

REPORT TO
THE SALT LAKE COUNTY COUNCIL
AND
THE SALT LAKE COUNTY MAYOR

COUNTY AUDITOR'S



SIXTEENTH ANNUAL REPORT

OF

INTERNAL AUDITS – 2004

SEAN THOMAS
COUNTY AUDITOR



SALT LAKE COUNTY AUDITOR'S OFFICE

SEAN THOMAS

September 28, 2005

TO: The Mayor, County Council, Division Directors, Department Directors, and Elected Officials

Transmitted herewith is our **SIXTEENTH ANNUAL REPORT OF INTERNAL AUDITS - 2004**. The purpose of the report is to provide managers at all levels of County Government with information relative to the audits we performed during 2004. Specifically, the report lists each recommendation made in the audits completed and whether those recommendations have been implemented.

In the section entitled **“Recommendations Carried Over From Previous Years,”** recommendations are listed from audits completed in previous years which have not yet been implemented.

We will be happy to meet with appropriate managers to discuss any item contained in the report in order to facilitate the implementation of recommendations.

Sincerely,

(signed)

James B. Wightman, CPA
Director, Internal Audit Division

Report to
The Salt Lake County Council
And
The Salt Lake County Mayor
September 2005

Sixteenth Annual Report
of
Internal Audits – 2004

Sean Thomas
Salt Lake County Auditor

James B. Wightman, CPA
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EXECUTIVE SUMMARY

Overview of 2004 Audits and Other Activities

This Sixteenth Annual Report of Internal Audits reviews the findings and recommendations compiled from audits performed during calendar year 2004, with some carryover recommendations from audits performed in 2003. As in the past two to three years, the audits performed disclose a pattern of recurring internal control issues that require a renewed, re-energized focus by County administrators, in order to be resolved on a countywide basis.

During 2004, our internal control audits resulted in several unanticipated findings with important implications for the financial integrity of the County operations. The audit of Old Mill golf course disclosed significant internal control weaknesses in the cash-management and inventory-control computer software, and related hardware configuration. This was especially the case at Old Mill, but also systemic to the Countywide golf operations. The positive outcome was a comprehensive effort by County Information Services and Golf Operations to upgrade hardware and obtain updates and on-site instructions to the Fore Reservations software, both accomplished before the start of the busy 2005 golf season.

The audit of the Salt Lake City Sports Complex, likewise, turned up a web-based system allowing customers to perform internet registration and payment for various activities offered by the Sports Complex. This web-based system was in operation at certain other recreation centers in the County as well. We discovered that customer identification information was not adequately safeguarded. Coordinated efforts of the County Treasurer, Information Services, Parks and Recreation, their contracted software vendor, and the County's principal bank, put in motion some important system modifications to insure the privacy and protection of customer's personal identification information. However, in the interim, the County's banking relationship for these services has changed and the implementation has not been completed.

Interspersed with these audits, the investigative review of financial operations at the County Equestrian Park resulted in the conviction of one County employ for theft of an estimated \$53,000. Full restitution of the stolen funds was obtained from the perpetrator. Under the direction of the Mayor's fiscal staff, internal control procedures over the receipting, recording, and depositing of public funds have been documented and tightened.

For the second year running, the division completed an audit of the Treasurer's system for origination and receipt of internet-initiated entries (web entries) for property tax payments. We followed guidelines issued by the National Automated Clearing House (NACHA) which included rules aimed at protecting consumers' financial information, Treasurer personnel screening for hiring, access to and control over the data, and system monitoring. We contracted for the services of a third-party expert to perform random, unannounced penetration testing of the system. The consultant was unable to find any significant weaknesses on the County's server used to process the internet-initiated entries.

Additionally, the division engaged in a cooperative effort, through the summer and fall, with the Citizen's Review Panel evaluating the County Fleet's vehicle policies and practices. Audit findings and conclusions were presented to the County Council during the December 2004

budget hearings to provide support for the County Council's decision to transfer \$2 million from the Fleet fund balance to the fund balances of various user organizations.

Throughout 2004, the division has worked closely with the District Attorney's office and the County Director of Mental Health to develop a reporting mechanism from Valley Mental Health (VMH) aimed at providing an overview of the flow of funds, into and out of VMH, to assist policy makers in making more informed decisions.

During the first half of 2004, members of the division were actively involved in the 2004 performance measurement initiatives, supporting the leadership of the County Council's Fiscal Analyst. We also actively participated in workshops conducted by an outside consultant to facilitate strategic planning and performance measures for Aging Services and the Surveyor's office, during the fall of 2004.

Finally, our auditors performed extensive data extraction and analysis of the County's payroll master file, examining a two-year period, 2002-2003. Auditors used a powerful data analysis tool, Audit Command Language (ACL), to check the payroll system for errors, unusual transactions, or indications of attempts to defraud the system. With certain exceptions, as noted in the report of August 2004, the County's payroll system was functioning effectively, with adequate internal controls in place.

As is evident from the preceding, the division's work was wide-ranging, with audits and analysis performed in organizations under the Mayor's portfolio: Public Works (Fleet Operations), Human Services, Personnel, and in other elected offices like the Treasurer's and Surveyor's Office. Enclosed with this *Executive Summary*, in Tables 1, 2, 3, and 4 are matrices of our findings for the audits performed during calendar year 2004. The matrices provide a representation of key findings by organization.

The findings and recommendations are in four primary areas of internal control:

- ***Cash handling and management of public funds – Table 1***
- ***Accountability for “capital” and “controlled” assets – Table 2***
- ***Internal controls over merchandise inventory, accounts receivable management, and rental contracts – Table 3***
- ***Internal controls over the County's payroll system – Table 4***

This executive summary focuses on these areas of concern as a means of heightening awareness and soliciting support of Council Members, the Mayor, and other elected officials to address and correct these violations of Countywide policies and procedures.

First, some introductory comments on the internal audit process and the role of both County management and the County internal auditors in this process may be helpful.

How Audit Findings and Recommendations are Derived

The Internal Audit Division of the Salt Lake County Auditor's office follows, with certain exceptions, governmental auditing standards set forth in the ***Government Auditing Standards 2003 Revised***, published by the General Accounting Office (GAO), under the authority of the Comptroller General of the United States.

In developing audit findings and recommendations, auditors follow a deductive reasoning process using the following basic steps:

1. **Criteria:** Auditors research “criteria,” which establish the framework for an audit and are an integral part of the audit plan. Criteria are developed by reviewing statutes, ordinances, policies, procedures, and “best practices” that govern the department, division, organization, or agency being audited.
2. **Condition:** Using the steps in the audit plan, auditors assess and describe the “condition” that exists under the actual policies, procedures, and practices followed by the organization being audited, which may or may not adhere to the “criteria.” A “condition” not in compliance with the “criteria” constitutes the auditor’s “finding.”
3. **Effect:** This step addresses whether the current “condition” of the organization’s operations are producing “effects” that are exceptionally noteworthy, either good (in compliance with criteria) or deficient (out of compliance), and assesses the actual or potential consequences of deficiencies.
4. **Cause:** Next, auditors determine and describe the underlying “cause” contributing to the organization being “in” or “out” of compliance. Assessing the “cause” gets to the root of either the presence or absence of active management oversight, and effective internal control.
5. **Recommendation:** The final step is formulation of recommended actions that should be taken by the management and staff to improve the condition of the organization and its compliance with the governing “criteria.” Recommendations are aimed at improving internal financial and operational controls, and enhancing the effectiveness and efficiencies of the organization.

Accountability and the Audit Process

The concept of accountability is inherent in the governing process. Managers and employees who staff public programs are accountable to the public as well as to the government, and increasingly find themselves and their agencies open to scrutiny. One primary tool for quantifying public accountability is the audit process.

County governing bodies, other government officials, and citizens want to know whether:

1. *Government resources are managed properly and used in compliance with laws and regulations,*
2. *Government programs are achieving their objectives and desired outcomes, and,*
3. *Government programs are being provided efficiently and effectively.*

Management’s Role

County managers are entrusted with handling public resources. This includes:

1. *Using resources efficiently, effectively, and legally to achieve the purposes for which resources are furnished and programs are established,*

2. *Complying with statutes, ordinances, policies, and procedures, including proactive identification of requirements with which the entity must comply and implementing systems to achieve compliance,*
3. *Establishing and maintaining internal controls to ensure that:*
 - a. Strategic goals and objectives are met,
 - b. Resources are received, economically consumed, and/or safeguarded,
 - c. Laws and regulations are understood and followed, and,
 - d. Reliable data to measure performance is obtained, maintained, and fairly disclosed,
4. *Taking action on findings and recommendations of auditors, and tracking the status of implementation of those findings and recommendations,*
5. *Rendering timely and useful reports to oversight governing bodies, and the public, concerning the services rendered, the efforts expended in personnel and resources, and the outcomes of those programs to the constituent user, and,*
6. *Following sound procurement practices when contracting for services.*

Auditor's Responsibilities

The auditor's essential role is to serve the public interest and maintain the highest standard of integrity, objectivity, and independence, including:

1. *Serving the public interest, honoring the public trust, and upholding professional standards,*
2. *Making decisions consistent with the public interest in the program or activity under audit,*
3. *Broadening and maintaining public confidence by performing work with the highest degree of integrity,*
4. *Remaining objective and free of conflicts of interest in discharging professional responsibilities,*
5. *Exercising sound professional judgment when defining the scope and methodologies of their work, determining the tests and procedures to be performed, conducting the work, and reporting the results, and,*
6. *Helping management, and other users of reports, understand the auditor's responsibilities under governmental auditing standards.*

With this overview of the audit process in mind, the following is a summary of the most important findings of our audits, broken down by category:

1. ***Cash handling and management of public funds,***
2. ***Accountability for "capital" and "controlled" assets,***
3. ***Internal controls over merchandise inventory, accounts receivable***

management, and rental contracts,

4. *Internal controls over the County's payroll system.*

1. Cash Handling and Management of Public Funds

The first area of concern is cash handling and management of public funds. The primary areas of consistent non-compliance were:

- **Cashiers not completing over/short logs and/or lack of supervisor review and approval of over/short logs**
 - *Finding in 9 separate audits throughout the County*
- **Revenue deposits were not made timely in violation of Countywide policy**
 - *Finding in 8 separate audits throughout the County*
- **Patron receipts, voided by cashiers, not signed/approved by supervisor**
 - *Finding in 6 separate audits throughout the County*
- **Change fund was out of balance or not authorized**
 - *Finding in 6 separate audits throughout the County*
- **Check/cash composition not recorded or not accurate**
 - *Finding in 4 separate audits throughout the County*

In addition to the above, our audits continue to discover a lack of adequate “separation of duties.” Proper separation of duties prevents alteration of records, fraud, and misrepresentation in recording and depositing cash receipts, both intentional and unintentional. Duties such as billing, cash receipting, posting payments, and reconciling reports and bank accounts should each be performed by a separate individual.

Some offices in the County lack adequate number of personnel to separate all the functions mentioned above. In these instances, management must ensure that other controls are in place, like having a supervisor observe procedures and sign off and date to verify the review. All of the above issues regarding management of public funds are addressed in Countywide Policy #1062, “Management of Public Funds.”

2. Accountability for Capital and Controlled Assets

Organizational accountability for the “capital” and “controlled” assets is governed by Countywide Policy #1125, “Safeguarding Property/Assets.” The importance of keeping an accurate, up-to-date inventory of capital and controlled assets at each County organization needs continual, proactive emphasis and review by each organization’s management. Not only does an inventory of assets need to be maintained, but also a yearly count and verification of those items needs to be performed. Organizations must also ensure that all capital assets are tagged with a unique identification number. We recommend tagging of controlled assets as well, at the discretion of the organization property manager. When the useful life of an asset has been met, proper forms must be completed and the asset transferred to the surplus warehouse. These

procedures, clearly governed by County policy, are generally not being followed consistently and effectively.

Highlighted below are specific areas of inconsistent compliance discovered during our audits:

- **Items discovered during audit, not documented as an acquisition, and not listed on the “controlled asset inventory”**
 - *Finding in 5 separate audits throughout the County*
- **No “Controlled Assets Inventory – Employee” form for individual accountability for assets assigned to employees**
 - *Finding in 4 separate audits throughout the County*
- **Property managers not updating “controlled asset inventory” for documented acquisitions, transferred items, or items sent to surplus**
 - *Finding in 3 separate audits throughout the County*

3. Internal Controls over Merchandise Inventory, Accounts Receivable Management, and Rental Contracts

The County operates a number of facilities under the Community Services Department, i.e., *golf courses, recreation centers, ice arenas, theatre venues, and a planetarium*, that purchase, hold in inventory, and resell products to their patrons. The purchase for resale of consumer merchandise dictates the need for effective internal controls over various stages of the process.

Our audit report of July 2000, *Countywide Collections Efforts on Accounts Receivable*, had a significant finding that approximately “62 percent of County organizations have verbal instead of official written policies and procedures” on accounts receivable collections. Written guidelines provide a consistent and effective control over the collection of an organization’s accounts receivables. Our July 2000 audit disclosed that “*the County spends upwards of \$2.80 for every \$1.00 recovered*” on a delinquent account receivable, once the case has been turned over to the District Attorney’s office for collection. This unacceptable “cost/benefit” ratio is created by the absence of proactive measures to collect the receivable at the organization level. When a receivable ages for over 30 days, it becomes increasingly more difficult to collect.

We strongly recommend and encourage County organizations that manage accounts receivable to develop written guidelines and procedures, and to train employees and enforce consistent compliance. Our audits show that most County organizations are not in compliance with these recommendations.

Outlined below are those areas of non-compliance discovered during our audits in these areas:

- **Organizations did not have a written accounts receivable policy in place.**
 - *Finding in three separate audits throughout the County*
- **No software program in place to record merchandise inventory**

- *Finding in two separate audits throughout the County*
- **A physical inventory of merchandise-on-hand was conducted, but did not match the inventory count**
 - *Finding in two separate audits throughout the County*

4. Internal Controls over the County's Payroll System

The following are findings of non-compliance disclosed by our audits:

- **Several fields in the payroll master file contained missing or invalid data.**
- **Duplicate addresses could not be detected due to lack of standardized data entry.**
- **Standard addressing procedures were not consistently followed.**
- **Employees claimed exempt status or increased the number of dependents claimed during pay periods with additional earnings.**

The remainder of this report outlines the recommendations made by our office to the various organizations, along with their response as to the status of implementation of our recommendations.

Table 1. Matrix of Findings from Cash Handling and Management of Public Funds from Cash Audits - 2004L listed by the top ten in order of risk and then by frequency of occurrence. Columns to the right indicate the organization receiving that finding.

		Aging - Theft	Centennial Pool	Clark Planetarium	Crestwood Pool	Equestrian Park - Theft	Holiday-Lions - Theft	Mary Jensen Rec	Old Mill Golf Course	Payroll	Recreation Centers	Redwood Multipurpose	Salt Palace Parking	SLC Sports Complex	Surplus Property	Total
Top Ten in Order of Risk of Theft																
1	Mailed-in receipts not safeguarded		X	X						X						3
2	Receipting and deposit preparation done by same person			X						X						2
3	Voided not documented/signed.					X	X		X	X		X	X			6
4	No receipts issued or issued inconsistently			X	X											2
5	Refunds improper/no signatures/from same-day receipts		X				X		X							3
6	Bank deposits not timely/not made/not reviewed	X	X	X	X		X		X	X		X				8
7	Cashier balance sheets incorrect or incomplete or not used	X									X		X			3
8	"No Money Taken" transactions not reviewed/signed as reviewed				X	X										2
9	On-line credit card registration					X				X		X				3
10	Over/Short excessive						X									1
Remaining Findings in Order of Frequency of Occurrence																
11	Over/Short logs not completed and/or reviewed.	X	X		X	X				X	X	X	X	X		9
12	Change fund was out of balance/not authorized.		X			X				X		X	X	X		6
13	Cash/check composition not recorded/ not accurate/did not match		X		X		X					X				4
14	Embezzlement occurred	X			X	X										3
15	Petty cash out of balance/did not have two signatures					X				X	X					3
16	Check/cash/cc composition not complete						X						X			2
17	Credit card information not secure.										X		X			2
18	McBee alterations/no review				X					X						2
19	Transfer of funds not documented.										X	X				2
20	Balance sheet not prepared same day as receipts.													X		1
21	Cashiers improperly returning checks for registration.									X						1
22	Checks not endorsed on receipt				X											1
23	Concession receipts stolen				X											1
24	Controls over receipting of concession funds nonexistent									X						1
25	Credit card funds deposited into wrong account.		X													1
26	Financial records not safeguarded.										X					1
27	No automated gate can create un-recorded entry											X				1
28	No cash handling policy				X											1
29	No reconciliation of funds to use											X				1
30	No travel expenditure report		X													1
31	Non-County employees receipting County funds.									X						1
32	Outside group checking accounts not managed appropriately						X									1
33	Pre-numbered tickets not safeguarded.												X			1
34	Promotion documents not turned in by cashiers		X													1
35	Stale-dated checks not sent to State Unclaimed Property Div		X													1
36	Vending collections not controlled				X											1

Table 2. Matrix of findings from Capital and Controlled Assets from Cash Audits - 2004 Listed in order of frequency of occurrence. Columns to the right indicate the organization receiving that finding.

