



March 14, 2012

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Re: A Limited Examination of the Parks & Recreation Division's Sports Office

Dear Michele:

We recently completed a limited examination of the Sports Office that included a review of depositing, capital and controlled assets, and IT security. Larry Decker and James Fire performed this examination.

The overall objective of the examination was to identify areas of risk in the internal controls currently in place. To make this assessment we examined whether:

- Receipting and depositing were performed according to Countywide Policy #1062, *Management of Public Funds*, and best business practice.
- Capital and controlled assets were managed according to Countywide Policy #1162, *Safeguarding Property/Assets*, to guard against theft.
- Computer security was in place according to Countywide Policy #1400-1, *Information Technology Security: Acceptable Use Policy*, to prevent unauthorized access to data or liability to the County through the installation of unlicensed software.

Our work was designed to provide only limited assurances that the system of internal controls was adequate, records current, and daily transactions valid. We reviewed only a few transactions, so there is a risk that we would not have discovered misuse or theft of County assets because these may have occurred with respect to assets or transactions not selected for review.

Due to this limited approach, the extent of transaction testing was significantly reduced from normally accepted audit methods. Beginning with this examination, we used a newly formulated checklist designed as an efficient approach that provides a brief overview of compliance. We completed the checklist based on responses from Sports Office and Recreation personnel, and reviewed a few transactions or items as judged appropriate. Statistically random samples were not drawn for use in transaction testing. A copy of the Examination Checklist is attached as Appendix A.

The Sports office collects money for leagues, tournaments, and sports camps. Most payments are by check or credit card, many via the Internet. Some collections occur off-site, for example, at an athletic field for football camps.

Table 1 on page 2 shows the extent of collections in the Sports Office over the 12-month period from March 2011 to February 2012. The near \$2 million

collected during this period indicates the risk involved and the need for adequate controls to mitigate that risk.

Collections by Month Over One Year				
Daily Deposits			Online	
	Cash and Checks	Credit Card Payments	Credit Card Payments	Total
Mar 2011	\$98,828.84	\$43,432.00	\$142,065.00	\$284,325.84
Apr 2011	\$47,240.80	\$11,348.34	\$46,051.00	\$104,640.14
May 2011	\$118,918.79	\$11,361.00	\$91,026.00	\$221,305.79
Jun 2011	\$113,466.60	\$16,564.00	\$74,575.00	\$204,605.60
Jul 2011	\$75,160.93	\$29,716.00	\$74,191.50	\$179,068.43
Aug 2011	\$41,752.95	\$12,089.00	\$46,243.00	\$100,084.95
Sep 2011	\$32,562.16	\$8,964.50	\$46,407.00	\$87,933.66
Oct 2011	\$39,766.84	\$6,479.00	\$45,572.00	\$91,817.84
Nov 2011	\$58,003.42	\$30,910.10	\$92,238.00	\$181,151.52
Dec 2011	\$65,781.60	\$19,767.35	\$90,138.91	\$175,687.86
Jan 2012	\$62,521.53	\$13,310.87	\$70,282.92	\$146,115.32
Feb 2012	\$45,513.04	\$21,490.23	\$84,077.17	\$151,080.44
Total	\$799,517.50	\$225,432.39	\$902,867.50	\$1,927,817.39
Composition	41.5%	11.7%	46.8%	

Table 1. On-line credit card payments account for nearly half of collections.

An analysis of the previous 12 months of deposit activity demonstrated that credit card payments represented 58.5%, or \$1,128,299.89 of revenue. The remainder was reported as Cash/Checks, as shown above in Table 1.

Our findings are divided into two areas: 1) Cash Handling and Depositing, and 2) Capital and Controlled Assets.

CASH HANDLING AND DEPOSITING

Our findings in the area of Cash Handling and Depositing are as follows:

- ***The two vending machine change funds did not balance to their authorized limits.***
- ***The current custodian for the two vending machine change funds was different from the custodian of record.***
- ***The petty cash fund did not balance to its authorized limit and was likely intermingled with the vending machine change fund.***
- ***No reconciliation of collections to product sold was made in vending machines.***
- ***Deposit documentation did not include required reports in all instances.***

The two vending machine change funds did not balance to their authorized limits. The two change funds are split among three separate vending machines located at the Cottonwood Complex and Valley Regional ball parks.

The funds had been stored in the office safe since the close of the 2011 summer season. The vending machines normally operate between April and October, weather permitting.

The authorized fund amount on record in the Auditor's Office was \$500 each for Cottonwood Complex and Valley Regional ball parks, totaling \$1,000. During our review, we counted \$434.02 for both change funds, which resulted in a difference of \$565.97

The Sports Office Manager stated that the separate funds had been combined for the two parks, and that \$500 of the original \$1,000 had been deposited and presumably returned to the Auditor's Office.

