

OFFICE OF THE CITY CONTROLLER



**PARKS AND RECREATION DEPARTMENT
FONDE RECREATION CENTER
CASH HANDLING PROCEDURES AUDIT**

Annise D. Parker, City Controller

Steve Schoonover, City Auditor



ANNISE D. PARKER

OFFICE OF THE CITY CONTROLLER
CITY OF HOUSTON
TEXAS

September 10, 2004

The Honorable Bill White, Mayor
City of Houston, Texas

SUBJECT: Parks and Recreation Department - Fonde Recreation Center
Cash Handling Procedures Audit (Report No. 04-17)

Dear Mayor White:

The City Controller's Office Audit Division has completed an audit of the cash handling procedures at the Parks and Recreation Department's Fonde Recreation Center (Center) for the period of July 1, 2003 through May 31, 2004. The audit's objective was to assist management with the assessment of the adequacy of internal controls related to the overall cash handling process. In addition, the audit evaluated compliance with the City's Cash Handling Policies and Procedures (AP 2-17).

The report, attached for your review, concludes that internal controls over the cash handling procedures at the Center are adequate to provide management with reasonable assurance that the funds are properly safeguarded and managed in compliance with AP 2-17.

We appreciate the cooperation extended to our auditors by Center personnel during the course of the audit.

Respectfully submitted,

Annise D. Parker
City Controller

xc: City Council Members
Anthony Hall, Chief Administrative Officer
Michael Moore, Chief of Staff, Mayor's Office
Joe Turner, Director, Parks and Recreation Department
Judy Gray Johnson, Director, Finance and Administration Department

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SCOPE AND PURPOSE

We have completed an audit of the cash handling procedures at the Fonde Recreation Center for the period of July 1, 2003 through May 31, 2004. The audit's objective was to assist management with the assessment of the adequacy of internal controls related to the overall cash handling process. In addition, the audit evaluated compliance with the City's Cash Handling Policies and Procedures (AP 2-17).

The scope of our work did not constitute an evaluation of the overall internal control structure of the Department. Our examination was designed to evaluate procedures and internal controls related to the City's cash handling procedures, test for compliance therewith and provide recommendations for improvement where appropriate. This audit was executed in accordance with Generally Accepted Government Auditing Standards.

Departmental management is responsible for establishing and maintaining a system of internal controls to adequately safeguard cash as an integral part of the Department's overall internal control structure. The objectives of a system are to provide management with reasonable, but not absolute, assurance that cash is safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and are recorded properly.

Because of inherent limitations in any system of internal accounting control, errors or irregularities may occur and not be detected in a timely fashion. Also, projection of any evaluation of the system to future periods is subject to the risk that procedures may become inadequate because of changes in conditions, or that the degree of compliance with procedures may deteriorate.

CONCLUSION

Based on the results of our audit, we conclude that internal controls over the cash handling procedures at the Fonde Recreation Center are adequate to provide management with reasonable assurance that these funds are properly safeguarded and managed in compliance with AP 2-17.



Ebenezer Robinson
Auditor-in-charge



Kenneth Teer
Audit Manager



Steve Schoonover
City Auditor