		Aging - Theft	Centennial Pool	Clark Planetarium	Crestwood Pool	Equestrian Park	Holladay Park - Theft	Mary Jensen Rec	Old Mill guild Course	Payroll	Recreation Centers	Redwood Multipurpose	Salt Palace Parking	SLC Sports Complex	Surplus Property	TOTAL
1	CA* found but not on CA* list	x	x							x		x	x			5
2	CA* not assigned to individual employees		x							x		x	x			4
3	CA* list not updated for buy-surplus-transfer					x					x	x				3
4	CA form lacked documentation		x										x			2
5	No annual inventory					x										1
6	CA* could not be found during audit								x							1
7	Equipment on loan, no PM-3					x										1
8	Safe not bolted to floor										x					1

*CA = Controlled Assets

Table 3. Matrix of Findings from Merchandise Inventory, Accounts Receivable Management, and Rental Contracts from Cash Audits - 2004 Listed in order of occurrence. Columns to the right indicate the organization receiving that finding.

	Aging - Theft	Centennial Pool	Clark Planetarium	Crestwood Pool	Equestrian Park - Theft	Holladay-Lions - Theft	Mary Jensen Rec	Old Mill gould Course	Recreation Centers	Salt Palace Multipurpose	SLC Sports Parking	Surplus Property	TOTAL
Merchandise Inventory													
1	No software program						x			x			2
2	Store inventory numbers did not match inventory count.	x					x						2
3	New purchases could not be found						x						1
Accounts Receivable Management													
1	No AR policy in place		x					x		x			3
2	Duties or receipting not separated from A/R									x			1
3	Aging schedule not prepared monthly									x			1
4	Invoices prepared up to 20 days after transaction		x										1
5	AR set-ups in Sportsman confusing.				x								1
6	No 2nd notice to account 120 days past due		x										1
Rental Contracts													
1	\$750 in rental fees not traced to deposits		x										1
2	No separation of duties in building rentals		x										1
3	Reason for rental waivers not documented		x										1
4	Contract not always on file - not signed by contractor		x										1
5	Written and verbal instructions not consistent		x										1
6	Full deposit refunded even though contract says 50%		x										1

Table 4. Matrix of Findings from Payroll Audit - 2004 The audit was divided into three areas, the payroll master file, quarterly pay information and vendor data. The findings from each of the divisions are listed.

		Re Payroll Master File	Re Quarterly Information	Re Vendor Data
1	Many employee records contained the same home telephone number	x		
2	Duplicate addresses cannot be detected due to lack of standardized data entry	x		
3	Several fields contained missing or invalid data	x		
4	Sick leave was accrued at a rate in accordance with County policy	x		
5	Sixteen employees had out-of-state addresses	x		
6	Thirty-eight employees in general pay plan were paid above the maximum amount allow for their grade.	x		
7	Vacation balances were within amounts allowed by County Policy.	x		
8	Vacation was accrued at the rates established in County Policy.	x		
9	Employees claimed exempt status or increased the number of dependents claimed during pay periods with additional earnings.		x	
10	Employees received more than 100 of overtime related to 376 pay periods.		x	
11	FICA and Medicare withholdings are within the amount required by law.		x	
12	Gross and net calculations within the payroll system function correctly.		x	
13	Manual checks were issued for pay periods outside the quarater being examined.		x	
14	One hundred eight-four transactions contained 100 or more hours of sick leave.		x	
15	One hundres eleven transactions had more than 100 hours of vacation.		x	
16	Section 125 Cafeteria Plan contributions were within legal restrictions.		x	
17	Several individuals receiving payroll checks could not be matched to a record in the payroll file. The Fire Department generated the majority of duplicate payroll transactions		x	
18	Fourteen payroll checks contained 100 or more hours of leave without pay.		x	
19	A temporary employee terminated and then became a contractor performing the same duties.			x
20	An additional three employee-vendor connections were discovered by comparing employee social security numbers to federal identification numbers			x
21	Standard addressing procedures were not consistently followed			x
22	Twenty six vendors had phone numbers and/or addresses that matched that of a County employee.			x
23	We found 1,815 vendor numbers that had been assigned to vendors with more than one vendor record.			x

INTRODUCTION

This is the Sixteenth Annual Report of Internal Audits completed by the Audit Division of the Salt Lake County Auditor's Office. The purpose of the report is to provide managers at all levels of County government with information relative to each completed audit and other studies. The information includes the recommendations made in each audit and the status of the implementation of those recommendations. These updates should be useful to the Mayor and the other Elected Officials in directing their respective departments and offices, and the County Council regarding operations of the County generally.

The Audit Division of the Auditor's office performs audits of County organizations, with specific objectives, as the Auditor deems appropriate and necessary under Utah State Code Annotated Section 17-19-1 (3) (d). Generally, an annual schedule of audits is structured and performed based on an updated risk assessment. Other reviews, investigations, and studies are performed at the request of the governing body of the County or other Elected Officials. The Auditor makes every effort to accommodate these requests within the scope and priority of audit work scheduled and in progress. The goal of our efforts is to assist County executives and middle managers in accomplishing their organizational mission, efficiently and effectively, with adequate internal controls to insure financial and operational integrity.

Outlined below is a short narrative of the types of engagements undertaken by our division:

1. ***Performance audits*** objectively and systematically examine evidence to independently assess performance of an organizational program against objective criteria, and may provide a forward-looking focus or synthesize information on best practices. The goal is to improve program operations, facilitate decision making by those charged to initiate and oversee corrective action, and to improve public accountability. Performance audits can include elements of any one or a combination of the following audit objectives:

- a. ***Program effectiveness and results audit objective*** is to measure the extent to which a program is meeting its goals and objectives effectively with the intended result or outcome.
- b. ***Internal control audit objective*** is to examine the processes and procedures for planning, organizing, directing, and controlling program operations, and systems in place to measure, report, and monitor program performance, and may provide reasonable assurance that:
 - i. Resources, such as public funds, are used in compliance with laws, regulations, ordinances and policies.
 - ii. Resources are safeguarded against unauthorized

- acquisition, use or disposition.
- iii. Information systems are secured to prevent or timely detect unauthorized access, and contingency plans provide for essential backup to prevent disruption of operations.
- iv. Management, accounting, budgetary, and public reports are complete, accurate, and consistent to support organizational performance and decision making.
- c. **Compliance audit objective** is to test and examine organizational operations against criteria established in laws, regulations, contract provisions, and grant agreements that could affect acquisition and use of resources, and the quantity, quality, timeliness, and cost of services produced and delivered.

2. **Other Activities** performed by the Audit Division may include work that provides a prospective focus, surveys of best practices, analysis that cuts across organizational or program lines, or forensic accounting services, such as:

- Assisting the legislative body by developing questions or inquiries for use in hearings,
- Developing methods or approaches for evaluating a new or proposed program,
- Forecasting potential program outcomes under various assumptions, and
- Performing investigative work at the request of County District Attorney or other offices of the County.

Audits may have a combination of performance audit objectives, or may have objectives limited to only some aspects of one type of audit. For example, our division conducts audits of government contracts (inter-local agreements) with other government entities, or not-for-profit organizations, which include a combination of performance audit objectives. Over the past several years our division has performed such audits with respect to aspects of the operation of the County jail, the Sheriff's contracting with various municipalities in Salt Lake County, and County's contract with Valley Mental Health.

This annual report reflects audit work resulting in a formal audit report or letter containing recommendations directed to an audited agency. It does not reflect the sum total of all work completed by the Audit Division over the period. Each year, the Audit Division completes numerous engagements designed to collect and analyze data and provide information, but may or may not result in formal recommendations being made to an agency.

The audit reports summarized in this annual report contain recommendations which we believe should be accounted for until they are implemented or until a decision is made, based on facts and sound rationale, not to implement them. Therefore, the section of this report entitled "Recommendations Carried Over From Previous Years," tracks the status of recommendations, from year to year, which in our opinion should be

implemented, but have not been for reasons reported to us by the responsible agencies.

AUDIT STAFF

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1. 2004 AUDITS – SUMMARY OF AUDITS COMPLETED

A. COMMUNITY SERVICES

1. CLARK PLANETARIUM – AUDIT AFTER ONE FULL YEAR OF OPERATION – LIMITED SCOPE AUDIT OF CASH RECEIPTING AND DEPOSITING, ACCOUNTS RECEIVABLE, BUILDING RENTAL CONTRACTS, PETTY CASH AND CHANGE FUND, CAPITAL AND CONTROLLED ASSETS AND SCIENCE STORE MERCHANDISE INVENTORY (Dated November 2004)

Clark Planetarium is located at 110 S. 400 West in the Gateway Mall. It offers space and science exhibits, star parties, a star theatre, Utah’s only 3-D IMAX theatre, Cosmic Light Concerts and Digital/Digistar Science movies. It promotes science literacy through hands-on activities. The Planetarium also contains a large science store with many unusual products for purchase. The Planetarium opened in April 2003.

The Audit Division completed a review of cash handling procedures, accounts receivable processes, building rental process and internal controls, and capital and controlled assets. Although many of the recommendations made during the 2003 audit were implemented, there were more recommendations made for improvements to the processes at the Planetarium. The status and implementation of each recommendation in the audit report is below.

***RECOMMENDATIONS
CLARK PLANETARIUM***

CURRENT STATUS

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| <p>1. We recommend that planetarium management establish a special refund account, or obtain an exemption to Countywide Policy #1062 for issuing refunds from cash register receipts. (Audit Letter, page 3)</p> <p>2. We recommend that planetarium personnel follow the County’s established refund policy, until an alternative procedure is adopted. (Audit Letter, page 3)</p> | <p>1. Implemented. The Mayor’s Office approved the exception to Policy #1203.</p> <p>2. The Mayor’s Office has approved the request for an exception to Policy #1202. Due to the nature of the operation and demands for immediate refunds, such as equipment failure or other reasons beyond the control of the Planetarium, refunds are issued from the cash registers when there is no other alternative. Floor managers will issue bounce-back</p> |
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***RECOMMENDATIONS
CLARK PLANETARIUM***

CURRENT STATUS

passes in lieu of a refund when at all possible. Often “refunds” are recorded when in fact it is an exchange. For exchange situations, no cash is returned to the customer, e.g. changing a show time or buying a membership and the “purchase” of the show is applied to the cost of the membership purchase.

3. We recommend that management proactively review all Refund/Exchange/Void forms to ensure that cashiers obtain all three required signatures. (Audit Letter, Page 4)
3. The fiscal manager audits all refund/exchange/void forms along with the cash-out report and daily deposits every month to ensure (among other things) that all three required signatures are obtained.

4. We recommend that daily collections be deposited no later than three days after receipt, in accordance with policy. (Audit Letter, Page 4)
5. We recommend that another individual be assigned to assist the part-time clerk prepare deposits as needed. (Audit Letter, Page 4)
6. We recommend that the planetarium use MPF Form 11, "Cash Over/Short Log," as required by policy. (Audit Letter, Page 5)
7. We recommend that cashiers and managers work to record collections accurately. (Audit Letter, Page 5)
4. The part-time clerk changed her work schedule to include five days a week for shorter hours each day to meet the three-day depositing requirement. We believe we are now in compliance. In case of sickness or vacation, the office coordinator serves as backup for the depositing duties.
5. Done. See above.
6. The cashier and the manager sign the cash-out receipt as provided by our Galaxy software system at the end of every shift and review all returns and any over-short amount with the cashier at that time. If an over-short amount of \$10 more or less is recorded, the cashier is required to write and sign an explanation on the booth report which is also provided by the Galaxy software system. The fiscal manager reviews all cash-out receipts at the end of the month as well as every booth report. There is also a monthly log of the over-short amount completed so management can review on a single page the over-short activity for the month. If a cashier has excessive errors for the month, it is noted and discipline action is taken as needed. Management believes that our procedure meets our needs and the spirit of the policy in tracking over-short amounts very well. The MPF Form 11 is not necessary since the same information is gathered through these other methods.
7. Managers review the collections with the cashiers daily at cash out to ensure collections are accurately

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| <p>8. We recommend that two individuals jointly open the mail. (Audit Letter, Page 6)</p> <p>9. We recommend that a log of mail-in payments be prepared, and a copy of the log accompany the funds for review that then becomes a permanent part of the daily deposit record. (Audit Letter, Page 6)</p> <p>10. We recommend that the part-time clerk report any discrepancy between the promotion report and the coupons/fee waivers turned in by the cashiers to the fiscal manager who can then question cashiers as to the reason for the difference. (Audit Letter, Page 6)</p> <p>11. We recommend that the fiscal manager continue to work with the Auditor's Office to ensure that all funds collected are accounted for and deposited into the planetarium bank account. (Audit Letter, Page 7)</p> <p>12. We recommend that Clark Planetarium management develop and implement written policies and procedures to manage accounts receivable. (Audit Letter, Page 8)</p> <p>13. We recommend that planetarium management decide on a standard number of days in which invoices should be sent to patrons, where it is not possible to collect on the day of attendance, and include this requirement in the written accounts receivable policy. (Audit Letter, Page 9)</p> <p>14. We recommend that, if an account becomes past due, a notice be sent on a monthly basis until payment is received. (Audit Letter, Page 9)</p> | <p>reflected.</p> <p>8. The office coordinator and the part-time clerk jointly open the mail.</p> <p>9. A log of mail-in payments is prepared and a copy of the log kept with the daily deposit records. It is reviewed at the end of the month by the fiscal manager.</p> <p>10. The part-time clerk reports any discrepancy between the promotion report and the coupons collected. Management is proactively involved in reviewing the discrepancies and questions cashiers about waivers that do not have adequate documentation.</p> <p>11. Done.</p> <p>12. The accounts receivable policy has been written and implemented (see recommendation #3 response in 2003 Clark Planetarium audit)</p> <p>13. The Planetarium accounts receivable policy states that, in situations where it is not possible to collect the amount due on the day of attendance, invoices shall be sent within five days of the agency receiving services.</p> <p>14. The Planetarium accounts receivable policy states that a notice will be sent on a monthly basis. If the past-due amount reaches 90+</p> |
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days, the account is then turned over to the District Attorney's Office for collection.