However, the Sports Office could not document the deposit, and the Auditor's Office accounts payable employee who reviews and authorizes change fund reimbursements was not aware of any return of \$500. The County's general ledger, AFIN, still shows a \$500 change fund balance for each of the Cottonwood Complex and Valley Regional change funds, or a total of \$1000 that should have been on-site.

Countywide Policy #1203, *Petty Cash and other Imprest Funds*, Section 5.2.2.1, states:

Any unresolved shortages greater than \$10.00 shall be explained in writing to the Mayor, along with a request to approve reimbursement of the shortage. If approved, the Auditor will reimburse the amount requested to replenish the account.

RECOMMENDATIONS:

- 1. An investigation should be conducted to determine how cash from the vending machine change funds went missing.**
- 2. A letter should be written to the Mayor explaining the shortage, and a request made that this amount be reimbursed to bring the two vending machine change funds to their combined authorized \$1,000 limit.**

The current custodian for the two vending machine change funds was different from the custodian of record. During the examination we confirmed the custodian on record with the Auditor's Office. This differed from the employee who was identified as the current custodian.

Countywide Policy #1203, *Petty Cash and other Imprest Funds*, Section 8.3.2, states:

Responsibility remains with the current Custodian until final MPF Form 6 is completed and submitted with the signed [and notarized] MPF Form 2 to the Auditor. Only when these steps are accomplished will responsibility transfer to the new

Custodian. In the absence of the current Custodian, Agency Management designee or the Fiscal Manager shall be responsible, as determined by Agency Management.

RECOMMENDATION:

The vending machine change fund custodian should be changed on Auditor's Office records to reflect the current custodian.

The petty cash fund did not balance to its authorized limit and was likely intermingled with the vending machine change fund. We counted \$545.80 in the petty cash fund, an amount \$45.80 over its authorized limit of \$500. The \$45.80 overage could have resulted from mingling funds with the vending machine change fund, where we found the shortage mentioned in the previous section. Even when adding the \$45.80 petty cash fund overage to our vending machine change fund count of \$434.02, the sum, \$479.82, did not reach the \$500 limit for even one of the two funds.

All funds, including the Sports Office's \$400 change fund, were stored in zipper bags in a safe. The change fund was intact at its \$400 limit, although it was composed of larger bills, raising questions as to whether it was too large or even necessary. The cashier stated during the review, that it was rarely used because the significant majority of on-site transactions were credit cards and checks.

The apparent intermingling of funds prevents accountability, allowing for potential misuse or theft of funds without detection. The vending machine change funds were also used as a source for change when needed because of its large quantity of coins and small bills. Without an accounting for transfers, the proper balances for the bags containing the two vending fund balances were not, in a practical sense, possible to determine.

RECOMMENDATIONS:

- 1. The \$45.80 overage in the petty cash fund should be examined, and if no explanation can be found, it should be transferred to the vending machine change fund.***
 - 2. The petty cash fund should remain intact at its authorized limit.***
 - 3. When the operational need for smaller denomination bills and change arises, use of vending machine change funds should be the last resort and any transfers of funds properly documented.***
 - 4. The Sports Office change fund should be evaluated and adjusted to usage need.***
-

No reconciliation of cash collections to product sold was made in accounting for vending machine sales. We found no evidence of a vending machine inventory tracking system that reconciled to product sold. Without proper inventory accounting, goods could easily be stolen without being discovered.

The Sports Office employee that services the vending machines stated that our audit questions prompted her to start a product tracking spreadsheet. On the spreadsheet, she starts with a

base amount, subtracts the number sold, or the difference between inventory on hand and starting inventory, and then adds in the amount of new product stocked in the machine. She further stated that in the past she discontinued a vending machine inventory tracking and sales accounting system when frequent machine break-ins disrupted the accounting process.

RECOMMENDATIONS:

- 1. Vending machine inventory should be tracked by listing the amount of each product purchased, the amount stocked in vending machines, and the amount sold.**
 - 2. The amount of vending machine product, both from the vending machines and the room where product inventory is stored, should be counted at regular intervals to determine whether the total count reconciles to the amount on record, possibly identifying any shrinkage due to theft.**
-

Deposit documentation did not include required reports in all instances. Among the few deposit days examined, we did note a recent deposit with all required documentation on file. However, when we judgmentally examined deposits in August 2011, a time of year when collections are near their peak, we found three days with either missing balance sheets or missing till reports. A till report is printed from the cash management system, Sportsman, and shows collections at each cash register or other cash collection point. It also shows collection composition, either cash, check, or credit card.

