

May 22, 2008

Internal Audit Report 2008-8
Cash Control Procedures
Eagle River/Chugiak Parks and Recreation

Introduction. In 2007, Eagle River/Chugiak Parks and Recreation collected cash receipts totaling \$360,742. Department employees collect cash in two locations: at the office located in Eagle River and at the Chugiak Pool located at Chugiak High School. Eagle River/Chugiak Parks and Recreation collects revenue for selling bus passes, facility use permits, park fees, swim lessons, swim passes and swim tickets.

Objective and Scope. The objective of this audit was to determine whether Eagle River/Chugiak Parks and Recreation had proper cash controls in place, and if these controls were in compliance with Municipal Policy and Procedure (P&P) 24-1, *Collecting, Securing, Depositing and Reporting Cash*. To accomplish our objective, we performed surprise cash counts, reviewed cashier daily summary reports for completeness, and verified that deposits were made timely. We also inventoried bus passes, permits, swim passes and swim tickets, and traced sold items to cash register transactions. Finally, we reviewed records of attendance for annual Municipal cash handling training and verified that all cashiers attended the training.

The audit was conducted in accordance with generally accepted government auditing standards, except for the requirement of an external quality control review, and accordingly, included tests of accounting records and such other auditing procedures as we considered necessary in the circumstances. The audit was performed during the period of April 2008. The audit was requested by the Assembly.

Overall Evaluation. Cash control procedures at Eagle River/Chugiak Parks and Recreation were generally satisfactory and complied with P&P 24-1. However, unscheduled supervisory cash counts were not performed for two cashiers on a regular basis and none of the results were reported to Cash Management for those unscheduled cash counts that were performed.

FINDING AND RECOMMENDATION

1. Unscheduled Cash Counts Not Always Performed.

- a. Finding.** Supervisors did not always perform unscheduled cash/check counts and reconciliations for one cashier at the Eagle River/Chugiak Parks and Recreation office and for one cashier at the Chugiak Pool. In addition, for each unscheduled count that was performed, supervisors did not report the results to Cash Management. Municipal P&P 24-1 states that the supervisor of each collection location must perform an unscheduled cash/check count and reconciliation for each cashier at least once per month and report the results on June 30 and December 31 of each year to Cash Management.
- b. Recommendation.** The Director of Eagle River/Chugiak Parks and Recreation should ensure that unscheduled supervisory cash/check counts are performed and reported as required by P&P 24-1.
- c. Management Comments.** Management stated, "Management concurs with the Internal Auditor's finding and recommendation to ensure unscheduled supervisory cash/check counts are performed and reported as required by P&P 24-1. Management will ensure training is attended and unscheduled cash counts are performed and reported to the cash management office."

- d. **Evaluation of Management Comments.** Management comments were responsive to the audit finding and recommendation.

Discussion With Responsible Officials. The results of this audit were discussed with appropriate Municipal officials on May 6, 2008.

Audit Staff:
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