15. We recommend that the marketing specialist keep track of the following information regarding birthday parties on the Event List: the date of the event, name of patron, rental fee amount, number of individuals attending, date payment was made, payment type, deposit date, and any other information deemed appropriate by management. (Audit Letter, Page 11)
 16. We recommend that the employee who collects the funds from the patron for the classroom rental fee complete a MPF Form 7, "Fund Transfer Receipt," and give the funds to the planetarium floor supervisor to place in the safe in a separate envelope labeled "Rental Payments." (Audit Letter, Page 11)
 17. We recommend that the part-time clerk who retrieves the funds from the safe prepare a log to track payments for building rental and notify the marketing specialist of the payment. (Audit Letter, Page 11)
 18. We recommend that the marketing specialist post payments to her records to ensure that fees for all building rental events have been submitted. (Audit Letter, Page 11)
 19. We recommend that the office coordinator record building rental payments that arrive in the mail on a payment log and notify the marketing specialist of the payment. (Audit Letter, Page 12)
 20. We recommend that the employee
15. The marketing specialist employed during the initial audit has left the Planetarium. The new marketing specialist keeps the Event List current with all the information as recommended.
 16. The recommended procedure has been implemented.
 17. The part-time clerk lists each "miscellaneous" payment on the daily deposit log sheet separately including the name of the person/agency and the amount. A copy of the credit card receipt or check is given to the marketing specialist for his records.
 18. The marketing specialist posts payments for all building rental events on the Event List.
 19. Done.
 20. Done. See item #16.

who collects the funds from the patron for the classroom rental fee complete a MPF Form 7, "Fund Transfer Receipt," and give the funds to the planetarium floor supervisor to place in the safe in a separate envelope labeled "Rental Payments." (Audit Letter, Page 12)

21. We recommend that the fiscal manager perform an independent review of the Event List and reservation system to verify that fees for all events have been collected and deposited. (Audit Letter, Page 12)
21. The fiscal manager performs an independent review of the rental income through receiving: 1) a copy of every building rental contract and payment; 2) a copy of the weekly printout from the reservation system (provided by the Reservationist not the marketing specialist); and 3) a copy of the Event List monthly.
22. We recommend that management at the planetarium approve and document all building rental fee waivers. (Audit Letter, Page 13)
22. The division director prepares a written approval letter for all building rental fee waivers which is attached to the building rental contract.
23. We recommend that an invoice be prepared and sent to the Friends of Planetarium for the building rental that occurred in November 2003. (Audit Letter, Page 13)
23. The division director will prepare a letter discussing this event and the fee waiver.
24. We recommend that planetarium management develop a written policy for building rental events. (Audit Letter, Page 14)
24. The marketing manager position, which supervises the building rental program, is currently vacant. It is appropriate to have the new manager write the policy. It will be written when the new manager is hired.
25. We recommend that a "Building Rental and Event Contract" and "Rental Terms and Conditions" document be completed for each rental event that occurs at the planetarium. (Audit Letter, Page 14)
25. The current marketing specialist completes a contract for every event and gives a copy the fiscal manager.
26. We recommend that the "Rental Terms and Conditions" document be
26. The Rental Terms & Conditions document was revised to state the

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| revised to be consistent with the verbal policy communicated to contractors who rent space in the planetarium. (Audit Letter, Page 15) | rental fee is due the day of the event. |
| 27. We recommend that the policy in the “Rental Terms and Conditions” document regarding rental deposits be followed if an event is cancelled. (Audit Letter, Page 15) | 27. Done. |
| 28. We recommend that the planetarium personnel become familiar with the Utah State Unclaimed Property Act requirements and comply with the law as required. (Audit Letter, Page 17) | 28. Done. |
| 29. We recommend that MPF Form 7A or 7 be used to transfer the change fund between concessions cashiers and the planetarium floor manager. (Audit Letter, Page 17) | 29. We use the MPF Form 7 “Fund Transfer Ledger.” |
| 30. We recommend that the planetarium floor manager count the change fund before signing the transfer form. (Audit Letter, Page 17) | 30. Done. |
| 31. We recommend that each cashier be trained to verify their change fund before and after their shift. (Audit Letter, Page 18) | 31. Done. |
| 32. We recommend that MPF Form 7A or 7, be used by County cashiers when receiving and returning their change fund to the planetarium floor manager. (Audit Letter, Page 18) | 32. We use the MPF Form 7 “Fund Transfer Ledger” with County cashiers just like concessions cashiers. |
| 33. We recommend that all employees that have individually assigned assets complete the Controlled Assets Inventory Form – Employee and review them annually. (Audit Letter, Page 20) | 33. The property manager is in the process of implementing this recommendation. |

34. We recommend that the agency Controlled Assets Inventory Form – Organization, contain the required information and format. (Audit Letter, Page 20)
35. We recommend that the office coordinator and property manager work together to ensure that all newly acquired property is added to asset list. (Audit Letter, Page 21)
36. We recommend that asset identification information be included on both the purchase invoice and asset list to be able to tie the documentation together. (Audit Letter, Page 21)
37. We recommend that a physical inventory conducted on a “Cycle Counting” basis be considered as an optional inventory method. (Audit Letter, Page 22)
38. We recommend that the SKU labels also be placed on the item box or shelf to assist cashiers when the labels are not attached to the item. (Audit Letter, Page 22)
39. We recommend that inventory items be stored in a secure area away from employee workstations. (Audit Letter, Page 23)
34. The property manager is in the process of implementing this recommendation.
35. The property manager, the office coordinator, and the IS/IT manager all work together to ensure newly acquired items are added to the property asset list.
36. The IS/IT manager, who authorizes all electronic purchases ensures that the invoices better identify the assets. The office coordinator handles it for all other non-electronic assets.
37. Since there were difficulties with the inventory software in 2004, we wanted to have a full inventory count at least twice in 2005 to ensure that inventory numbers match physical count numbers. The second full-store inventory is to take place in July 2005. We agree to all the advantages of Cycle Counting. We have assigned individual employees to become specialists in specific areas in the store. The science store is poised to start Cycle Counting. We will implement the Cycle Counting method in September 2005.
38. The SKU label is placed in as many areas as is practical to provide information to the customer and the cashier while still maintaining a pleasant, professional appearance in the science store.
39. There are now two storage cabinets downstairs to assist in storing the overflow items previously not in storage.

2. CENTENNIAL OUTDOOR POOL – A LIMITED SCOPE AUDIT OF CASH HANDLING AND CAPITAL AND CONTROLLED ASSETS (Dated September 2004)

The Centennial Outdoor Swimming Pool is located in Centennial Park in West Valley City. The 3,000 square foot leisure pool features water slides, water toys, and lap lanes. It is open from Memorial Day to Labor Day. Summer-time aquatic activities are offered, such as lap and leisure swimming, swim lessons and water safety, water aerobics, special events, and birthday parties

The Audit Division completed a review of the change fund, cash collections, receipting and depositing functions, and capital and controlled assets. The status and implementation of each recommendation in the audit report is described below.

***RECOMMENDATIONS
CENTENNIAL POOL***

CURRENT STATUS

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| 1. We recommend that individual over/short logs be maintained at Centennial and that cashiers sign their individual logs. (Audit Letter, Page 2) | 1. Implemented. |
| 2. We recommend that deposits be made daily or at least every three days. (Audit Letter, Page 2) | 2. Implemented. |

3. CRESTWOOD OUTDOOR POOL – LIMITED SCOPE AUDIT OF CASH RECEIPTING AND DEPOSITING AND CAPITAL AND CONTROLLED ASSETS (Dated September 2004)

The Crestwood Pool is a long-standing part of the Sandy Community. This outdoor pool is open from Memorial Day to Labor Day and offers summertime aquatic activities: Lap and leisure swimming, swim lessons and water safety, water aerobics, special events, and birthday parties.

The Audit Division completed a review of the change fund, cash collections, receipting and depositing functions, and controlled assets. The Crestwood Pool is supervised and staffed by personnel from the Holladay-Lions Recreation Center. The status and implementation of each recommendation in the audit report is shown below.

<i>RECOMMENDATIONS CRESTWOOD POOL</i>	<i>CURRENT STATUS</i>
1. We recommend that cashiers restrictively endorse all checks upon receipt. (Audit Letter, Page 2)	1. Implemented.
2. We recommend that receipts be deposited daily or at least every three days in accordance with Countywide policy. (Audit Letter, Page 2)	2. Implemented.
3. We recommend that new employees be informed of this requirement at the beginning of each season. (Audit Letter, Page 2)	3. Implemented.
4. We recommend that the pool manager have another person sign her daily balance sheet verifying the count of receipts. (Audit Letter, Page 2)	4. Implemented.

4. EQUESTRIAN PARK – THEFT (Dated February 2004)

The Associate Division Director for Parks and Recreation notified the Auditor’s Office September 26, 2003 of a theft at Equestrian Park. The theft of approximately \$147.00 was reported, but further investigation by the Auditor’s Office revealed funds missing of at least \$53,000. The amount came from missing concessions receipts, missing bank deposits, and missing horse stall rentals.

The Salt Lake County Equestrian Park and Events Center services and promotes the riding, care and exhibition of horses. Additionally, stalls are rented to patrons for boarding of horses. Patrons can also pay a fee to use the carousel walkers where horses can be exercised. Equestrian Park has served as the venue for the Salt Lake County Fair since 1999. The park has a 94,000 square foot facility used for shows, horse exhibitions and riding. During 2002, 49 events were held at the indoor arena. The park also has an outdoor racetrack. Chariot races and quarter horse races are held on various weekends during the season

***RECOMMENDATIONS
EQUESTRIAN THEFT***

CURRENT STATUS

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| <p>1. We recommend that the “whiting-out” of McBee ledger entries as well as “pen-written” entries be discontinued, such that all entries appear in the ledger as a carbon copy facsimile of the receipt, with any voids being shown as a single line drawn through the transactions and the voided receipt stapled to the McBee ledger page. (Audit Report, Page 30)</p> <p>2. We recommend that The Equestrian Park Director periodically review the McBee ledger to determine that erroneous transaction entries are properly voided and corrected, and investigate any improper corrections, such as “white-outs,” or “pen-written” entries, that do not appear as a carbon copy facsimile of the receipt. (Audit Report, Page 31)</p> <p>3. We recommend that the balance sheets used by concession cashiers be pre-numbered. (Audit Report, Page 31)</p> | <p>1. McBee ledgers are no longer used. All transactions are electronic with no “whiting-out” capabilities.</p> <p>2. See #1.</p> <p>3. Implemented. Sportsman Software accounting program is in use. All tills, balance sheets and z-tapes are pre-numbered and unalterable.</p> |
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***RECOMMENDATIONS
EQUESTRIAN THEFT***

CURRENT STATUS

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| 4. We recommend that the bank deposit preparation form be reformatted to provide for a breakdown of concession receipts, listed by balance sheet that, together with collections from other revenue centers, equals the total amount being deposited. (Audit Report, Page 31) | 4. Implemented. |
| 5. We recommend that the bank deposit preparation form include two signature lines, one that states "Deposit prepared by," and the other one that states, "Deposit verified by." (Audit Report, Page 31) | 5. Implemented. |
| 6. We recommend that an individual in Parks administration reconcile daily receipt totals, as shown in the McBee ledger or the Sportsman management system, to the monthly bank statement and report to management any receipts not deposited. (Audit Report, Page 31) | 6. Implemented. |
| 7. We recommend that the individual assigned to verify deposits, as mentioned in the previous recommendation, sign and date the bank statement as documentation of the performance of this step. (Audit Report, Page 31) | 7. Implemented. |
| 8. We recommend that Parks management hire an experienced bookkeeper to handle the increased load of financial transactions at Equestrian Park and to properly oversee an increasingly complex cash handling operation of high dollar amounts. (Audit Report, Page 31) | 8. Implemented. |

***RECOMMENDATIONS
EQUESTRIAN THEFT***

CURRENT STATUS

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| 9. We recommend that the possibility of an on-line daily census of horse stall occupants be explored such that stall occupants, on any given day, can be readily retrieved and compared to individual payments for those stalls. (Audit Report, Page 31) | 9. The vast majority of boarders are monthly and as such can be verified and charged late fees at the first of each month if applicable. The overnight boarder stalls are inspected the next morning by staff and either charged an additional day's use, or the stalls are prepared for the next user. Stalls are individually locked until overnight fee is paid. Patron either pays for another night or the stall is cleaned and locked until the next overnight stall user request. |
| 10. We recommend that a system be developed, either through an additional programming feature in the Sportsman management system, or through some other means, that would document the name of the individual who made a stall payment on behalf of another individual. (Audit Report, Page 31) | 10. Implemented. |
| 11. We recommend that Management provide additional training in and complete conversion to the use of the Sportsman on-line management system such that it replaces the McBee system for receipting and depositing purposes. (Audit Report, Page 32) | 11. Implemented. |
| 12. We recommend that a comprehensive, understandable written cash-handling policy, and related procedures, be adopted and implemented. (Audit Report, Page 37) | 12. Implemented. |
| 13. We recommend that voided transactions be handled in accordance with the procedures prescribed by County and agency written policy, as approved by the Director. (Audit Report, Page 37) | 13. Implemented. |

***RECOMMENDATIONS
EQUESTRIAN THEFT***

CURRENT STATUS

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| 14. We recommend that where only one person both accounts for and handles cash receipts, due to lack of available personnel, that such person be required to take leave each year at least once each year for 5 consecutive days. (Audit Report, Page 38) | 14. Implemented. |
| 15. We recommend that balance sheets and reconciliation sheets be signed rather than initialed, indicating supervisory review, to make it more difficult for someone to alter. (Audit Report, Page 38) | 15. Implemented. |
| 16. We recommend that each cashier maintain an over/short log on a daily basis as required by Countywide Policy. (Audit Report, Page 38) | 16. Implemented. |
| 17. We recommend that the Center Director conduct a monthly review of over/short logs. (Audit Report, Page 38) | 17. Implemented. |
| 18. We recommend that all cashiers receive initial training and regular updates to ensure that cash and checks are keyed into registers correctly. (Audit Report, Page 38) | 18. Implemented. |
| 19. We recommend that mail-in payments processing include two persons. (Audit Report, Page 38) | 19. Mail in payments come in with the rest of the mail. It is not possible to determine which mail includes payments and which do not prior to opening the mail. We designate the front desk receptionist to open the mail and record it in Sportsman. |

***RECOMMENDATIONS
EQUESTRIAN THEFT***

CURRENT STATUS

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| 20. We recommend that a log be prepared of mail-in payments received, and a copy accompany the funds and remain in the deposit file as a permanent record. (Audit Report, Page 38) | 20. Mail-in payments are recorded in Sportsman as mail-in payments. No separate log is maintained. |
| 21. We recommend that an honor system for daily rides similar to that used for public parking be adopted and implemented. (Audit Report, Page 38) | 21. Management feels that this would be an additional area where burglary and theft could occur. The benefit does not outweigh the risk. Building attendants randomly verify user compliance. |
| 22. We recommend that two people be present when vending machine money is counted. (Audit Report, Page 38) | 22. Implemented. |
| 23. We recommend that the accepted formula for accounting for and controlling vending collections be followed. (Audit Report, Page 38) | 23. Implemented. |
| 24. We recommend that Equestrian Park management inform all their employees of the importance of reporting any conflict of interest as required by Policy #5650. (Audit Report, Page 40) | 24. Implemented. |

5. HOLLADAY-LIONS – THEFT (Dated March 2004)

The Auditor’s Office was notified January 28, 2004 that a theft had occurred at the Holladay-Lions Fitness and Recreation Center. The funds were stolen when patrons purchased annual or monthly membership passes using cash. The pass application would be completed and recorded but no receipt of the money was noted, recording “No Money Taken” instead. The money was removed from the till at the end of the day so that the till balanced with the Z-tape report.

In conjunction with the investigation of the theft, the auditors conducted an audit of the Center’s cash-handling operations. The following recommendations deal with findings concerning the cash-handling procedures.

<i>RECOMMENDATIONS HOLLADAY THEFT</i>	<i>CURRENT STATUS</i>
1. We recommend that Holladay-Lion’s cashiers issue a receipt to all customers tendering payment for services. (Audit Letter, Page 3)	1. Implemented.
2. We recommend that a faster printer be obtained or the current printer or software program be examined to achieve greater speed in issuing receipts to customers. (Audit Letter, Page 3)	2. Implemented.
3. We recommend that Holladay-Lion’s management review all “No Money Taken” transactions to ensure their legitimacy. (Audit Letter, Page 3)	3. Implemented.
4. We recommend that gift certificates be matched to “No Money Taken” transactions as applicable. (Audit Letter, Page 3)	4. Implemented.
5. We recommend that all cashiers complete over/short logs to record cash outages. (Audit Letter, Page 4)	5. Implemented.
6. We recommend that Holladay-Lion’s management review over/short logs and that the review be documented with the supervisor’s signature. (Audit Letter, Page 4)	6. Implemented.

6. MARV JENSON – LIMITED AUDIT OF CASH HANDLING AND CAPITAL AND CONTROLLED ASSETS (Dated December 2004)

The Marv Jenson Recreation Center is located in South Jordan and includes an indoor pool. The facility also includes steam and sauna rooms located in each locker area, a drop-in day care room, five racquetball courts, aerobics and dance studios, and a small gymnasium. They offer group and individual fitness and aerobics training; aquatics programs; classes such as dance, tumbling, drawing, music, and martial arts; and a wide variety of youth and adult sports leagues, camps, and clinics.

Cash handling and capital and controlled assets were examined and found to be generally satisfactory. However, the recommendations below were made to improve operations at the Center.