The Sports Office Manager attributed missing till reports to a new employee's first attempt at preparing the deposit that we examined. Nevertheless, the lack of documentation, either balance sheets or till reports, prevent clear and timely auditing of the account. A supervisor should review all deposit documentation to ensure the inclusion of all required documents.

RECOMMENDATION:

All till reports and balance sheets should be included with deposit documentation to verify the amount collected and deposited, and any overages or shortages that occur.

CAPITAL AND CONTROLLED ASSETS

Our finding in the area of Capital and Controlled Assets is as follows:

- **A controlled asset list was not on file and signed by the property manager.**
-

A controlled asset list was not on file and signed by the property manager. Maintaining an up-to-date controlled asset list allows for effective accountability of an agency's assets that are easily converted to personal use. The Sports Office Manager, who also serves as property manager, tried to obtain a list from one of the Recreation section managers, and was able to do so several days after our inquiry. Nevertheless, a list maintained off-site on a section manager's computer is not of much practical use to the on-site property manager in tracking these items.

Countywide Policy #1123, *Safeguarding Assets*, Sections 4.3 and 4.3.2, state:

The Property Manager shall maintain records to manage controlled assets using the following forms...Controlled Assets Inventory Form – Organization.

RECOMMENDATION:

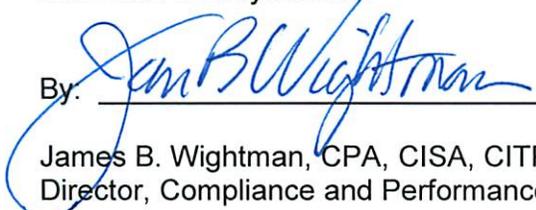
A current, controlled asset list should be on file at the Sports Office, even though a manager in higher authority may also have a list.

We appreciate the cooperation of the Sports Office Manager and her staff during this audit in answering our questions and providing materials. We trust that implementation of recommendations made in this letter will create greater efficiency in operations. Please feel free to call me with any further questions you might have.

Sincerely,

Gregory P. Hawkins
Salt Lake County Auditor

By: _____


James B. Wightman, CPA, CISA, CITP
Director, Compliance and Performance Assessment

Cc: Paul Ross
Kristen Riker
Darian Abegglen
Colette Colovich
Greg Folta
David Delquadro

Sports Office – Examination Worksheet

Examination Start Date	03/08/2012 Last update: 03/12/2012	Examination Completion Date	03/14/2012
Assigned Auditor(s)	Larry Decker, James Fire, Lonn Litchfield	Reviewed By:	

Change Fund		
	Agency Records	Auditor's Office Records
Agency Fund Type	Change Fund	General Fund 110 3640 2430
Fund Name	Change Fund	SL Co Sports Office (On-site)
Fund Custodian		
Fund Amount	\$400.00	\$400.00
Number transactions per day	<1 cash transactions	
Type of receipt system used	POS generated –	
Type of accounting system used	AFIN	

#	Requirement	Testing Procedure	Compliant			Notes
			Yes	No	Partial	
1.1	Fund amount matches the Auditor's office records	Examine auditor records Examine agency records	✗			
1.2	Fund custodian name matches the Auditor's office records	Examine auditor records Examine agency records	✗			
1.3	Fund is safeguarded i.e. lockbox, safe, restricted access	Observe location of fund	✗			
1.4	Change fund intact and is maintained at its authorized amount	Examine current balance of fund	✗			
1.5	Cash is not hidden under the cash drawer or any other location	Examine locations of cash Interview cashiers	✗			

#	Requirement	Testing Procedure	Compliant			Notes
			Yes	No	Partial	
1.6	Any other change funds on the premises?	Interview custodian and fiscal manager	✗			Vending machine funds

Cash Receipting

#	Requirement	Testing Procedure	Compliant			Notes
			Yes	No	Partial	
2.1	ID is recorded on checks	Examine checks in cash drawer			x	Not normally requested, sometimes company checks are given
2.2	Checks are restrictively endorsed upon receipt	Examine checks in cash drawer	✗			No sales at the time of interview
2.3	Endorsement stamp is safeguarded	Observe location of endorsement stamp	✗			On front desk
2.4	There is only one person to a cash drawer	Interview supervisor Interview cashiers	✗			
2.5	Cash, checks and credit card receipts are safeguarded	Observe locations of cash, checks and credit card receipts	✗			Locked drawer at front desk
2.6	Type of receipt system used (point of sale software, stand alone cash register, manual receipt system) is appropriate	Observe type of system used Interview supervisor	✗			POS –
2.7	MPF Form 11 or acceptable substitute log (log must contain same info as MPF Form 11) used to record overs/shorts	Examine over/short log	*			Does not have one since all payments are check and credit cards.
2.8	Cashier initials overs/shorts on log	Examine over/short log	✗			They are never over/short, all transactions are check or credit card. The change fund isn't accessed at the start of the day.

