recommend that deposits be completed on the same day, if possible, but no later than three days after receipt.	This was corrected and implemented during the audit. We are following the recommendation of no later than three days. The deposit preparer is scheduled to come in Mondays, Wednesdays and Fridays. Merits and admin assistant will all be re-trained on how to prepare a deposit.
5.	<i>A second employee was not verifying the accuracy of the daily deposit.</i>	We recommend that a second employee verify the accuracy of the daily deposit then sign the Transmittal of Funds form verifying the deposit.	This was corrected during the audit. Additional signature line added to the Transmittal as well.

No.	FINDING	RECOMMENDATION	RESPONSE / ACTION TAKEN
6.	<i>Deposit documentation was not properly secured and the bookkeeper was throwing the bank slip away.</i>	We recommend that the bookkeeper secure and safeguard all deposit documentation and retain the <u>white bank</u> slips for County records.	This was corrected during the audit.
7.	<i>Multiple cashiers were making transactions from the same cashier Drawer during the same shift.</i>	We recommend that cashier's operate their cash drawer, exclusively.	This recommendation has been implemented.
8.	<i>A tamper-proof deposit bag was not being used.</i>	We recommend that the employee verifying the deposit, secure it in a tamper-proof bag before it's transported it to the bank.	This was corrected during the audit.
9.	<i>"No sale" or "no money taken" transactions were not always being documented or reviewed by an agent cashier (supervisor).</i>	We recommend that cashiers document each "no-sale" or "no money taken" transaction and have a supervisor review that transaction.	This will be implemented and all cashiers will receive appropriate training in effort to clearly understand this process. The Cashier will show document any 'open til' that occurs during their shift on the Activity Detail Report.
10.	<i>The online system transaction report was missing receipt numbers.</i>	We recommend that Parks and Recreation administration produce transaction reports showing all receipt numbers and their detail.	The Financial Activity Detailed Report will be printed that corresponds with the Authorize .Net successful credit card statement settlement report.
11.	<i>The manual receipt system was not safeguarded and properly maintained.</i>	We further recommend that management maintain a receipt log that accounts for all pre-numbered manual receipts.	The recommendation will be implemented. The manual receipt system will be available to cashiers if / when the main POS goes off line or when offsite registrations take place. The manual receipts will be maintained in accordance to recommendations of this audit. Pre-numbered receipts in order will be available for cashiers to use in case of emergency, all other manual receipts will be safeguarded in a separate located and pulled out only on an as needed basis.

No.	FINDING	RECOMMENDATION	RESPONSE / ACTION TAKEN
12.	<i>A petty cash disbursement was split to circumvent the \$200 limit.</i>	We recommend that petty cash expenditures not exceed the \$200 limit. We further recommend that the Parks and Recreation administration examine receipts for signs of split purchases when reviewing petty cash logs.	This event happened in the summer of 2011. Bess Thompson went to a field trip location with the summer camp to pay with the County P-card. It was not until the P-card was ran on the business site did Bess realize that the MCC code for that classification of vendor was not one of the MCC codes that had been released. Since the camp staff and all the kids were at the location, Bess used her personal visa to pay for half of the field trip and another staff member (camp leader) used her visa to pay for the second half of the field trip. Bess understands and is aware of the \$200 limit, and splitting purchases is not allowed. This has not occurred since this incident and will not happen again.
13.	<i>Documentation and signatures were missing on several voids.</i>	<i>We recommend that voids are documented, reviewed, and signed by a supervisor, and that the void documentation is attached to the daily cash balance sheet.</i>	We will follow the recommendation. The majority of the front desk staff do this, but in effort to ensure all cashiers understand this procedure, a training for ALL front desk and supervisors will be scheduled and reviewed on a regular basis.
14.	<i>The change fund was not counted daily.</i>	<i>We recommend that cashiers count the entire change fund daily.</i>	The recommendations will be implemented.
15.	<i>The change fund was not divided among the number of cash registers.</i>	We recommend that management divide the change fund according to the number of cash registers.	The change fund is essentially divided into the appropriate number of cash registers. Two cash registers plus one bag to make change for large bills. Both registers are in operation on weekends. When the audit occurred, only one register was in operation. The 3 rd change fund bag is primarily for making change for larger bills. Only Merit staff has access to the change fund bags, which are kept secured in the large safe.
16.	<i>Identical receipts could be reprinted from prior transactions.</i>	We recommend that the ability for cashiers to reprint receipts for prior transactions be disabled.	This is a Peak Software issue that we have no control over. In 2015 P & R will be looking at a new POS that may have this option.
17.	<i>Cashiers did not consistently sign a transfer log when moving the change fund to and from the safe.</i>	We recommend that all movement of the change fund be properly recorded.	We will re-train the staff to follow the recommendations
18.	<i>Manual receipts were not used in numerical order.</i>	We recommend that cashier's use the manual pre-numbered receipts in numerical order.	We will follow recommendations