<i>RECOMMENDATIONS MARV JENSON</i>	<i>CURRENT STATUS</i>
1. We recommend that all petty cash vouchers be signed by both the recipient and the custodian of the fund prior to funds being released. (Audit Letter, Page 2)	1. Implemented.
2. We recommend that a void slip, signed by the cashier, and reviewed and signed by the supervisor, be completed for all voided transactions. (Audit Letter, Page 3)	2. Implemented.
3. We recommend that Marv Jenson’s management review and affix their signature to “No Money Taken” transactions verifying their review and approval. (Audit Letter, Page 3)	3. Implemented.
4. We recommend that the \$50 overage in Marv Jenson’s change fund be deposited in the normal depositing process. (Audit Letter, Page 4)	4. Implemented.
5. We recommend that Marv Jenson’s Director re-submit a letter to the Auditor’s Office requesting that their authorized change fund amount be increased from \$250 to \$300. (Audit Letter, Page 4)	5. Implemented.

RECOMMENDATIONS
MARV JENSON

6. We recommend that the Center complete a PM-3 form to recognize the loan of generators to the Taylorsville Recreation Center. (Audit Letter, Page 5)
7. We recommend that items sent to surplus, loaned or stolen be removed from the controlled assets list. (Audit Letter, Page 5)
8. We recommend that a yearly audit of capital assets be performed and documented. (Audit Letter, Page 6)

CURRENT STATUS

6. Implemented.
7. Surplused or transferred items are deleted from the inventory once each year after the actual inventory is submitted in the spring. They are left on the inventory with the date of surplus/transfer until after the next physical count and inventory submission. This assures a dual-tracking method of surplused or transferred items with both the inventory sheet indicating surplus/transfer dates and the PM2 forms on file. We feel this gives better accountability of the assets.
8. Implemented.

7. OLD MILL GOLF COURSE - LIMITED SCOPE AUDIT OF CASH, AND CAPITAL AND CONTROLLED ASSETS, AND INVENTORY (Dated December 2004)

Old Mill is one of the newest courses in the Salt Lake area. It is located just off I-215, and offers a fully developed course with a grand view of the valley. Old Mill golf course provides a fully stocked pro-shop and a banquet room for group occasions.

The Audit Division completed an audit of cash receipting, depositing, capital and controlled assets and merchandise inventory at the Old Mill golf course. They also reviewed concessionaire payments. Although personnel at the golf course demonstrated good customer service, the auditors made several recommendations to improve processes at the golf course.

***RECOMMENDATIONS
OLD MILL GOLF COURSE***

CURRENT STATUS

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| <p>1. We recommend that the corrupted sub-databases be provided to Fore Reservation to correct the re-indexing problem identified by the County IS technician. (Audit Letter, Page 7)</p> <p>2. We recommend that golf personnel conduct an exercise of saving all printed customer receipts for one day, and if the total of these receipts does not match the Sales Detail by Invoice report, that additional investigation be made into the reason for daily overs and shorts in cash drawer collections. (Audit Letter, Page 7)</p> <p>3. We recommend that the TEGA system, or whatever other new management system is implemented at the Old Mill golf course, be adequately reviewed for its capability to record receipts and produce a daily summary report of all transactions entered into the cash register. (Audit Letter, Page 7)</p> | <p>1. Installed new hardware and updated the Fore Reservations software. This problem may not completely be resolved until new software is obtained. Software is scheduled to go out to bid in August of 2005.</p> <p>2. Golf staff conducted a review before the audit and receipts did not match Fore Reservations report. Now that that Fore Reservations Software has been upgraded, this test is re-scheduled for June 27, 2005.</p> <p>3. Current software does not have this capability. Refer to answer #1.</p> |
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***RECOMMENDATIONS
OLD MILL GOLF COURSE***

4. We recommend that the “Sales Detail by Invoice” report be used as a Z-tape when preparing the deposit, instead of the report currently being used, and that only the first and last pages be printed to conserve on paper and storage space. (Audit Letter, Page 10)
5. We recommend that a report of collections be produced for each cash register, if possible, and that collections in each cash register be balanced to a Z-tape report, if possible. (Audit Letter, Page 10)
6. We recommend that a second employee, preferably a supervisor, review the deposit by counting cash and checks, and comparing the count to the Z-tape as a way to note any overs or shorts, and that both individuals preparing and reviewing the deposit sign deposit documentation kept on file at the Old Mill golf course. (Audit Letter, Page 10)
7. We recommend that cashiers accurately count their tills at the end of the day and that this process also include balancing collection totals to the Z-tape report. (Audit Letter, Page 10)
8. We recommend that a newly-formatted balance sheet be produced for use by cashiers and that daily deposit documentation for at least the past three years be kept on file in an orderly and secure storage file. (Audit Letter, Page 10)

CURRENT STATUS

4. Current software does not allow accurate balancing to Sales Detail by Invoice due to Gift Certificate and Rain Check entries. We currently use sales detail by inventory department to balance each day.
5. A blind cash close is performed on each cash register. A report of collections is produced by each cash register and is balanced to Daily Sales Inventory by Department report produced by Fore Reservations.
6. A blind close is performed on each register upon closing with the employee’s signature. This is reviewed by a merit employee the following day and researched to determine where the discrepancy occurred and is submitted to the Admin. office with their initials on the cash count form.
7. Refer to answer #5 and #6.
8. Implemented.

***RECOMMENDATIONS
OLD MILL GOLF COURSE***

CURRENT STATUS

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| 9. We recommend that golf course personnel enter the correct type of payment into the cash register, whether it is cash, check or credit card, and that cash/check composition become an integral part of the balancing process through use of the "Sales Detail by Invoice" report. (Audit Letter, Page 11) | 9. Being implemented. |
| 10. We recommend that all refunds of payments made with a credit card be executed by reversing the charges on the card, and that no cash or check for the refund amount be issued. (Audit Letter, Page 12) | 10. Implemented. |
| 11. We recommend that refunds of payments made with a debit card be executed by reversing the charges on the card, or, at the option of the customer, issuing a check for the refund, in accordance with guidelines established in Countywide Policies #1062 and #1202. (Audit Letter, Page 12) | 11. Implemented. |
| 12. We recommend that signed credit card receipts be summed each day and compared to the credit card summary report, and also the cash register report of sales, as part of the deposit preparation process to ensure that signed receipts are accounted for and secure, and that credit card payment totals are reliable and accurate. (Audit Letter, Page 12) | 12. There is a check and balance in place with the bank deposit being reconciled with the daily credit card summary report. Any discrepancies are researched and corrected. |
| 13. We recommend that men's and women's league checking accounts maintained on Old Mill golf course premises have adequate documentation on file to assure against co-mingling with County funds, including documentation of account balances, deposits and disbursements in the | 13. Men's and Ladies' league accounts have been closed. |

***RECOMMENDATIONS
OLD MILL GOLF COURSE***

CURRENT STATUS

checkbooks, and monthly reconciliations of checkbook to bank statement balances. (Audit Letter, Page 13)

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| 14. We recommend that a written explanation be provided on all voided receipts and that both the cashier and a second employee, usually the supervisor, sign the void as evidence of review and approval. (Audit Letter, Page 14) | 14. Implemented. |
| 15. We recommend that the use of the over/short log, Form MPF 11, be implemented to record the balancing record of cashiers at each of the two cash registers, and also at the point of deposit preparation, thereby tracking the difference between collections at the golf course as a whole, compared to daily Z-tape totals. (Audit Letter, Page 15) | 15. Over and short log is on the cash count form and kept on Fore Reservations report. |
| 16. We recommend that merchandise inventories be conducted twice a year, ensuring that count sheets are used and a spreadsheet prepared to compare counts to Fore Reservation inventory listing totals, and that all documentation of these actions be kept on file for future reference. (Audit Letter, Page 21) | 16. Implemented. |
| 17. We recommend that all new purchases be entered accurately and timely into the Fore Reservation system, and that cashiers enter into the cash register the correct inventory number of goods being sold to prevent the appearance that items on hand are less than zero or that they exceed inventory-listing totals. (Audit Letter, Page 21) | 17. Implemented through receive module of Fore Reservations system. |

***RECOMMENDATIONS
OLD MILL GOLF COURSE***

18. We recommend that the Fore Reservation inventory listing be adjusted to the count of goods actually on hand at the pro shop, and that the \$10,059 shortage be reduced to \$0 and explained in a letter to the Mayor, together with an attached listing of the items whose counts are short, and that the \$8,504 overage be adjusted to the actual count of inventory items on hand. (Audit Letter, Page 21)
19. We recommend that items on the Fore Reservation inventory list no longer determined to be in stock, and not contemplated for future purchase, be deleted, and also that negative count balances on the listing be investigated and adjusted to a positive or zero amount, according to the number of items on hand at the pro shop. (Audit Letter, Page 21)
20. We recommend that Old Mill golf course management provide an explanation for the failure to enter, or misclassification of, a newly-purchased pair of Nike shoes in the Fore Reservation inventory system. (Audit Letter, Page 23)
21. We recommend that merchandise invoice copies at the Old Mill golf course be marked with the number of items entered into Fore Reservation system, and the date on which they were entered. (Audit Letter, Page 23)

CURRENT STATUS

18. Inventory was reconciled immediately following audit. Back up documentation is being reviewed and forwarded to appropriate personnel.
19. Cannot delete these items, if done we would not be able to show yearly sales history. They can only be hidden from daily operation screens. This has been implemented.
20. These shoes could have been sold and rung under another item #, stolen, etc.
21. Implemented through Fore Reservations receive module.

***RECOMMENDATIONS
OLD MILL GOLF COURSE***

CURRENT STATUS

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| <p>22. We recommend that Old Mill golf course employees continue to look for an explanation to missing pages from the punch card log, and also any additional evidence of punch cards being traded for drugs, and that any findings be reported to the Auditor's and District Attorney's Offices. (Audit Letter, Page 27)</p> | <p>22. Being implemented on a continual basis.</p> |
| <p>23. We recommend that Old Mill personnel continue to relinquish customer cards from the missing numbering sequences, and report any such incidences to the Auditor's and District Attorney's Offices. (Audit Letter, Page 27)</p> | <p>23. Implemented.</p> |

8. RECREATION CENTERS (COPPERVIEW, EAST MILLCREEK, KEARNS) - LIMITED SCOPE AUDIT OF CASH RECEIPTING AND DEPOSITING, JR. JAZZ PROGRAM, PETTY CASH AND CHANGE FUNDS, AND VENDING OPERATIONS (Dated April 2004)

The four recreation centers listed above were audited to determine the effectiveness of internal control with regard to cash receipting and depositing, program reconciliation, petty cash and change funds, and vending operations. Particular emphasis was given to these centers, as they were the last to use the McBee receipting system.

The recommendations below comprise the significant findings and recommendations. Other areas of concern were discussed with the center directors at an exit conference. The recommendations may not apply to each center or management; however, they should be in place at all centers.

<i>RECOMMENDATIONS RECREATION CENTERS</i>	<i>CURRENT STATUS</i>
1. We recommend that no alterations of any kind be made to entries on the left side of McBee ledgers. (Audit Letter, Page 4)	1. Implemented.
2. We recommend that voids to correct errors only be done if the error is detected immediately and the patron is still present to receive the replacement receipt. (Audit Letter, Page 4)	2. Implemented.
3. We recommend that any pattern of over/short discrepancies by a cashier and/or any individual shortage that appears questionable be reviewed by management. If necessary, this review should include a telephone call to the patron(s) to verify the amount of funds remitted. (Audit Letter, Page 4)	3. Implemented.
4. We recommend that the frequency of individual cashier's cash/check/credit composition errors be monitored, and related problems reviewed, by management. (Audit Letter, Page 5)	4. Implemented.

***RECOMMENDATIONS
RECREATION CENTERS***

CURRENT STATUS

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| 5. We recommend that changes to entries on the right side of McBee ledgers only be done by making a single-line strike through over the original entry. (Audit Letter, Page 5) | 5. Implemented. |
| 6. We recommend that changes to the right side of the McBee ledger be reviewed by a supervisor, who should sign on the corrected McBee ledger line to indicate review and approval. (Audit Letter, Page 5) | 6. Implemented. |
| 7. We recommend that the “Salt Lake County Parks and Recreation Transmittal of Funds for Deposit Form” be modified to include a format to record the cash/check/credit amount collected per McBee (or any other cash receipting system). (Audit Letter, Page 6) | 7. Implemented. |
| 8. We recommend that each daily balancing activity include a comparison of amounts actually collected to the stated amount per the McBee (or other cash receipting system). (Audit Letter, Page 6) | 8. Implemented. |
| 9. We recommend that MPF Form 11, “Cash Over/Short Log,” be completed on a daily basis. (Audit Letter, Page 6) | 9. Implemented. |
| 10. We recommend that a valid cash register receipt, or some other form of receipt, be completed and made available to all Vista Park patrons. (Audit Letter, Page 7) | 10. Implemented. |
| 11. We recommend that the collection record created as a result of receipt issuance be used to complete proper cash balancing procedures on a MPF | 11. Implemented. |

***RECOMMENDATIONS
RECREATION CENTERS***

CURRENT STATUS

Form 3, "Daily Cash Balance Sheet," or an acceptable substitute form. (Audit Letter, Page 7)

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| 12. We recommend that cashier over/shorts be properly documented and reviewed through the use of a MPF Form 11, "Cash Over/Short Log," or an acceptable substitute form. (Audit Letter, Page 7) | 12. Implemented. |
| 13. We recommend that a reconciliation of changes in concession inventory to the amount of money collected from concession sales, to the extent possible, be completed at some regular, frequent interval. (Audit Letter, Page 7) | 13. Implemented. |
| 14. We recommend that the transfer of the custody of funds being transported between the Kearns Center and Vista Park, and vice-versa, be properly documented on a MPF Form 7, 7A, or an acceptable substitute form. (Audit Letter, Page 8) | 14. Implemented. |
| 15. We recommend that the \$75 change fund also be properly transported back and forth between Kearns and Vista on a daily basis, and kept in the safe at Kearns when not in use at Vista. (Audit Letter, Page 8) | 15. Implemented. |
| 16. We recommend that cashiers transporting collected funds and the change fund always have access to the Kearns Center so the funds can be placed in the Center safe immediately after the collection day. (Audit Letter, Page 8) | 16. Implemented. Front desk hours were extended to accommodate the deposit drop. |

**RECOMMENDATIONS
RECREATION CENTERS**

CURRENT STATUS

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| 17. We recommend that a “Change in Custody” form be completed, and submitted to the Auditor’s Office, to change custody of the Vista Park change fund to the current Program Manager. (Audit Letter, Page 8) | 17. Implemented. |
| 18. We recommend that other controls that are not currently implemented, such as the proper handling of void transactions, be implemented at Vista Park. (Audit Letter, Page 8) | 18. Implemented. |
| 19. We recommend that two individuals jointly open the mail. (Audit Letter, Page 8) | 19. Implemented. |
| 20. We recommend that a log of mail-in payments be prepared, and a copy of the log accompany the funds for review that then becomes a permanent part of the daily deposit record. (Audit Letter, Page 9) | 20. Implemented. |
| 21. We recommend that, if possible, a County employee properly receipt all dance class payments at the Oquirrh Park Fitness Center and that the contractor or contractor’s staff continue to collect all class registration forms directly from patrons. (Audit Letter, Page 10) | 21. Implemented. |
| 22. If recommendation #1 is cost prohibitive, as an alternative, a County employee could make monthly unannounced visits to the class to verify the number of participants. The observed participation level should then be reconciled to the amount of funds collected for the program. (Audit Letter, Page 10) | 22. Implemented. Spot checks are conducted to verify number of participants and reconcile the amount of funds collected for the program on a weekly basis. |

***RECOMMENDATIONS
RECREATION CENTERS***

CURRENT STATUS

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| 23. We recommend that deposits be made no later than three days after receipt. (Audit Letter, Page 10) | 23. Implemented. |
| 24. We recommend that a secure location be established for the deposit prior to pick-up by the armored car service and that procedures be established to maintain individual accountability for the deposit until it is picked-up by the armored car service. (Audit Letter, Page 11) | 24. Implemented. |
| 25. We recommend that all deposits be reviewed for accuracy by a supervisor, including recounting the funds and that the supervisor sign the transmittal to document completion of this review, including verification of funds against both the deposit slip and the source documents. (Audit Letter, Page 12) | 25. Implemented. |
| 26. We recommend that, to the extent possible with available personnel, deposit preparers not receipt funds. (Audit Letter, Page 12) | 26. Implemented depending on available staff. |
| 27. We recommend that a void slip, signed by the cashier, and reviewed and signed by the supervisor, be completed for all voided transactions. (Audit Letter, Page 13) | 27. Implemented. |
| 28. We recommend that replacement receipt numbers be recorded consistently on the void slip. (Audit Letter, Page 13) | 28. Implemented. |
| 29. We recommend that all refund forms be signed by both the Program Coordinator requesting the refund and the Program Manager. (Audit Letter, Page 13) | 29. Implemented. |

