



# City of Greensboro

Date: May 26, 2004  
To: Ed Kitchen, City Manager  
From: Internal Audit  
Subject: Smith Senior Center Audit

Attached you will find a copy of the Smith Senior Center Audit we've completed, a response from the responsible department and our reply to those responses. We agree with the corrective actions to be taken and feel no other actions are necessary at this time. If you need additional information, please let us know. Thanks.

A handwritten signature in black ink, appearing to read "Len Lucas".

Len Lucas  
Acting Internal Audit Director

Cc: Ben Brown, Assistant City Manager for Economic Development  
Bob Morgan, Assistant City Manager



*Date:* May 11, 2004  
*To:* Ed Kitchen, City Manager  
*From:* Internal Audit  
*Subject:* Smith Senior Center

The Internal Audit Division has conducted an audit of the Smith Senior Center, which is supervised by the Greensboro Parks and Recreation Department. The center offers a wide variety of programs including indoor swimming, water aerobics, a fitness room, gym walking, senior exercise program, line dancing and special interest classes as well as community groups for citizens to join. The center also offers year-round programs for seniors, 55 years and older, including weekly A.H.O.Y. exercise classes, and the annual Greater Greensboro Senior Games and Silver Arts competition.

The objectives of this audit are to determine whether:

- Effective oversight is being provided over the revenue collection process, including adequate internal controls in the cash handling process exist to ensure that cash receipts are accurately recorded and deposited in a timely manner.
- Cash disbursements are properly approved and supported with documentation.
- Effective oversight over the payroll process exists.
- Equipment and property recorded exist and are adequately safeguarded.

During our audit, we noted the following findings and offer our recommendations:

#### **Cash Receipts**

Smith Senior Center issues pre-numbered receipts to its customers upon receiving payment for various programs. The original receipt is given to the customer, and duplicates are retained by the Center.

**Finding:** We noted instances where several pre-numbered receipts were missing from the Center's records.

**Recommendation:** The Center Supervisor should ensure that all pre-numbered receipts are accounted for and all copies of voided receipts should remain within the cash receipts book.

**Deposits**

During FY 2002-2003, Smith Senior Center's net collections for both resident and non-resident fees consisted of 20 deposits totaling \$36,944.19. Of those 21 deposits, 19 deposits exceeded \$1,000.

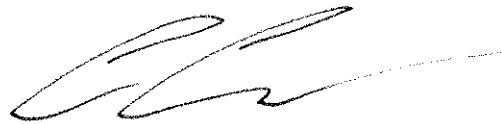
**Finding:** We noted instances where funds greater than \$250 were collected within a day, but were not deposited until a week later. For example, on January 7, 2003, the Center's cash receipts totaled \$1,055. These receipts were not deposited until January 15, 2003.

**Recommendation:** We recommend that all collections received totaling more than \$250 be deposited that day as required under *General Statute 159-32*, which states: "Each officer and employee of a local government or public authority whose duty it is to collect or receive any taxes or other monies shall deposit his collections and receipts daily. If the governing board gives its approval, deposits shall be required only when the monies on hand amount to as much as two hundred fifty dollars (\$250), but in any event a deposit shall be made on the last business day of the month."

We would like to thank the staff at the Parks and Recreation Department for their courtesy and cooperation shown us during this audit. We are requesting a response of corrective actions addressing our findings and recommendations for this audit in memorandum form signed by the appropriate parties by Tuesday, May 25, 2004. If you have any questions or concerns, please contact us at 373-4528.



Tina McKoy  
Internal Auditor II



Len Lucas  
Acting Internal Audit Director

Cc: Mitchell Johnson, Deputy City Manager  
Ben Brown, Assistant City Manager, Economic Development  
Bob Morgan, Assistant City Manager  
Bonnie Kuester, Parks and Recreation Director  
John Hughes, Manager of Youth and Community Programs  
Elizabeth Sapp, Center Supervisor



# City of Greensboro

Date: May 24, 2004

To: Internal Audit

From: John Hughes, *JH* Manager Youth and Community Programs

Subject: Smith Senior Center

Let this memorandum serve as the response to the Audit of the Smith Senior Center. In regards to your findings and recommendations staff has been instructed to follow the entire Auditor's recommendations.

Staff was instructed to leave all voided out receipts in the receipt book or attach the receipt to the back of the page with an explanation.

Staff will make deposit on a more timely basis or when the amount of money collected reach \$250.00 or more. Although, the General Statue 159-32 states that when the monies on hand amount to as much as \$250.00 should be deposit daily. Does the statue allow for monies collected after normal business hours to be turn in the morning of next business day? The concern is for the safety of staff going to the night deposit boxes at the various bank branches.

I would like to thank Tina McKoy for conducting the audit and the staff at Smith Senior Center their cooperation during the audit.

*Bonnie Kuester*

Bonnie Kuester, Director Parks and Recreation

Cc:

Ed Kitchen, City Manager  
Mitchell Johnson, Deputy City Manager  
Ben Brown, Assistant City Manager, Economic Development  
Bob Morgan, Assistant City Manager  
Elizabeth Sapp, Center Supervisor



# City of Greensboro

Date: May 26, 2004  
To: Bonnie Kuester  
From: Internal Audit  
Subject: Smith Senior Center -- Reply to Audit Response dated May 24, 2004

The Internal Audit Division has reviewed your responses to our audit of the Smith Senior Center. We agree with the corrective actions the Parks and Recreation Department will initiate, which include retaining all "voided" cash receipt forms and depositing monies more frequently in accordance with *General Statute 159-32*. Any monies collected after normal business hours may be kept on the premises provided it is kept in a secure area, with limited access. We understand and agree with your concerns for staff using night deposit boxes at various bank branches.

We appreciate your responses to our recommendations. If you have any questions or concerns, please do not hesitate to call us at 373-4528.

Tina McKoy  
Internal Auditor

Len Lucas  
(Acting) Internal Audit Director

Cc: Ben Brown, Assistant City Manager for Economic Development  
Bob Morgan, Assistant City Manager