No.	FINDING	RECOMMENDATION	RESPONSE / ACTION TAKEN
19.	<i>Receipt numbers were not printed on electronically printed receipts.</i>	We recommend that sequential receipt numbers are printed on all receipts.	<p>This is a Peak Software issue that we have no control over. Receipt numbers are set up on a daily basis, and if more than one till is opened [front desk, back office, and internet], each transaction from all tills is given a number in accordance to when the transaction took place during the day, and this includes internet transactions as well.</p> <p>The online till is not part of or combined with the open front desk till; it would need to be in order to print receipt number in the recommended sequential orders. In addition when the front desk till is closed, that would close the online till, which would be highly frustrating to an online customer. If the online till was combined with the front desk till, the front desk staff would have credit card transactions that they could not verify because they did personally process the transaction.</p> <p>The funds taken online are all credit card transactions. How can online cashiering systems that do not have sequential I numbered receipts be at greater risk at being lost, stolen or diverted for personal use?</p> <p>The <u>online receipt</u> that is sent to the patron does have a receipt number that corresponds to transition; however they are listed under different titles. See bottom of report, item 1.</p>
20.	<i>Same-day cash refunds on vending machine sales were not documented properly.</i>	We recommend that same-day cash refunds have proper documentation and proper signatures before being processed.	This finding was concerning the Coke refunds, not the county operated snack vending machine. This was the process by Coke. Pepsi has a new system and log that the patron who lost funds is required to sign in order to get a refund at a later date. We are following the requirements of our new vendor.
21.	<i>The change fund was not reconciled to the Mayor's Finance amount.</i>	We recommend that the change fund be maintained at its authorized amount and that excess funds be returned to Mayor's Finance.	We will work on getting the funds recorded with the Mayor's finance
22.	<i>Asset transfer forms (PM-2) referenced agency tag numbers, not County asset tag numbers.</i>	We recommend that the Copperview Community Center perform the necessary research to identify the correct capital asset tag numbers when filling out the PM-2 form.	A County capital asset tag column has been added to the center control asset log. And We will also add the Capital Asset / Salt Lake County Property tag to items transferred or surplus on the PM2 form.
23.	<i>No comprehensive software inventory was on file.</i>	We recommend Parks and Recreation administration complete a software inventory.	Division administration will maintain a log of new software that is purchased outside of new computers. Software with new computers will be tracked with the inventory for the new computer.

No.	FINDING	RECOMMENDATION	RESPONSE / ACTION TAKEN
24.	<i>An SAQ representing Copperview Community Center's compliance with PCI-DSS had not been completed and was not on file.</i>	We recommend that Parks and Recreation management complete and sign an annual SAQ and that Copperview Community Center keep a copy of the SAQ on file to show they are aware of and compliant with PCI.	See response by Nancy Albiston

NAME AND TITLE OF PERSON RESPONDING: Bess Thompson, Facility manager

DATE PREPARED: 10/14 /2013