**RECOMMENDATIONS
RECREATION CENTERS**

CURRENT STATUS

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| <p>30. We recommend that Kearns staff discontinue the practice of returning checks to patrons that change their mind, after they have accepted and receipted the checks as payment for services. In the rare instances where patrons indicate that their checks will not be honored as a result of insufficient funds, Kearns Center management may implement a procedure to return patron checks. This procedure must strictly adhere to Countywide Policy #1062 regarding voids. (Audit Letter, Page 14)</p> | <p>30. Implemented.</p> |
| <p>31. We recommend that a receipt log be maintained to record McBee receipts on-hand at each center, and that the log be updated as receipts are issued to cashiers for use. (Audit Letter, Page 15)</p> | <p>31. Implemented.</p> |
| <p>32. We recommend that an independent supervisor review the receipt number sequence as part of the deposit preparation process. (Audit Letter, Page 15)</p> | <p>32. Implemented.</p> |
| <p>33. We recommend that money receipted be reconciled with participant registration forms. (Audit Letter, Page 17)</p> | <p>33. With the volume of registration forms for most programs and the fact that most registration forms come in within 48 hours of the deadline, along with staff workloads, this recommendation is not feasible.</p> |
| <p>34. We recommend that each participant eligible for a reduced fee have documentation attached to the registration form verifying eligibility, and that the Program Coordinator verify the presence of this documentation during the</p> | <p>34. Implemented.</p> |

**RECOMMENDATIONS
RECREATION CENTERS**

CURRENT STATUS

reconciliation process discussed above. (Audit Letter, Page 17)

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| 35. We recommend that each registration form be filled out completely, with the receipt number and the correct amount for the registration entered into the designated area at the bottom of the sheet. (Audit Letter, Page 17) | 35. Implemented. |
| 36. We recommend that Parks and Recreation Management consider turning over delinquent accounts to the District Attorney's Office for additional collection effort. (Audit Letter, Page 18) | 36. Implemented. Two letters are sent out and if accounts are still delinquent, they are turned over to the Attorney's Office for collection. |
| 37. We recommend that Parks and Recreation Administration or Kearns Recreation Center management develop and implement written policies and procedures that address accounts receivable. (Audit Letter, Page 18) | 37. All programs are on a pre-pay basis. |
| 38. We recommend that the \$50.00 change fund in the change machine be formally established with the Auditor's Office in accordance with policy. (Audit Letter, Page 19) | 38. Implemented. |
| 39. We recommend that a letter be written to the Mayor requesting replenishment of the \$7.99 shortage in the petty cash fund at Copperview. (Audit Letter, Page 20) | 39. Implemented. |
| 40. We recommend that receipts be returned to the petty cash custodian in a timely manner following the purchase. (Audit Letter, Page 20) | 40. Implemented. |

***RECOMMENDATIONS
RECREATION CENTERS***

CURRENT STATUS

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| 41. We recommend that two individuals be present when vending revenue collections are retrieved from the vending machine and counted. (Audit Letter, Page 21) | 41. Implemented. |
| 42. We recommend that the individual performing the inventory reconciliation sign the reconciliation form and that the Program Manager review and sign the vending reconciliation form to indicate an independent review. (Audit Letter, Page 21) | 42. Implemented. |

9. REDWOOD MULTI-PURPOSE CENTER – LIMITED SCOPE AUDIT OF CASH HANDLING AND CAPITAL AND CONTROLLED ASSETS (Dated September 2004)

The Redwood Multi-Purpose Center is located in West Valley and includes an outdoor pool. The facility also includes classrooms, fitness rooms, a gymnasium, multipurpose rooms, and racquetball courts. They offer group and individual fitness and aerobics training; aquatics programs; classes and a variety of youth and adult activities.

The Audit Division reviewed the effectiveness of internal controls with regard to cash receipting and depositing, petty cash and change funds, vending, pool concessions and Pro-Shop operations, capital and controlled assets and purchases and accounts receivable. The recommendations below represent the significant findings. Other concerns were discussed with the Center director.

RECOMMENDATIONS

REDWOOD MULTI-PURPOSE CENTER

CURRENT STATUS

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| 1. We recommend that the program manager or other designated employee review the Z-tape and deposit slip total, and sign the deposit transmittal as evidence of this review. (Audit Letter, Page 3) | 1. Implemented. |
| 2. We recommend that each time a cashier receives or returns the change fund, the fund be counted to verify the amount. (Audit Letter, Page 4) | 2. Implemented. |
| 3. We recommend that a log be maintained where the employee signs for the change fund each time it is taken from the cash box and subsequently returned to the box. (Audit Letter, Page 4) | 3. Implemented. |
| 4. We recommend that cashiers balance collections in their drawer every day using County approved MPF Form 3 or a similar form. (Audit Letter, Page 4) | 4. Implemented. |
| 5. We recommend that the reason for voided transactions be written on the void itself, and that both the cashier | 5. Implemented. |

RECOMMENDATIONS
REDWOOD MULTI-PURPOSE CENTER

CURRENT STATUS

- and supervisor sign the void as evidence of adequate review and approval. (Audit Letter, Page 5)
6. We recommend that sales tax not be paid on purchases made from petty cash. (Audit Letter, Page 6) 6. Implemented.
 7. We recommend that a change fund be established for the Center cashiers at the front desk. (Audit Letter, Page 6) 7. Implemented.
 8. We recommend that each cashier maintain an MPF Form 11 “Cash Over/Short Log” as required by Countywide policy. (Audit Letter, Page 6) 8. Implemented.
 9. We recommend that all signed credit card receipts be kept in a locked drawer or filing cabinet. (Audit Letter, Page 7) 9. Implemented.
 10. We recommend that credit card receipts be reconciled to the daily batch report and to cash register totals of credit card transactions. (Audit Letter, Page 7) 10. Implemented.
 11. We recommend that the Property Manager account for missing controlled assets as either sent to surplus, transferred to another organization or stolen, and if they are stolen, that a letter be addressed to the Mayor explaining the circumstances. (Audit Letter, Page 8) 11. Implemented.
 12. We recommend that the Center Director ensure that all property acquired by transfer or purchase be identified, tagged, and added to the controlled asset list. (Audit Letter, Page 9) 12. Implemented.

RECOMMENDATIONS
REDWOOD MULTI-PURPOSE CENTER

CURRENT STATUS

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| 13. We recommend that the cellular phones be added to the controlled assets list. (Audit Letter, Page 10) | 13. Implemented. |
| 14. We recommend that all employees having individually assigned assets complete the appropriate forms and review them at least annually as required by Countywide Policy. (Audit Letter, Page 10) | 14. Implemented. |
| 15. We recommend that Redwood Multipurpose Center management develop and implement written policies and procedures to govern accounts receivable. (Audit Letter, Page 10) | 15. Implemented. |

10. SALT LAKE CITY SPORTS COMPLEX – LIMITED SCOPE AUDIT OF CASH RECEIPTING AND DEPOSITING, ACCOUNTS RECEIVABLE, CAPITAL AND CONTROLLED ASSETS, VENDING AND PRO-SHOP OPERATIONS (Dated December 2004)

The Salt Lake City Sports Complex is located near the University of Utah and offers numerous activities to citizens in the Salt Lake City area. The Complex is a 153,000 square foot facility that features two Olympic ice sheets, a full fitness center offering weight training and cardiovascular equipment and a pro-shop. Additionally, there is an indoor swimming pool and an outdoor pool that is open from Memorial Day to Labor Day.

The Audit Division audited the Sports Complex regarding internal controls of cash receipting and depositing, accounts receivable, capital and controlled assets, vending and pro-shop operations. Many internal controls were in place but some areas needed improvement. The following recommendations address those areas.

<i>RECOMMENDATIONS</i>	<i>CURRENT STATUS</i>
<i>SALT LAKE CITY SPORTS COMPLEX</i>	
1. We recommend that immediate action be taken, in coordination with I/S and Peak Software (Sportsman) to insure that the on-line acceptance of payments is achieved in a safe and secure environment, both with respect to the user of the service and the employees and administrators of the County and Sportsman. (Audit Letter, page 3)	1. In process. A test site for implementation was established but the provider for the County's credit card processing is changing effective October 1, 2005. We will now need to work with the new provider to establish the system.
2. We recommend that for internet transactions that occur Friday through Sunday, the credit cards be processed on Monday. The internet sales total should be included on Monday's Deposit Transmittal that is prepared on Tuesday morning. (Audit Letter, page 5)	2. Implemented.
3. We recommend that for internet transactions that occur Tuesday, Wednesday or Thursday, the credit cards be processed the next business day (i.e. Tuesday transactions be	3. Implemented.

RECOMMENDATIONS
SALT LAKE CITY SPORTS COMPLEX

CURRENT STATUS

processed Wednesday). The internet sales should be included on the following day's Deposit Transmittal (i.e. Tuesday's credit card transactions should be included on Wednesday's transmittal that is prepared Thursday morning.). (Audit Letter, page 5)

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| 4. We recommend that the office coordinator prepare a reconciliation between Sportsman, the credit card batch summary, and the Deposit Transmittal for internet credit card transactions. (Audit Implemented Letter, page 5) | 4. Implemented. |
| 5. We recommend that credit card transactions be closed out at the end of the last shift each day and that the credit card batch summary be printed and included with deposit preparation documentation. (Audit Letter, page 5) | 5. Implemented. |
| 6. We recommend that signed credit card receipts obtained from customers be stored in a secure area at the Sports Complex. (Audit Letter, page 6) | 6. Implemented. |
| 7. We recommend that the change fund be restored to its authorized limit by placing the overage of \$19.25 in the next deposit of daily collections. (Audit Letter, page 6) | 7. Implemented. |
| 8. We recommend that the log documenting the change fund transfer to a cashier at the beginning of a shift, and the return of the fund and cash drawer collections to the safe at the end of a shift, be maintained on file with other deposit preparation detail. (Audit Letter, page 7) | 8. Implemented. |

<i>RECOMMENDATIONS</i> <i>SALT LAKE CITY SPORTS COMPLEX</i>	<i>CURRENT STATUS</i>
9. We recommend that the Sports Complex use MPF Form 11, "Cash Over/Short Log," as required by policy. (Audit Letter, page 7)	9. Implemented.
10. We recommend that management create a void slip for cashiers to complete when transactions are voided, showing the amount of the void, an explanation for the void, and a place for the signature of the customer, cashier, and supervisor. (Audit Letter, page 8)	10. Implemented.
11. We recommend that management review voided transactions for validity and ensure that documentation for the void is on file with the deposit detail. (Audit Letter, page 8)	11. Implemented.
12. We recommend that daily collections be deposited no later than three days after receipt, in accordance with policy. (Audit Letter, page 8)	12. Implemented.
13. We recommend that cashiers be accurate in their drawer counts as they balance out at the end of each day, and that supervisors take adequate measures to ensure that arithmetic computations are accurate before signing the balance sheet. (Audit Letter, page 9)	13. Implemented.
14. We recommend that Sports Complex management develop and implement written policies and procedures to govern accounts receivable. (Audit Letter, page 10)	14. Implemented.
15. We recommend that proper segregation of duties of billing, receipting, and posting be implemented at the Sports Complex,	15. Ice rental is booked by the facility Director. Billing is generated and mailed out by the Secretary and posted to the account by the

RECOMMENDATIONS
SALT LAKE CITY SPORTS COMPLEX

CURRENT STATUS

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| or that greater supervisory review of the process be implemented. (Audit Letter, page 10) | Secretary. The payments received in the mail are opened and logged by two people on a separate sheet. |
| 16. We recommend that two people together handle and open the mail, and that they maintain a log of payments received in the mail. (Audit Letter, page 10) | 16. Implemented. |
| 17. We recommend that management require preparation and review of a monthly aging schedule for both ice rental and swimming accounts receivable. (Audit Letter, page 11) | 17. Implemented. Both the facility Director and the Secretary review monthly. |
| 18. We recommend that the aging summary produced by MaxFacility be reconciled to the account detail kept by the office coordinator and any discrepancies be resolved. (Audit Letter, page 11) | 18. Implemented. |
| 19. We recommend that Sports Complex employees work together to ensure that all newly acquired property is added to the controlled asset list. (Audit Letter, page 12) | 19. Implemented. |
| 20. We recommend that asset identification information be included on both the purchase invoice and asset list that will enable the asset to be identified from information on the invoice. (Audit Letter, page 12) | 20. Implemented. |
| 21. We recommend that all employees that have individually assigned assets complete the Controlled Assets Inventory Form – Employee and review them annually. (Audit Letter, page 13) | 21. Employees do not have assets assigned to them. |

***RECOMMENDATIONS
SALT LAKE CITY SPORTS COMPLEX***

CURRENT STATUS

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| 22. We recommend that the Property Manager ensure that all assets no longer considered capital assets be transferred to the controlled assets list. (Audit Letter, page 13) | 22. Implemented. |
| 23. We recommend that balance sheets used to record vending machine counts be reformatted to require that dollar amounts be shown from multiplying the coin count by the denomination type, and also that a signature line be added for the manager. (Audit Letter, page 15) | 23. Implemented. |
| 24. We recommend that adding machines used to tally coin and currency counts in vending machines have the capacity to produce a paper tape that can be used to verify the count. (Audit Letter, page 15) | 24. Implemented. |
| 25. We recommend, based on the variety of items for sale and the sales volume experienced, that a software program be used to control the inventory for the Pro-shop at the Sports Complex. (Audit Letter, page 16) | 25. Sportsman software is currently in use. We have requested that a program be developed by the software developers. That is still in process. |

11. SALT PALACE PARKING – LIMITED SCOPE AUDIT OF CASH HANDLING AND CAPITAL AND CONTROLLED ASSETS (Dated April 2004)

The Salt Palace Convention Center has three levels of covered parking and one outdoor lot for a total of 1055 parking stalls. The covered parking area has elevator access from the garage to the facility. Parking at this facility is charged.

The Audit Division performed a limited-scope audit that included a count of the change and petty cash funds, a review of the depositing activity for the past year, cash handling procedures and capital and controlled assets. The following recommendations represent the areas in which internal controls needed to be strengthened.

***RECOMMENDATIONS
SALT PALACE PARKING***

CURRENT STATUS

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| 1. We recommend that a space on the Daily Sales Report be provided to reconcile no-sales per cash register to the Complimentary Parking Sign-in Sheet. (Audit Letter, Page 3) | 1. Completed. |
| 2. We recommend that any discrepancies between the Complimentary Parking Sign-in Sheet and the cash register tape be investigated and documented on the Daily Sales Report. (Audit Letter, Page 3) | 2. This has been implemented. |
| 3. We recommend that gate 4B be automated to, at a minimum, record the number of times the gate is lifted to provide a comparison for tickets sold reconciliation. (Audit Letter, Page 3) | 3. Gate 4B is eliminated due to expansion project. |
| 4. We recommend that Parking Services Staff inventory the pre-numbered tickets in storage and note the ticket numbers in a log. Subsequent issuance of these tickets should also be noted in the log. (Audit Letter, Page 4) | 4. Pre-numbered tickets are discontinued. |
| 5. We recommend that ticket stock be secured in a locked, limited access area. (Audit Letter, Page 4) | 5. Pre-numbered tickets are discontinued. |

***RECOMMENDATIONS
SALT PALACE PARKING***

CURRENT STATUS

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| 6. We recommend that a log be utilized to document transfer of custody of the parking services deposit. (Audit Letter, Page 4) | 6. Implemented. |
| 7. We recommend that the Parking Department Daily Sales Report form be modified to include a place to note the cash/check/credit card composition per cash register tape and that the composition be reconciled to the amounts actually collected. (Audit Letter, Page 5) | 7. Cash/check/credit information is included on the back of the form. |
| 8. We recommend that management implement the use of a daily cash over and short log similar to MPF Form 11. (Audit Letter, Page 5) | 8. We have implemented a daily log of over and short. |
| 9. We recommend that Parking Services, with management's authorization, deposit an additional \$6.00 on a specified day to bring the change fund down to the authorized \$900.00. (Audit Letter, Page 6) | 9. Completed. |
| 10. We request that Salt Palace management initiate correspondence with the Salt Lake County Auditor requesting that the change and Petty Cash funds be segregated into discreet funds and fund types on the Auditor's Office listing of authorized funds. (Audit Letter, Page 6) | 10. This has not been completed. Our ledger reflects one number for cash distributed to our custody. |
| 11. We recommend that asset lists be kept current. Lists should be updated on a regular, periodic basis to reflect current additions, deletions, locations and personnel changes. (Audit Letter, Page 7) | 11. Asset additions and deletions and changes are recorded when identified. |
| 12. We recommend that the Business Center office safe be bolted to the floor. (Audit Letter, Page 7) | 12. Completed. |

B. HUMAN SERVICES

1. AGING SERVICES THEFT (Dated March 2004)

The Audit Division was notified of a theft in Aging Services that occurred in the Senior Employment Program. A caseworker in that program obtained funds from petty cash to purchase bus passes and prepared a receipt with the name of the client and the amount for the bus pass. The receipts were not listed on the bus pass logs and bus passes had not been issued. Several bus passes were sold to Title V clients where cash was received from both the client and from the petty cash fund. The employee was terminated and Aging Services has discontinued the practice of selling bus passes.

