

A REPORT  
TO THE CITIZENS OF SALT LAKE COUNTY

BEN McADAMS, MAYOR



An Audit of the Key Controls of  
Youth Services Children's Justice Center

October 15, 2013

**GREGORY P. HAWKINS**

SALT LAKE COUNTY AUDITOR

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August 08, 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 Youth Services Children's Justice Center

GREGORY P. HAWKINS  
Salt Lake County Auditor

LONN LITCHFIELD, JD, LL.M.  
Chief Deputy Auditor

2001 South State Street, N3300  
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Salt Lake City, UT 84114-4575

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Dear Mayor McAdams:

We recently completed an analysis of the financial records of Youth Services Children's Justice 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 Youth Services Children's Justice Center and the cooperation from Yanping Ding, Pat Berckman, Elizabeth Bayler, and other assigned staff members for answering our questions, gathering the necessary documents and records, and allowing us access to Youth Services Children's Justice 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 Todd Livingston  
Deputy Auditor

cc: Pat Berckman, Division Director  
Yanping Ding, Department Fiscal Administrator  
Elizabeth Bayler, Fiscal Manager  
Susanne Mitchell, Program Director





## Objectives

Pursuant to § 17-19a-204, we analyzed the financial records and internal controls of Youth Services Children's Justice 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

Youth Services Administration and Management, overseeing the Children's Justice Centers, have put into place key internal controls for managing public funds, safeguarding public assets, accessing sensitive information, and payroll reporting. Our finding in this area was related to petty cash. Funds available could be reduced and/or consolidated based on use during the period examined. A report of the last audit of Youth Services was released to the public in August 2008.

## Findings and Recommendations

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### ***Finding # 1 - Petty cash fund balance was excessive.***

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#### **Risk Level: Low**

Countywide Policy #1203, "Petty Cash and Other Imprest Funds," Section 3.1.4, states:

"The requested imprest amount should be sufficient to provide adequate operating funds for 2 months."

A petty cash fund was assigned to a Youth Services employee at the Children's Justice Center in the amount of \$300. During 2012, a total of \$471 worth of expenditures was reimbursed for this account, representing expenditures of approximately \$39 per month. Although the account was reconciled and a replenishment request was made on a quarterly basis, the funds on hand were sufficient for over 7 months worth of expenditures.

According to management, petty cash is tightly controlled at Youth Services. Staff is encouraged to use the purchasing system or purchasing cards whenever possible. The result has been a decreased reliance on petty cash.

Excess funds are at greater risk for misappropriation. In addition, interest is lost on amounts that could be deposited.

#### ***Recommendation***

We recommend that Youth Services reduce their petty cash to an amount equal to two to three months' expenditures.

## **Additional Information**

### **Background**

Youth Services Children's Justice Centers provide children with a safe, comfortable, home-like setting during investigations involving sexual abuse, physical abuse, child homicide, domestic violence, abductions, and shaken baby syndrome. Through coordinating services with other agencies, they help promote the "best interests of the child" in prosecution and protection proceedings. There are currently two Children's Justice Centers in Salt Lake County, one in Salt Lake City and one at the South end of the valley.

### **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 December 31, 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.



October 11, 2013

Roger K Larsen  
Audit Division Director  
Salt Lake County Auditor  
2001 South State Street N3300  
Salt Lake City, Utah 84114-4575

RE: Audit of Salt Lake County Youth Services Children's Justice Center

Dear Roger:

Following is the Division of Youth Services response to the Key Control Audit conducted by your office and the findings noted in the report dated July 12, 2013.

*Finding #1- Petty cash fund balance was excessive.*

While the use of the County purchasing system or purchasing cards are preferred and encouraged, the petty cash fund is available for emergency purposes. Petty cash is tightly controlled. There is no way to predict the nature of an emergency. In Youth Services' history, emergencies can vary from needing to provide medication to food for a restricted diet to basic clothing. The Children's Justice Center program where this cash fund is maintained is approximately 18 miles from the main Youth Services campus. At this time, a reduction in the amount of the fund would be imprudent given the dramatic fluctuations in need. Youth Services is evaluating the implementation of an additional purchasing card for this program as they have two locations. Should this be determined to be in the best interest of serving clients, a reduction in the amount of the fund may occur.

Thank you for your assistance and support. Please feel free to contact us with any questions or concerns.

Sincerely,

Pat Berckman  
Division Director

Cc: Elizabeth Bayler, Fiscal Manager  
Roger Gisseman, Youth Services Associate Director  
Susanne Mitchell, Children's Justice Center Program Manager