



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

September 11, 2003

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

**DAVID L. BECK**  
CHIEF DEPUTY

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Dear Glen:

We recently completed an unannounced count of the change fund at the South County Pool. We also audited cash receipting and 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 RECEIPTING AND DEPOSITING**

During our review of the cash receipting process, we found the following item of concern.

- **The South County Pool does not utilize over/short logs as required by County policy.**

**The South County Pool does not utilize over/short logs as required by County policy.** During our audit, we examined 39 deposit records from the period June 2003 to August 2003. We noted 12 overages—9 overages and 3 shortages—throughout the period. However, the overages and shortages, though recorded on individual balance sheets, were not recorded on over/short logs. Nonetheless, Countywide Policy #1062, “Management of Public Funds,” Section 2.5.3, states, “*All overages and shortages, regardless of the amount, must be recorded and reported daily by the agency on MPF Form 10, CASH OVER/SHORT LOG.*”

The county mandated MPF Form 10 CASH OVER/SHORT LOG, indicates the name of the cashier, the date, and the amount of the overage/shortage. Managers,

by examining over/short logs, can quickly identify cashiers that need additional cash handling training, and frequent or significant cash outages that may be an indication of theft.

**RECOMMENDATION:**

*We recommend that the South County Pool use MPF Form 10, CASH OVER/SHORT LOG to record all overages and shortages.*

**FIXED AND CONTROLLED ASSETS**

As defined in Section 1 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. Cell phones, pagers and radios are classified as controlled assets regardless of cost. South County does not have any fixed assets on location. Unlike fixed assets, controlled assets are not tracked centrally by the Auditor's Office, but are the responsibility of the organization possessing them.

We conducted an inventory of the South County Pool's controlled assets and found that adequate procedures were in place to guard against theft. These procedures included attaching a numbered tag to each item, and listing the tagged items on a controlled assets list. Despite the adequacy of procedures, the following matter of concern came to our attention.

- **Four assets identified on the controlled assets inventory report could not be located.**

**Four assets identified on the controlled assets inventory report could not be located.** We conducted a complete inventory of controlled assets, and were unable to locate four of the 35 controlled assets listed on South County's controlled asset inventory report. These four items are detailed as follows:

ITEM	SERIAL #	CONTROL TAG #
JVC PC-X560BX CD/tape player	104K1687	KC00308
Motorola T6220 handheld radio	182ABG2P87	KC00330
Motorola T6220 handheld radio	180ABG2S66	KC00331
Motorola T6220 handheld radio	182ABEEZ61	KC00332

The property manager at South County stated that the CD/tape player did not work and was simply thrown away. Countywide Policy #1125, "Safeguarding Property/Assets," suggests

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that controlled assets which are broken or no longer needed by an organization, be transferred to surplus via the County's Personal Property Transfer/Disposal/Internal Sale Form PM-2. Assets sent to surplus should be removed from the Controlled Asset Inventory List. The property manager further stated that he had taken the three handheld radios from the Marv Jenson Recreation Center to the South County Pool to be used by the lifeguards. However, the radios could not be found at either location. The radios, by their nature could readily be adapted to personal use or sold on the open market. Therefore, an effort should be made to determine if they were stolen, sent to surplus, or if they still exist at a Parks and Recreation facility.

**RECOMMENDATIONS:**

- 1. We recommend that all broken or obsolete controlled assets at the South County Pool be sent to surplus, and that a County Personal Property Transfer/Disposal/Internal Sale Form PM-2 be completed to document the transfer.***
- 2. We recommend that personnel at the South County Pool make an effort to locate the three handheld radios not found in our inventory noted above.***

In closing, we express appreciation to the staff at the South County Pool 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 strengthen internal controls at the South County Pool. If we can be of further assistance to you in this regard, please contact us.

Sincerely,

James B. Wightman, CPA  
Director, Internal Audit

cc: Nate Brown