RECOMMENDATION
AGING SERVICES THEFT

CURRENT STATUS

1. We recommend that management in Aging Services establish a written policy to regulate the procedures regarding distribution of bus passes to Title V clients who are financially unable to purchase them. (Audit Letter, Page 2)

1. Aging Services has established a written procedure, implemented on 04/29/04, regulating the eligibility and distribution of bus passes to Title V participants.

C. AUDITOR’S OFFICE

1. PAYROLL – AUDIT OF COUNTY PAYROLL MASTER FILE AND RELATED DATA BASES (Dated August 2004)

The Audit Division conducted a review of two years of payroll transactions. The primary objective was to review the payroll system for errors, unusual transactions, and/or transactions that might indicate fraud. The review was divided into three sections, payroll master file, payroll data (reviewed by quarter), and vendor data.

The examination of the payroll system produced the following positive findings: Vacation was accrued at rates established by County Policy, vacation balances were within amounts allowed, sick leave was accrued in accordance with Policy, payroll calculations within the payroll system function correctly, and Section 125 Cafeteria Plan contributions were within legal restrictions. The following recommendations represent the findings of the audit.

***RECOMMENDATIONS
PAYROLL***

CURRENT STATUS

- | | |
|---|--|
| <p>1. We recommend that the master file be updated with the correct phone number of each employee. (Audit Letter, Page 9)</p> <p>2. We recommend that new employee addresses be entered in the standard form in accordance with Countywide Policy #1002. We further recommend that all employee addresses be reviewed and corrected, if necessary, so that addresses are in the standard form for comparison. (Audit Letter, Page 9)</p> <p>3. We recommend that termination dates be entered in a more timely manner. (Audit Letter, Page 16)</p> <p>4. We recommend that exempt status and increases in the number of dependents only be allowed for legitimate purposes, not to temporarily decrease tax withholdings. (Audit Letter, Page 27)</p> | <p>1. P/R Techs at the organization level are responsible to keep information updated as per Auditor Payroll manual 5.1 P/R tech responsibilities p.1 of 6.</p> <p>2. Same as #1 plus the guidelines are in the P/R policies and procedures manual, Appendix 6, Standard Addressing Procedures Policy-1002.</p> <p>3. Policy is followed. Late terminations are due to FMLA; LWOP; LTD; employees owing money to the County.</p> <p>4. This is the employees’ responsibility. The instructions are stated directly on the W-4 form the employee signs. We follow the policy.</p> |
|---|--|

***RECOMMENDATIONS
PAYROLL***

5. We recommend that each vendor be assigned only one vendor number, and that a more rigorous procedure be established to screen vendors for existing accounts prior to setting up a new account. (Audit Letter, Page 29)

6. We recommend that standard addressing guidelines be followed. (Audit Letter, Page 30)

CURRENT STATUS

5. Under our current financial system (AFIN), we are only able to create one payment address for a vendor. We have many vendors that have numerous remit to addresses, thus creating the need to have more than one vendor number. We are unable to circumvent AFIN on this.

6. Since Contracts & Procurement enters new vendors into the Advantage purchasing system, we would make the suggestion that they follow Policy 1002, but we could not enforce their compliance. This may be better directed to them.

D. MAYOR’S OFFICE

1. SURPLUS PROPERTY - A LIMITED SCOPE AUDIT OF CASH RECEIPTING AND DEPOSITING AND CAPITAL AND CONTROLLED ASSETS (Dated December 2004)

The Surplus Property Management Sections of the Salt Lake County Contracts and Procurement Division exists to dispose of personal property items received from County agencies. Once received, surplus goods are offered internally to County organizations, and then offered for sale in a public auction if these organizations do not want them.

The Audit Division completed an audit of this Section that consisted of a review of cash receipting and depositing and capital and controlled assets. Internal controls and the processes were observed to determine compliance with Countywide policies. The following recommendations represent the findings of that audit.

<i>RECOMMENDATIONS SURPLUS PROPERTY</i>	<i>CURRENT STATUS</i>
1. We recommend that the MPF Form 11 “Cash Over/Short Log,” be used as required by Policy #1125. (Audit Letter, page 3)	1. Implemented.
2. We recommend that a cashier’s balance sheet be prepared following each surplus sale as required by Policy. (Audit Letter, page 3)	2. Implemented.
3. We recommend that the reason for voided transactions be written on the voided receipt itself, and that both the cashier and manager sign the void as evidence of adequate review and approval. (Audit Letter, page 4)	3. Implemented.
4. We recommend that a thorough annual physical inventory of controlled assets be conducted at the warehouse location. (Audit Letter, page 5)	4. Implemented.

***RECOMMENDATIONS
SURPLUS PROPERTY***

CURRENT STATUS

- | | |
|--|-----------------|
| 5. We recommend that the controlled assets list contain substantially the same information and fields as required by Policy #1125. (Audit Letter, page 6) | 5. Implemented. |
| 6. We recommend that all employees that have assets individually assigned to them complete the “Controlled Asset Inventory Form – Employee” or a form that contains substantially the same information, and moreover, that the employee review and sign this form annually. (Audit Letter, page 6) | 6. Implemented. |

E. TREASURER'S OFFICE

1. PROPERTY TAX PAYMENTS MADE VIA THE INTERNET (Dated June 2004)

In addition to property tax payments received by the Treasurer's Office by mail or in person, annual property tax payments are received via the internet. Online payments began in 2001 and the number of online payments tripled in 2003. Currently, tax payments to the Treasurer via the Internet are a small percentage of overall property tax payments and thus the magnitude of potential problems is low.

The Audit Division completed an audit of the internet payment procedure addressing the following: network security, personnel and access controls, and physical security. An outside consultant was contracted with to determine the security of network systems. The following recommendations represent the findings of that audit.

***RECOMMENDATIONS
TREASURER'S OFFICE INTERNET
PROPERTY PAYMENTS***

CURRENT STATUS

- | | |
|---|---|
| <p>1. We recommend that the Treasurer's Office establish written policies and procedures for data retention and destruction. (Audit Letter, Page 5)</p> <p>2. We recommend that management in the Treasurer's Office and Information Services establish and document policies and procedures governing access to and control of sensitive consumer financial information and records. (Audit Letter, Page 7)</p> <p>3. We recommend that the Treasurer's Office and Information Services consider full background checks on employees having access to consumer financial information, including, as a minimum, new hires. (Audit Letter, Page 7)</p> | <p>1. Treasurer's office is continuing to work with IS to develop written record retention and destruction guidelines, but task is not completed.</p> <p>2. Since 2003 all employees with access to the confidential information have signed a receipt and it is in their personnel file saying they have been advised of the consequences of disclosing personal or financial information. The Treasurer's office said they will adopt intra-office policy and provide training.</p> <p>4. The Treasurer's office will consider background checks within the constraints of the budget and Countywide policy. All current employees involved in these procedures have a minimum of ten years employment with the Treasurer's office.</p> |
|---|---|

***RECOMMENDATIONS
TREASURER'S OFFICE INTERNET
PROPERTY PAYMENTS***

4. We recommend that Information Services formulate and document an official Disaster Recovery Plan. (Audit Letter, Page 10)

CURRENT STATUS

4. Information Systems is working on a Disaster Recovery plan documented in written procedures.

V. RECOMMENDATIONS CARRIED OVER FROM PREVIOUS YEARS

This section of the report contains recommendations from prior audits which had not been implemented by the time we prepared our last annual report. Each of these recommendations is listed along with the comments from last year's report, which indicates the recommendation had not been fully implemented, and a comment indicating the current status of implementing the recommendation.

A. COMMUNITY SERVICES

1. CLARK PLANETARIUM – FIRST AUDIT SINCE THE FACILITY OPENED APRIL 2003 – LIMITED SCOPE AUDIT OF CASH HANDLING AND CAPITAL AND CONTROLLED ASSETS (Dated September 2003)

CLARK PLANETARIUM RECOMMENDATIONS

RECOMMENDATION 1.

We recommend that the planetarium propose an amendment to Policy #1203 that will legitimize disbursements from petty cash for merchandise inventory, or in the alternative, request a purchasing card for small-inventory purchases. (Audit Letter, Page 5)

15th ANNUAL REPORT STATUS – 2003

Implementation in progress. Planetarium management wrote, "The amendment to Policy #1203 was discussed by Planetarium management with the Auditor's Office and the Mayor's Office in the audit follow-up meeting in October 2003. All parties verbally agreed that it would be a good idea to propose the policy amendment. The formal request to change the policy will soon be completed."

CURRENT STATUS

The formal request for an exception to Policy #1203 was submitted to Doug Willmore in May 2005. The Mayor's Office approved the request for an exception to the policy. Copy of that letter is available upon request.

RECOMMENDATION 2.

We recommend that an imprest checking account for refunds be established, or alternatively, that authority be granted through countywide policy to issue refunds under \$200 from the existing imprest checking fund. (Audit Letter, Page 6)

15th ANNUAL REPORT STATUS – 2003

Implementation in progress. Planetarium management wrote, "The amendment to Policy 1203 was discussed by Planetarium management with the Auditor's Office

CLARK PLANETARIUM RECOMMENDATIONS

and the Mayor's Office in the audit follow-up meeting in October 2003. All parties verbally agreed that it would be a good idea to continue to issue refunds under \$200 from the existing imprest checking fund. The policy amendment request is still on the 'to-do' list, but will be completed soon."

CURRENT STATUS

The formal request for an exception to Policy #1202 was submitted to Doug Willmore in May 2005. The Mayor's Office approved the request for an exception to the policy. Copy of that letter is available upon request.

RECOMMENDATION 3.

We recommend that Clark Planetarium management develop and implement written policies and procedures to govern accounts receivable. (Audit Letter, Page 9)

15th ANNUAL REPORT STATUS – 2003

Implementation in progress. Planetarium management said, "The Planetarium's Fiscal Manager collected other county division's written accounts receivable policies to prepare to write the Planetarium's policies and procedures. A Planetarium written policy is still under development. The Planetarium does not have a problem collecting on outstanding invoices. The Planetarium billed \$37,539.71 in 2003 and collected \$37,245. Washington Elementary summer program still owes \$280 and has promised to pay soon."

CURRENT STATUS

A policy and procedure to govern accounts receivable has been written and implemented. Copy of the policy is available upon request.

2. FINE ARTS – A FINANCIAL-RELATED AUDIT (Dated June 2003)

FINE ARTS RECOMMENDATIONS

RECOMMENDATION 1.

We recommend that Fine Arts write a letter to the Mayor explaining the circumstances of the \$150 reward transaction and request the Mayor's approval (requesting approval through a letter to the Mayor, setting forth mitigating circumstances, is in accordance with Countywide Policy #1203). If the Mayor does not approve the transaction, then the Director's personal reimbursement check should be processed. (Audit Report, Page 61)

15th ANNUAL REPORT STATUS – 2003

We made an attempt to process the check; however, the check was made out to the former accountant. The check is still currently in Marcus Anjewierden's possession.

CURRENT STATUS

Funds deposited.

RECOMMENDATION 2.

We recommend Countywide Policy #4003, "Reporting and Recognizing Volunteer Services," be expanded to outline the detailed process for formulating recognition budgets, the types and dollar value of appropriate gifts and rewards, and the recognition authorization procedure and approval steps. (Audit Report, Page 65)

15th ANNUAL REPORT STATUS – 2003

Fine Arts management stated, "As this is a Countywide Policy, the Division does not feel it has the authority to make the necessary changes."

CURRENT STATUS

Countywide Policy has been implemented.

RECOMMENDATION 3.

We recommend The County Council adopt a resolution setting forth a payment standard for remote ticket locations, requiring such agents to provide full payment on ticket sales within ten days from the date of sale. (Audit Report, Page 93)

FINE ARTS RECOMMENDATIONS

15th ANNUAL REPORT STATUS – 2003

Implementation in progress. Fine Arts management stated, “The Division has not yet reached this standard and the Council has not considered such a resolution. However, significant improvements have been made in this area as noted above.”

CURRENT STATUS

Procedure implemented to ensure fiscal accountability.

**3. SPORTS OFFICE AND COTTONWOOD SOFTBALL PARK
CONCESSIONS – LIMITED SCOPE AUDIT OF CASH HANDLING,
CAPITAL AND CONTROLLED ASSETS (Dated October 2003)**

SPORTS OFFICE/SOFTBALL PARK CONCESSIONS RECOMMENDATIONS

RECOMMENDATION

We recommend that the funds collected at the concessions be deposited daily via the night drop at the bank using the tamper-proof bags. (Audit Letter, Page 3)

15th ANNUAL REPORT STATUS – 2003

Implementation in progress. Cottonwood Softball Complex management stated, “Beginning with the 2004 season, deposits will be made within two working days as per County policy.”

CURRENT STATUS

Implemented.

4. COUNTY ICE CENTER – LIMITED SCOPE AUDIT OF CASH HANDLING, CAPITAL AND CONTROLLED ASSETS AND INVENTORY PROCEDURES FOR PRO SHOP, VENDING MACHINE, AND CONCESSIONS (Dated May 2003)

COUNTY ICE CENTER RECOMMENDATIONS

RECOMMENDATION 1.

We recommend that cashiers restrictively endorse all checks upon receipt. (Audit Letter, Page 4)

15th ANNUAL REPORT STATUS – 2003

County Ice Center management stated, “The only way we can reasonably endorse all checks upon receipt is to keep a check stamp at each of the registers. During our busiest time of the year, this can be six separate points of sale. When our facility was audited 3 years ago, the audit division was concerned about that many check stamps out at different areas of the facility. With the understanding that about 95% of the checks that come into the facility are accepted at the front desk, the audit advised us to keep a stamp at the front desk register to endorse all those checks immediately upon receipt and endorse the 5% that come in through the other points of sale in the money counting room when the 3 drawers are closed out. This is what we will continue to do based on the audit recommendation.”

CURRENT STATUS

No change from 2003. Current practice is based on prior audit recommendations.

RECOMMENDATION 2.

We recommend that the controlled assets inventory form be revised to provide three separate columns for make, model, and serial number, and that the necessity for including assets’ serial numbers be emphasized to those completing the log. (Audit Letter, Page 11)

15th ANNUAL REPORT STATUS – 2003

Implementation in progress. County Ice Center management stated, “We are currently making changes across the board to our inventory procedures, which bring us into compliance with this policy.”

CURRENT STATUS

In process. Schedule to be complete within the next couple of months.

COUNTY ICE CENTER RECOMMENDATIONS

RECOMMENDATION 3.

We recommend that the property manager include the current physical location for all controlled assets on the controlled assets inventory log. (Audit Letter, Page 11)

15th ANNUAL REPORT STATUS – 2003

Implementation in progress. County Ice Center management stated, “We are currently making changes across the board to our inventory procedures, which bring us into compliance with this policy. “

CURRENT STATUS

Implemented.

RECOMMENDATION 4.

We recommend that formalized inventory lists be developed which include both the count of the items and their corresponding costs; and that these lists be used for each inventory of concessions and vending machine merchandise. (Audit Letter, Page 12)

15th ANNUAL REPORT STATUS – 2003

Implementation in progress. County Ice Center management stated, “We are currently making changes across the board to our inventory procedures, which bring us into compliance with this policy. These inventory lists will be created on the computer and will be included as part of the regular inventory report.”

CURRENT STATUS

Implemented.

