



Audit Brief

Safekey Audit

Controls are Not Sufficient over Cash Collection for Safekey Activities



Why we did this audit

We performed this audit as part of our annual audit plan in order to determine whether balanced opportunities of locations exist and controls are sufficient over cash collections, deposits, and transactions.

Background

Safekey is a before and after school recreational enrichment program for children in kindergarten through 5th grade, designed to meet the needs of the working parent. The program is part of the public service activities offered by the Clark County Parks and Recreation Department (Parks and Recreation). Safekey is the largest revenue producing program for the Recreational Activity fund at \$3.8 million for fiscal year (FY) 2009. It is offered at various school sites throughout the unincorporated County area. Financial assistance is available to qualifying families through the State of Nevada Desert Regional Center (DRC) or the State of Nevada Childcare Assistance Division (State Childcare Assistance Division).

Audit Period

Our procedures covered the period from July 1, 2008 to June 30, 2009.

Summary of Significant Findings

We determined controls are not sufficient over cash collection for Safekey activities to safeguard against abuse and errors. In addition, control weaknesses exist over verification of reimbursement amounts from the state and reconciliation of recorded amounts in accounting records. We found that Safekey recordkeeping at Safekey sites was significantly inadequate. As a result, we are unable to conclude as to whether deposits were made in their entirety or properly recorded.

Financial assistance reimbursement transactions are not processed appropriately. Safekey records, supporting attendance of the same activity used to track customer charges and balances, were not accurate and did not sufficiently support customer co-pay amounts. In addition, reimbursement amounts received from the State of Nevada were not verified for accuracy.

We Recommend

- The Safekey staff perform appropriate reviews of documents to assure that daily transactions are reflected accurately among supporting Safekey records and receipts. In addition, we recommend that Safekey management reinforce procedures for recording and calculating balances through additional staff training and supervision. If Parks and Recreation cannot improve the reliability of the data, we recommend that the Department consider centralizing the payment function rather than having all the recordkeeping being done at the sites.
- Parks and Recreation perform monthly reconciliations between Safekey revenue recorded in RecWare and SAP to help ensure that all cash receipts are being accounted, recorded appropriately, and deposited in their entirety on a timely basis. The reconciliation should then be reviewed by another employee who does not record or handle cash. We recommend that the Director of Parks and Recreation develop and implement procedures to ensure proper recording of cash receipts.