

CITY AUDITOR'S OFFICE



**AUDIT OF PARKS AND RECREATION
CHANGE FUNDS**

Report CW012-1819-03

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CITY AUDITOR

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BACKGROUND

The City Auditor's Office performs on-going unannounced cash counts and reviews of cash handling controls at city facilities. During the months of August and September 2018 city auditors audited change funds at 16 Parks and Recreation locations. The amount of change funds totaled \$1,300.00.

The 16 locations included:

- Cimarron Rose Community Center
- Doolittle Community Center
- East Las Vegas Community Center
- Mirabelli Community Center
- Stupak Community Center
- Veterans Memorial Center
- Chuck Minker Sports Complex
- Dula Gymnasium
- Centennial Hills Active Adult Center
- Derfelt Senior Center
- Doolittle Senior Center
- East Las Vegas Community Center
- Howard Lieburn Senior Center
- Las Vegas Senior Center
- Municipal Pool
- Pavilion Center Pool

Cash handling activities at the locations are subject to both city and departmental cash handling policies and procedures:

- The city's Petty Cash and Change Funds Policy/Procedure FN305
- The Department of Parks and Recreation has Cash Handling Procedures PR-0005
- Cash Handling Procedures-Seasonal Pools
- Floyd Lamb Park Gate House PR-0005.1

The cash controls at each location were evaluated against these policies and procedures.

OBJECTIVES

Our objectives in completing the audit of cash handling controls and procedures at the Parks and Recreation locations were to:

- Conduct a surprise cash count of the change funds.
- Review compliance with city and departmental cash handling policies and procedures.
- Observe general security of funds.

SCOPE AND METHODOLOGY

We conducted this performance audit in accordance with generally accepted government auditing standards except for the requirement for an external peer review every three years. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. The exception to full compliance is because the City Auditor's Office has not yet undergone an external peer review. However, this exception has no effect on the audit or the assurances provided. The last fieldwork date of this audit was September 13, 2018.

Our methodology included:

- Surprise count down of change funds.
- Observing cash operations.
- Interviewing personnel.
- Reviewing Cash Handling policies and procedures.

FINDINGS AND RECOMMENDATIONS

We completed unannounced cash counts of the change funds at 16 Parks and Recreation locations. We identified a minor overage in our count of the front register drawer.

Our audit identified issues management should address to improve the cash handling controls at the 16 locations. These issues are summarized in the following sections. While other issues were identified and discussed with management, they were deemed less significant for reporting purposes.

1. Petty Cash and Change Funds Policy/Procedure FN305

Criteria

- City and departmental cash handling policies and procedures should be followed to ensure proper controls over funds and accountability for transactions.

Condition

None of the 16 Parks and Recreation locations had a copy of the Petty Cash and Change Funds Policy/Procedure FN305 on hand. However, all locations did have their department's applicable cash handling procedures: *the Department of Parks and Recreation Cash Handling Procedures PR-0005* or the *Floyd Lamb Park Gate House PR-0005*.

Cause

The citywide cash handling policy/procedure (FN305) was not distributed to the Fund Custodians.

Effect

- Weaknesses in cash controls.
- Opportunities for theft of funds.

Recommendation

1.1 Management should ensure all locations with change funds and all fund custodians receive a copy of Petty Cash and Change Funds Policy/Procedure FN305 and file it with the department's cash handling procedures.

MANAGEMENT RESPONSE

1. Petty Cash and Change Funds Policy/Procedure FN305

1.1 Management should ensure all locations with change funds and all fund custodians receive a copy of Petty Cash and Change Funds Policy/Procedure FN305 and file it with the department's cash handling procedures.

Management Plan of Action: Deputy Director for Park and Recreation sent an email stating: As a result of our one finding, we need all facilities to maintain a copy of the city's Petty Cash and Change Fund Policy/Procedure (attached) at your location. This needs to accompany the department Cash Handling Policy you have on hand. A copy of the FN305 was also attached.

Estimated Date of Completion: Completed on September 24, 2018