RECOMMENDATION 5.

We recommend that documentation for the calculations of ending inventory costs be retained. (Audit Letter, Page 12)

15th ANNUAL REPORT STATUS – 2003

Implementation in progress. County Ice Center management stated, “We are currently making changes across the board to our inventory procedures, which bring us into compliance with this policy. These inventory lists will be created on the computer and will be included as part of the regular inventory report.”

COUNTY ICE CENTER RECOMMENDATIONS

CURRENT STATUS

Implemented.

RECOMMENDATION 6.

We recommend that the Ice Center have a signed contract from each customer who has accounts receivable. (Audit Letter, Page 14)

15th ANNUAL REPORT STATUS – 2003

Implementation in progress. County Ice Center management stated, “This has proven to be a difficult goal to achieve over the past 3 years, primarily because the user groups don’t often know exactly what ice times they need in advance to put them on a contract. We will continue to do our best to make sure every such customer is on a contract.”

CURRENT STATUS

Implemented. The County Attorney’s Office revised the contracts and they are in use at each ice facility.

5. DIMPLE DELL RECREATION CENTER - LIMITED SCOPE AUDIT OF CASH RECEIPTING AND DEPOSITING AND CAPITAL AND CONTROLLED ASSETS (Dated September 2002)

DIMPLE DELL RECREATION CENTER RECOMMENDATIONS

RECOMMENDATION

We recommend that the property manager use the “Controlled Assets Inventory Form-Employee” (Exhibit 3-Countywide Policy #1125) for the records of controlled assets and have each employee who has been assigned specific assets complete and sign the form. (Audit Letter, Page 5)

14th ANNUAL REPORT STATUS – 2002

Implementation in progress.

15th ANNUAL REPORT STATUS – 2003

The master control list is maintained at a central location where changes are made as they occur.

CURRENT STATUS

This procedure is currently under review by the Parks & Recreation Division and the Audit Division.

6. MAGNA RECREATION CENTER AND POOL – LIMITED SCOPE AUDIT OF CASH HANDLING OPERATIONS AND CONTROLLED ASSET MANAGEMENT (Dated August 2003)

MAGNA RECREATION CENTER REDOMMENDATIONS

RECOMMENDATION

We recommend that the option be considered of contracting candy vending machines to outside parties. (Audit Letter, Page 2)

15th ANNUAL REPORT STATUS – 2003

Recreation management stated, “The option of contracting vending for the entire Parks and Recreation Division is currently under review by the Community Services Department admin staff.”

CURRENT STATUS

Currently there is no vending contract in place for the entire Parks & Recreation Division. Each facility is responsible for their own vending machines.

B. HUMAN SERVICES

1. AGING SERVICES - LIMITED SCOPE AUDIT OF CASH HANDLING PROCEDURES AND CAPITAL AND CONTROLLED ASSETS (Dated September 2003)

AGING SERVICES RECOMMENDATIONS

RECOMMENDATION 1.

We recommend that the “Controlled Assets Inventory Form-Employee” be completed for each employee who is assigned capital or controlled assets. (Audit Letter, Page 10)

15th ANNUAL REPORT STATUS – 2003

Implementation in progress. Aging Services management stated, “The Agency provides all Center and Program managers with an inventory listing each quarter. Managers are instructed to locate all equipment on the list and provide feedback/corrections to the Property Agent. Aging Services Management is researching the current software to ascertain if the program can print a Controlled Asset Inventory Form for each employee.”

CURRENT STATUS

Aging Services has updated the agency procedure #206, “Safeguarding of Property/Assets” to comply with this recommendation. The Business Office of Aging Services shall conduct an on-site annual Inventory Audit of all Senior Centers and Programs accounting for all items on their inventory lists. The Center and Program managers are also responsible for performing quarterly inventory counts reporting any discrepancies to the Business Office. When purchases are made for individual employee use, we shall enter each employee name tying it to the inventory item for tracking purposes.

RECOMMENDATION 2.

We recommend that the Controlled Assets Inventory Log be completed with make, model, and serial number where available. (Audit Letter, Page 10)

15th ANNUAL REPORT STATUS – 2003

Implementation in progress. Aging Services management stated, “The inventory database contains the make, model and serial number fields. As program and center managers receive their inventory reports, an effort will be made to ensure that each field is completed.”

AGING SERVICES RECOMMENDATIONS

CURRENT STATUS

Aging Services has updated the agency procedure #206, “Safeguarding of Property/Assets” to comply with this recommendation. All items purchased containing a make, model, or serial number shall be added to our Inventory Database for tracking purposes.

2. LIBRARY—LIMITED SCOPE AUDIT OF CASH RECEIPTING AND DEPOSITING AND CAPITAL AND CONTROLLED ASSETS (Dated August 1998)

LIBRARY SYSTEM RECOMMENDATIONS

RECOMMENDATION

The Library replace its cash registers to reflect advanced technology such that a collections total can be produced for each cashier and the cashiering and cataloging systems can be integrated. (Audit Letter, Page 15)

11th ANNUAL REPORT STATUS – 1998

Implementation in progress. Library management stated, “In 1998, we purchased five ‘smart’ cash registers. Other cash registers will be replaced as funding is available and as needed. The Library’s 1990 RFP for automated services asked vendors to supply a system that would integrate circulation transactions with cash register functions. No such system was available then or now that will accomplish these tasks and handle the volume of activity that the County Library has each day. We will continue to work with library system vendors to encourage the development of this capability. Once it becomes available we will consider the cost benefits of purchasing such a system.”

12th ANNUAL REPORT STATUS – 1999/2000

Partially implemented. Library management stated, “Cash registers that are ‘integrated’ with our library automation system are still not available. We have, however, replaced all of our cash registers with new registers which have enforced operator codes, thus making it easier to track individual transactions to the cashier responsible.”

13th ANNUAL REPORT STATUS – 2001

Partially implemented.

14th ANNUAL REPORT STATUS – 2002

Partially implemented. Library management stated, “DYNIX still has not integrated their library automation system with our cash registers. We wish this would happen as we are now contemplating accepting debit and credit cards and the same problem will exist without integration. We will continue to ‘put pressure’ on DYNIX.”

LIBRARY SYSTEM RECOMMENDATIONS

15th ANNUAL REPORT STATUS – 2003

Library management stated, “For six years, we have been told that Dynix was in the process of developing a system that could be integrated with the cash registers. This, however, has not come to fruition and no progress has been made. Consequently, we (our Director, Jim Cooper, Our Associate Director, Gretchen Freeman, and Mike Stoker) met with three representatives from Dynix and indicated to them our concerns about the lack of progress being made relevant to integrating cash registers and the Dynix system. We also expressed concerns about the quality of accounting-type information available to management from the system. They acknowledged our concerns and asked if we would be interested in meeting with them to discuss it further. I have since spoken to Jim Wightman of the Auditor’s Office to determine if the Auditor’s Office would be interested in participating in this discussion.”

CURRENT STATUS

We changed platforms in December 2004 from Dynix to Horizon. There are still no integrated cash registers available with Dynix. However, we have been told that a company by the name of Envisionware can provide such machines and plan to investigate further as soon as our two new libraries are open and there is more time.

3. BINGHAM CREEK LIBRARY – LIMITED SCOPE CASH RECEIPTING AND DEPOSITING AND CONTROLLED ASSETS (Dated June 2003)

BINGHAM CREEK LIBRARY RECOMMENDATIONS

RECOMMENDATION 1.

We recommend that all cashiers count their change fund at the beginning of the day, and that the feasibility of cash counts at the beginning of each shift be explored. (Audit Letter, Page 2)

15th ANNUAL REPORT STATUS – 2003

Bingham Creek Library management stated, “BCR assigned staff count the monies in each (2) cash register at the beginning of each day before we open. It is part of the regular opening procedures. We do not count at the beginning of each shift because we have varying shifts. We have part time employees, full time employees and temporary staff. Also for training purposes, librarians or shelvers may be scheduled for an hour on the circulation desk, using the cash registers. Our workflow procedures also impede the feasibility of the ‘shift counting.’ Normal scheduling means one person works at station 1 for an hour, moves to station 2 for an hour, then to station 3 and then works in the back room for an hour. Another employee takes over the station when the first person moves and so on. In addition, supervisors may step in to solve a problem using the register at any time.”

CURRENT STATUS

Because of manpower constraints and the difficulties associated with being open 60 hours per week, our response remains the same as it was in 2003. The change fund is, indeed, counted at the beginning of each work day. However, we cannot, at this time, count at the beginning of each shift.

RECOMMENDATION 2.

We recommend that the controlled asset inventory report be updated on a continuous basis to accurately reflect the assets at the Bingham Creek Library.

15th ANNUAL REPORT STATUS – 2003

Bingham Creek Library management stated, “The controlled asset inventory in question at BCR related entirely to the computer equipment, which is maintained by the Computer Room. To my understanding the only item that was questioned in the BCR inventory was the P-Touch that had been moved to a different computer, but was in the same area.”

BINGHAM CREEK LIBRARY RECOMMENDATIONS

CURRENT STATUS

Inventory of electronic assets is performed by our I.S. staff, who, for the most part, are quite accurate, considering the considerable assets they must track, which are constantly being traded out for repair and replacement. Non-electronic assets are tracked separately and continue to present some challenges in tracking. We are looking at automating the system of tracking non-electronic assets so the Library Managers can do a better job of keeping current on what assets they have in their libraries.

4. RIVERTON LIBRARY – LIMITED SCOPE CASH HANDLING OPERATIONS AND CAPITAL AND CONTROLLED ASSET MANAGEMENT (Dated April 2003)

RIVERTON LIBRARY RECOMMENDATIONS

RECOMMENDATION

We recommend that the library accept debit and credit card payments for fines and fees as a way to reduce accounts receivable and the cost of collecting on delinquent accounts. (Audit Letter, Page 4)

15th ANNUAL REPORT STATUS – 2003

Riverton Library management stated, “Implementation in progress. Charge cards will soon be implemented in Riverton for fees and fines.”

CURRENT STATUS

Credit cards and debit cards are now accepted in Riverton Library.

5. SANDY LIBRARY – LIMITED SCOPE AUDIT OF CASH HANDLING AND CAPITAL AND CONTROLLED ASSETS (Dated September 2003)

SANDY LIBRARY RECOMMENDATIONS

RECOMMENDATION 1.

We recommend that Library management perform a Fine and Fee Waiver reconciliation on some random days each month, as described above, and follow-up as necessary on any problems identified by the reconciliation. (Audit Letter, Page 5)

15th ANNUAL REPORT STATUS – 2003

Not implemented. Sandy Library manager, Kent Dean stated, “Lance Temple, the library system’s Staff Accountant, systematically conducts monthly audits of all library locations. Nevertheless, no procedure or process has been established to reconcile Fine and Fee Waiver Forms on a monthly basis at the library or system level.”

CURRENT STATUS

Not implemented.

RECOMMENDATION 2.

We recommend that the Library request an exception to Countywide Policy #1062 allowing them to issue cash refunds of less than \$5 out of the current day’s received funds. This request should be submitted to the County Steering Committee for consideration. (Audit Letter, Page 6)

15th ANNUAL REPORT STATUS – 2003

Not implemented. Sandy Library manager, Kent Dean stated, “The current policy and practice of the Salt Lake County Library System is to issue refunds of five dollars or less as appropriate in accordance with library system policies. This policy allows the library system to respond to fiscal matters of nominal amounts in a timely manner. As the library system’s Fiscal Administrator, Mike Stoker would be authorized to address this issue with the County Steering Committee.”

CURRENT STATUS

I have written a request for exception to Policy 1062. However, with a hard disk crash a couple of months ago, it was lost and I have not had the time since then to re-create it.

SANDY LIBRARY RECOMMENDATIONS

RECOMMENDATION 3.

We recommend that, after the new location code is established, the Property Manager follow the instructions in the Auditor's Accounting Policies and Procedures #5.4 to update the location codes of the four items described above, and any other library assets that need to have their location codes updated. (Audit Letter, Page 8)

15th ANNUAL REPORT STATUS – 2003

Implementation in progress. Sandy Library manager, Kent Dean stated, "After the location code for the library storage facility is established, the assets in question will be documented on the appropriate form under the direction of the library system's Fiscal Administrator."

CURRENT STATUS

Not implemented.

6. WEST JORDAN LIBRARY – LIMITED SCOPE CASH HANDLING AND CAPITAL AND CONTROLLED ASSETS (Dated May 2003)

WEST JORDAN LIBRARY RECOMMENDATIONS

RECOMMENDATION

We recommend that the controlled asset inventory list be updated on a regular basis to accurately reflect the assets at the West Jordan Library. (Audit Letter, Page 4)

15th ANNUAL REPORT STATUS – 2003

West Jordan Library management stated, “Implementation in progress. All but the computer equipment is current, and a current computer list should be coming.”

CURRENT STATUS

We have a good handle on our electronic assets and steps are being made to improve our method of tracking non-electronic assts by involving the managers more and by automating the process.

7. CITY/COUNTY MEDICAL ASSESSMENT CENTER (CCMAC) – LIMITED SCOPE CASH RECEIPTING AND DEPOSITING AND CONTROLLED ASSETS (Dated February 2003)

CCMAC RECOMMENDATIONS

RECOMMENDATION 1.

We recommend that all controlled assets be listed on the Controlled Asset Inventory report. (Audit Letter, Page 2)

15th ANNUAL REPORT STATUS – 2003

Implementation in progress. Salt Lake Valley Health Management stated, “Salt Lake Valley Health Department Operating Standard & Procedure, subject: ‘Inventory Tracking Procedures’ was issued 9/18/03. Implementation is expected to be completed by August, 2004.”

CURRENT STATUS

Inventory system now implemented.

RECOMMENDATION 2.

We recommend that an inventory of capital and controlled assets be completed on an annual basis. (Audit Letter, Page 3)

15th ANNUAL REPORT STATUS – 2003

Implementation in progress. Salt Lake Valley Health Management stated, “Salt Lake Valley Health Department Operating Standard & Procedure, subject: ‘Inventory Tracking Procedures’ was issued 9/18/03. Implementation is expected to be completed by August, 2004.”

CURRENT STATUS

Inventory system now implemented.

RECOMMENDATION 3.

We recommend that a “Controlled Asset Inventory - Employee” form be completed for all assets assignable to specific employees. (Audit Letter, Page 3)

CCMAC RECOMMENDATIONS

15th ANNUAL REPORT STATUS – 2003

Implementation in progress. Salt Lake Valley Health Management stated, “Salt Lake Valley Health Department Operating Standard & Procedure, subject: ‘Inventory Tracking Procedures’ was issued 9/18/03. Implementation is expected to be completed by August, 2004.”

CURRENT STATUS

Inventory system now implemented.

8. ELLIS R. SHIPP PUBLIC HEALTH CENTER—LIMITED SCOPE AUDIT OF CASH, AND CAPITAL AND CONTROLLED ASSETS (Dated November 2002)

ELLIS R. SHIPP RECOMMENDATIONS

RECOMMENDATION 1.

We recommend that the Health property manager and purchasing personnel coordinate their efforts to ensure that all newly acquired assets are added to controlled asset lists in a timely manner. (Audit Letter, Page 7)

14th ANNUAL REPORT STATUS – 2002

Will be implemented.

15th ANNUAL REPORT STATUS – 2003

Implementation in progress. Salt Lake Valley Health Management stated, “Salt Lake Valley Health Department Operating Standard & Procedure, subject: ‘Inventory Tracking Procedures’ was issued 9/18/03. Implementation is expected to be completed by August, 2004.”

CURRENT STATUS

Inventory system now implemented.

RECOMMENDATION 2.

We recommend that the Health Department either begin using the prescribed Controlled Asset Inventory Forms or add a certification statement with signature line to their spreadsheets in a manner that will allow it to appear on each location. (Audit Letter, Page 8)

14th ANNUAL REPORT STATUS – 2002

Will be implemented.

15th ANNUAL REPORT STATUS – 2003

Implementation in progress. Salt Lake Valley Health Management stated, “Salt Lake Valley Health Department Operating Standard & Procedure, subject: ‘Inventory Tracking Procedures’ was issued 9/18/03. Implementation is expected to be completed by August, 2004.”

ELLIS R. SHIPP RECOMMENDATIONS

CURRENT STATUS

Inventory system now implemented.

RECOMMENDATION 3.

We recommend that individual employees be listed, and sign the certification statement, as the responsible person for assets in their control. (Audit Letter, Page 8)

14th ANNUAL REPORT STATUS – 2002

Will be implemented.

