

DEPARTMENT OF RECREATION AND YOUTH SERVICES  
REVIEW OF EDGERTON COMMUNITY CENTER  
CASH HANDLING ACTIVITIES

Office of Public Integrity  
Date: June 23, 2015

## I. EXECUTIVE SUMMARY

In this review, the Office of Public Integrity (OPI) examined accountability of reported cash collections, the adequacy of internal control procedures, and compliance with City and Bureau cash handling policies at the Edgerton Community Center. We accounted for all reported cash receipts within the test period. Additionally, the results of this review indicate adequate internal control procedures over the Center's operations and, in general, compliance with City and Bureau cash handling policies. We did not note any material or significant findings during this review.

## II. BACKGROUND, OBJECTIVES AND SCOPE

### A. Assignment

The Office of Public Integrity conducts routine examinations of cash receipts, records and related internal controls at City recreation and community centers. The work plan for the current fiscal year includes the examination of one of these centers. We selected the Edgerton Community Center for this examination. We performed the last review of this Center in 2008.

### B. Background

The Edgerton Community Center provides year-round and seasonal leisure activities in the northwest section of the City. The Edgerton Center Director is responsible for all activities at the Center. Some of these activities and programs require the payment of participant user fees. All fees of this type are processed at the Edgerton Community Center. Additionally, this facility offers, for a fee, permits to use meetings rooms and the Edgerton Stardust Ballroom. The Bureau's central office collects, deposits and accounts for cash receipts attributable to permits. The following table summarizes reported cash collections related to Edgerton Community Center during the period July 1, 2014 to March 31, 2015.

Edgerton Community Center  
Reported Cash Collections  
For the Period July 1, 2014 to March 31, 2015

<u>Activity</u>	<u>Reported Revenue</u>
Stardust Dance Series	\$ 765.00
Seabreeze Field Trip	930.00
Permit Sales	<u>20,070.00</u>
Total	<u>\$21,765.00</u>

The Department of Finance issued the most recent City Cash Collection Policies in May 2014. Additionally, the Bureau of Recreation issued a separate cash handling policy in May 2000 that supplements the City's overall policy. The Office of Public Integrity used these two policies as standards to review and evaluate internal controls and procedures in this examination.

C. Objectives and Scope

The objectives of the review were to determine whether the Edgerton Community Center could account for reported cash collections, to determine the adequacy of internal control procedures, and to determine the extent of compliance with City and Bureau cash handling policies. The scope included cash receipts and corresponding records applicable to fees collected for all programs conducted at the Edgerton Community Center and all permits applicable to Edgerton issued during the period July 1, 2014 through March 31, 2015.

Management is responsible for establishing and maintaining a system of internal accounting and administrative control. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of control procedures. The objectives of a system are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of accurate, informative reports that are fairly stated.

Because of inherent limitations in any system of internal accounting and administrative control, errors or irregularities may nevertheless occur and not be detected. Also, projection of any system evaluation to future

periods is subject to the risk that procedures may become inadequate because of changes in conditions or the degree of compliance with procedures may deteriorate.

We conducted this audit in accordance with Generally Accepted Government Auditing Standards (GAGAS). 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.

### III. RESULTS OF REVIEW

The results of our testing indicate Edgerton Community Center personnel generally appear to be complying with prescribed policy. We were able to determine the Center deposited all reported revenue. Additionally, we did not note any material or significant findings during this review.