15th ANNUAL REPORT STATUS – 2003

Implementation in progress. Salt Lake Valley Health Management stated, “Salt Lake Valley Health Department Operating Standard & Procedure, subject: ‘Inventory Tracking Procedures’ was issued 9/18/03. Implementation is expected to be completed by August, 2004.”

CURRENT STATUS

Inventory system now implemented.

RECOMMENDATION 4.

We recommend that the district manager continue to be listed, and sign the certification statement, as the responsible person for assets at their location that are not assigned to individual employees. (Audit Letter, Page 8)

14th ANNUAL REPORT STATUS – 2002

Will be implemented.

15th ANNUAL REPORT STATUS – 2003

Implementation in progress. Salt Lake Valley Health Management stated, “Salt Lake Valley Health Department Operating Standard & Procedure, subject: ‘Inventory Tracking Procedures’ was issued 9/18/03. Implementation is expected to be completed by August, 2004.”

CURRENT STATUS

Inventory system now implemented.

9. ENVIRONMENTAL HEALTH—LIMITED SCOPE AUDIT OF CASH RECEIPTING AND DEPOSITING AND CAPITAL AND CONTROLLED ASSETS (Dated November 2002)

ENVIRONMENTAL HEALTH RECOMMENDATIONS

RECOMMENDATION 1.

We recommend that onsite managers be provided with an updated list and that they assume primary responsibility for asset controls and maintenance. (Audit Letter, Page 3)

14th ANNUAL REPORT STATUS – 2002

Will be implemented. SLVHD management stated, “All inventory tracking is being converted to a scanning system. A current asset list will be provided to each Health Department location in August 2003.”

15th ANNUAL REPORT STATUS – 2003

Implementation in progress. Salt Lake Valley Health Management stated, “Salt Lake Valley Health Department Operating Standard & Procedure, subject: ‘Inventory Tracking Procedures’ was issued 9/18/03. Implementation is expected to be completed by August, 2004.”

CURRENT STATUS

Inventory system now implemented.

RECOMMENDATION 2.

We recommend that adequate information be recorded, including at least the following: purchase date, purchase amount, serial number, model number, description, location, tag number (if used), and if individually assigned, the individual’s name. (Audit Letter, Page 4)

14th ANNUAL REPORT STATUS – 2002

Will be implemented.

15th ANNUAL REPORT STATUS – 2003

Implementation in progress. Salt Lake Valley Health Management stated, “Salt Lake Valley Health Department Operating Standard & Procedure, subject: ‘Inventory Tracking Procedures’ was issued 9/18/03. Implementation is expected to be completed by August, 2004.”

ENVIRONMENTAL HEALTH RECOMMENDATIONS

CURRENT STATUS

Inventory system now implemented.

RECOMMENDATION 3.

We recommend that all capital and controlled assets be properly accounted for, and disposed items be promptly removed from the asset lists, and all new assets be accounted for as soon as they are acquired. (Audit Letter, Page 5)

14th ANNUAL REPORT STATUS – 2002

Will be implemented.

15th ANNUAL REPORT STATUS – 2003

Implementation in progress. Salt Lake Valley Health Management stated, “Salt Lake Valley Health Department Operating Standard & Procedure, subject: ‘Inventory Tracking Procedures’ was issued 9/18/03. Implementation is expected to be completed by August, 2004.”

CURRENT STATUS

Inventory system now implemented.

RECOMMENDATION 4.

We recommend that, whenever possible, the listing of controlled assets be updated to reflect transfers between divisions. (Audit Letter, Page 6)

14th ANNUAL REPORT STATUS – 2002

Will be implemented.

15th ANNUAL REPORT STATUS – 2003

Implementation in progress. Salt Lake Valley Health Management stated, “Salt Lake Valley Health Department Operating Standard & Procedure, subject: ‘Inventory Tracking Procedures’ was issued 9/18/03. Implementation is expected to be completed by August, 2004.”

CURRENT STATUS

Inventory system now implemented.

ENVIRONMENTAL HEALTH RECOMMENDATIONS

RECOMMENDATION 5.

We recommend that Environmental Health begin using the “Controlled Asset Inventory Form-Employee” for individually assignable assets. (Audit Letter, Page 6)

14th ANNUAL REPORT STATUS – 2002

Implementation in progress. SLVHD management stated, “We are implementing this recommendation for all divisions in the Health Department by August 2003.”

15th ANNUAL REPORT STATUS – 2003

Implementation in progress. Salt Lake Valley Health Management stated, “Salt Lake Valley Health Department Operating Standard & Procedure, subject: ‘Inventory Tracking Procedures’ was issued 9/18/03. Implementation is expected to be completed by August, 2004.”

CURRENT STATUS

Inventory system now implemented.

10. HEALTH DEPARTMENT – LIMITED SCOPE AUDIT OF CONTROLLED ASSETS (Dated February 2003)

HEALTH DEPARTMENT ASSETS RECOMMENDATIONS

RECOMMENDATION 1.

Assign a property manager at each individual site, who has responsibility for the recording of controlled assets, including their purchase and disposition when went to surplus. (Audit Letter, Page 2)

15th ANNUAL REPORT STATUS – 2003

Implementation in progress. Salt Lake Valley Health Management stated, “Salt Lake Valley Health Department Operating Standard & Procedure, subject: ‘Inventory Tracking Procedures’ was issued 9/18/03. Implementation is expected to be completed by August, 2004.”

CURRENT STATUS

Inventory system now implemented.

RECOMMENDATION 2.

Create a centralized purchasing system to ensure assets are recorded on the controlled assets list once they are purchased, and removed once they are sent to surplus. (Audit Letter, Page 3)

15th ANNUAL REPORT STATUS – 2003

Implementation in progress. Salt Lake Valley Health Management stated, “Salt Lake Valley Health Department Operating Standard & Procedure, subject: ‘Inventory Tracking Procedures’ was issued 9/18/03. Implementation is expected to be completed by August, 2004.”

CURRENT STATUS

Inventory system now implemented.

**11. SALT LAKE CITY PUBLIC HEALTH CENTER—LIMITED SCOPE
AUDIT OF CASH, RECEIPTING AND DEPOSITING AND CAPITAL AND
CONTROLLED ASSETS (Dated November 2002)**

SALT LAKE CITY PUBLIC HEALTH CENTER RECOMMENDATIONS

RECOMMENDATION

We recommend that the onsite manager be provided with an updated list and that they assume primary responsibility for asset control and maintenance. (Audit Letter, Page 5)

14th ANNUAL REPORT STATUS – 2002

Will be implemented.

15th ANNUAL REPORT STATUS – 2003

Implementation in progress. Salt Lake Valley Health Department Operating Standard & Procedure, subject: “Inventory Tracking Procedures” was issued 9/18/03. Implementation is expected to be completed by August 2004.

CURRENT STATUS

Inventory System now implemented.

12. SOUTH EAST PUBLIC HEALTH CENTER – LIMITED SCOPE AUDIT OF CASH HANDLING, AND CAPITAL AND CONTROLLED ASSETS (Dated January 2003)

SOUTH EAST HEALTH CENTER RECOMMENDATIONS

RECOMMENDATION 1.

We recommend that the controlled asset list be updated on a regular basis to accurately reflect the assets at the Center. (Audit Letter, Page 3)

15th ANNUAL REPORT STATUS – 2003

Implementation in progress. Salt Lake Valley Health Management stated, “Salt Lake Valley Health Department Operating Standard & Procedure, subject: ‘Inventory Tracking Procedures’ was issued 9/18/03. Implementation is expected to be completed by August, 2004.”

CURRENT STATUS

Inventory system now implemented.

RECOMMENDATION 2.

We recommend that on-site managers be provided with an updated list and that they assume primary responsibility for asset control and maintenance. (Audit Letter, Page 3)

15th ANNUAL REPORT STATUS – 2003

Implementation in progress. Salt Lake Valley Health Management stated, “Salt Lake Valley Health Department Operating Standard & Procedure, subject: ‘Inventory Tracking Procedures’ was issued 9/18/03. Implementation is expected to be completed by August, 2004.”

CURRENT STATUS

Inventory system now implemented.

RECOMMENDATION 3.

We recommend a physical inventory of assets be conducted at least annually and that the inventory list be updated as assets are purchased or transferred to the Center. (Audit Letter, Page 4)

SOUTH EAST HEALTH CENTER RECOMMENDATIONS

15th ANNUAL REPORT STATUS – 2003

Implementation in progress. Salt Lake Valley Health Management stated, “Salt Lake Valley Health Department Operating Standard & Procedure, subject: ‘Inventory Tracking Procedures’ was issued 9/18/03. Implementation is expected to be completed by August, 2004.”

CURRENT STATUS

Inventory system now implemented.

RECOMMENDATION 4.

We recommend that the Controlled Assets Inventory Form-Employee be completed for each employee who is assigned capital or controlled assets. (Audit Letter, Page 4)

15th ANNUAL REPORT STATUS – 2003

Implementation in progress. Salt Lake Valley Health Management stated, “Salt Lake Valley Health Department Operating Standard & Procedure, subject: ‘Inventory Tracking Procedures’ was issued 9/18/03. Implementation is expected to be completed by August, 2004.”

CURRENT STATUS

Inventory system now implemented.

RECOMMENDATION 5.

We recommend that the Controlled Assets Inventory Log be revised to provide three separate columns for make, model, and serial number, and that the necessity for including assets’ serial numbers be emphasized to those completing the log. (Audit Letter, Page 4)

15th ANNUAL REPORT STATUS – 2003

Implementation in progress. Salt Lake Valley Health Management stated, “Salt Lake Valley Health Department Operating Standard & Procedure, subject: ‘Inventory Tracking Procedures’ was issued 9/18/03. Implementation is expected to be completed by August, 2004.”

CURRENT STATUS

Inventory system now implemented.

13. SOUTH MAIN PUBLIC HEALTH CENTER—LIMITED SCOPE AUDIT OF CASH, AND CAPITAL AND CONTROLLED ASSETS (Dated December 2002)

SOUTH MAIN PUBLIC HEALTH CENTER RECOMMENDATIONS

RECOMMENDATION

We recommend that current asset lists be provided. (Audit Letter, Page 2)

14th ANNUAL REPORT STATUS – 2002

Implementation in progress. Salt Lake Valley Health Management stated, “All inventory tracking is being converted to a scanning system. A current asset list will be provided to each Health Department location in August 2003.”

15th ANNUAL REPORT STATUS – 2003

Implementation in progress. Salt Lake Valley Health Management stated, “Salt Lake Valley Health Department Operating Standard & Procedure, subject: ‘Inventory Tracking Procedures’ was issued 9/18/03. Implementation is expected to be completed by August, 2004.”

CURRENT STATUS

Inventory system now implemented.

C. JUSTICE COURTS

1. JUSTICE COURTS—LIMITED SCOPE AUDIT OF CASH RECEIPTING AND DEPOSITING AND CAPITAL AND CONTROLLED ASSETS (Dated December 2002)

JUSTICE COURTS RECOMMENDATIONS

RECOMMENDATION

We recommend that the Justice Courts report and remit outstanding checks to the State Treasurer Unclaimed Property Division in compliance with the Utah Unclaimed Property Act. (Audit Letter, Page 2)

14th ANNUAL REPORT STATUS – 2002

Implementation in progress. Justice Courts management stated, “The information on how this is to be done has been received. The money to be returned remains in the research stage. Our goal is to have a submission by the end of 2003.”

15th ANNUAL REPORT STATUS – 2003

Implementation in progress. Justice Courts management stated, “Some unclaimed checks have been returned to the state as a trial sample. The forms, the instructions, and the unclaimed checks have complied for final remittance. Also, the Court is increasing its effort to find the payees so the money can be returned directly to them since most of the check amounts fall beneath the minimum threshold for the state. Remittance needs to be done prior to January 1 of any year; we are still aiming at completing the final amounts by the end of this year.” Note: Unclaimed Property Law, Utah Code 67-4a-301(2)(b) specifies that amounts under \$25.00 may be sent in aggregate.

CURRENT STATUS

All returned checks were hand delivered to the Utah State Treasurer, Unclaimed Property Division on Friday, June 3, 2005. It is the intent of this office to complete this process each January.

D. PUBLIC WORKS

1. PUBLIC WORKS – SANITATION - LIMITED SCOPE AUDIT OF CASH HANDLING, CAPITAL AND CONTROLLED ASSETS, AND ACCOUNTS RECEIVABLE (Dated August 2003)

PUBLIC WORKS – SANITATION RECOMMENDATIONS

RECOMMENDATION 1.

We recommend that Sanitation analyze their transaction volume and consider upgrading from a lock box to an on-line or off-line register. (Audit Letter, Page 2)

15th ANNUAL REPORT STATUS – 2003

Public Works management stated, “Implementation will take place after the move to the new facility.”

CURRENT STATUS

Plans for the new facility were cancelled; however, the Midvale Complex is being renovated to accommodate increased space necessary for the Sanitation Division. We plan to upgrade to an on-line or off-line register when the renovation is complete and we are in the new offices.

RECOMMENDATION 2.

We recommend that Fleet and Sanitation continue their efforts to generate a comprehensive list of controlled assets and that Operations also compile a list of controlled assets. (Audit Letter, Page 6)

15th ANNUAL REPORT STATUS – 2003

Implementation in progress.

CURRENT STATUS

The Sanitation Division does generate a comprehensive list of controlled assets. This responsibility is assigned to our Special Services/Equipment Supervisor. This is prepared in conjunction with the Audit’s annual inventory report.

RECOMMENDATION 3.

We recommend that Sanitation and Operations document accounts receivable policies in written form. (Audit Letter, Page 7)

PUBLIC WORKS – SANITATION RECOMMENDATIONS

15th ANNUAL REPORT STATUS – 2003

Implementation in progress.

CURRENT STATUS

Implementation is complete. The Sanitation Division has prepared a policy in written form regarding Accounts Receivable.

RECOMMENDATION 4.

We recommend that Sanitation explore ways to generate an aging report, and to more fully automate the process of billing. (Audit Letter, Page 7)

15th ANNUAL REPORT STATUS – 2003

Implementation in progress.

CURRENT STATUS

The Sanitation billings system is 99.9% automated. Our service fee is collected yearly on the annual property tax notice. The only invoices mailed to residents pertain to fees related to our “Trailer Program.” Any invoices that remain unpaid are automatically collected with the tax notice.

E. OFFICE OF THE SHERIFF

**1. SALT LAKE COUNTY METROPOLITAN JAIL – LIMITED SCOPE
AUDIT OF CASH HANDLING, CAPITAL AND CONTROLLED ASSETS,
THE KEEFE SUPPLY COMPANY CONTRACT AND INDIVIDUAL
INMATE ACCOUNTS WITHIN THE KEEFE SYSTEM (Dated July 2003)**

SALT LAKE COUNTY METROPOLITAN JAIL RECOMMENDATIONS

RECOMMENDATION

We recommend that all employees that have individually assigned assets complete the appropriate forms and review them annually. (Audit Letter, Page 6)

15th ANNUAL REPORT STATUS – 2003

Jail management stated, “This recommendation is under review by Sheriff’s Office Command. It is command’s intent to revisit this recommendation as the new inventory system becomes fully functional, and new policy is in place to address this subject.”

CURRENT STATUS

Jail management stated. “It is our current practice, whenever applicable, to assign individually assets that are solely controlled by one person. Our inventory software is designed to accept divisional as well as personally assigned assets. We are in the process of completing, as well as keeping current, asset detail in all of the Sheriff’s budgets. Our inventory software can produce reports by individual, division or office-wide. It would seem that internal support of the signed individual asset sheet was perceived as redundant given the development of the Sheriff’s centralized property program.”

2. VICE LICENSING – LIMITED SCOPE AUDIT OF CASH HANDLING AND DEPOSITING AND CONTROLLED ASSETS (Dated September 2003)

VICE LICENSING RECOMMENDATIONS

RECOMMENDATION

We recommend that funds be deposited no later than three days after receipt in compliance with Countywide Policy. (Audit Letter, Page 3)

15th ANNUAL REPORT STATUS – 2003

Vice/Licensing management stated, “Since receipt of funds at this location is very irregular, I have instructed our clerk to make deposit at a minimum each Friday.”

CURRENT STATUS

Vice/Licensing management stated. “We continue to deposit each Friday. We also deposit on the last business day of the month regardless of the day of the week.”