#	Requirement	Testing Procedure	Compliant			Notes
			Yes	No	Partial	
2.9	Supervisor / independent party reviews overs/shorts and signs and dates log	Examine over/short log	✖			Hasn't experienced an over/short since payments are in checks and credit card payments.
2.10	Composition and amount of cash, credit cards and checks on hand agrees to collection record (z-tape)	Examine amount of cash, credit cards and checks on hand and compare with collection record	✖			
2.11	Cashier does not have administrative access to cashiering system (ie administrative access to software, ability to zero out cash receipting system)	Interview County IS access team, application administrator and/or database administrator Interview Supervisor Observe process for requesting and granting access	✖ ✖			Have not performed before.
2.12	Amount deposited matches the amount collected	Examine deposit documentation	✖			
2.13	Records of patronage or usage (ie number of patrons, inventory) are maintained to facilitate verification of collections, where possible	Observe inventory tracking procedures Examine inventory or usage control documentation	✖			
2.14	Where possible, revenue collected is reconciled to usage	Examine revenue and usage control documentation Interview supervisor	✖			
2.15	Receipts are consistently issued to patrons	Interview Supervisor Interview Cashier	✖			Yes, online email sent
2.16	Pre-numbered receipts are used	Examine receipts	✖			
2.17	Pre-numbered receipts are safeguarded	Observe storage location of receipts	✖			Generated by Sportsman
2.18	Voided receipts are marked "void"	Examine deposit documentation. Interview supervisor Interview cashier	✖			- Reviews and approves

#	Requirement	Testing Procedure	Compliant			Notes
			Yes	No	Partial	
2.19	Explanation for voids are documented on receipts or void-slips	Examine deposit documentation. Interview supervisor Interview cashier	✗			Cash not voided. Only if error, it is voided and re-entered.
2.20	Cashiers sign voided receipts or void slips	Examine deposit documentation. Interview supervisor Interview cashier	*			
2.21	Supervisor reviews and signs voids	Examine deposit documentation. Interview supervisor Interview cashier	✗			
2.22	Daily cash receipts are not used for refunds for prior-day transactions except for merchandise purchases (Policy #1062, 6.2.1)	Examine deposit documentation. Interview supervisor Interview cashier	*			
2.23	Refund forms are signed by the patron and are reviewed and signed by a supervisor	Examine deposit documentation. Interview supervisor Interview cashier	*			No cash refunds are given, cc are refunded through 3 rd processor
2.24	Cashier collections are balanced daily using the appropriate MPF form or an acceptable substitute form	Examine cashier collections form	*			
2.25	Independent party reviews balancing and verifies with signature	Examine cashier collections form	✗			
2.26	Transfers of funds are properly documented on MPF 7, 7A or an acceptable substitute	Examine transfer of funds form	*			Funds have not been transferred before, this is not applicable.
2.27	Cashier does not prepare the deposit or post entries into the accounting record (i.e. AFIN, other accounting records, etc.)	Interview application administrator (accounting system) Examine deposit documentation Examine access control lists Interview Supervisor	✗			Yes, when bookkeeper is not present, dual control with manager.

#	Requirement	Testing Procedure	Compliant			Notes
			Yes	No	Partial	
2.28	Mail is opened and any payment received is verified by two persons	Interview supervisor Observe mail opening process			x	This is a small office, everyone is aware.
2.29	Safe combinations are changed upon employee termination and at least once annually.	Interview supervisor	*			

Credit / Debit Cards

Note: Treasurer's record Merchant IDs: Onsite # , Online #

Method of processing payments	POS	PED	Internet	Phone	Fax	Email	Other (Describe)
	No	Yes	Yes	Yes	No	No	Mail – unknown
# employees authorized to process credit card payments	7						
Total number of pin entry devices	1						
Applications used to process credit card payments							
POS Hardware Administered internally or third party. Third party describe.	Third Party –						
Retention period for credit card reports	Follows retention schedule						

#	Requirement	Testing Procedure	Compliant			Notes
			Yes	No	Partial	
3.1	Merchant account number is on the Treasurer's authorized merchant list	Examine Treasurers authorized merchant list	*			
3.2	Agency has a copy of the merchant agreement and acknowledges their compliance with it	Interview Fiscal Manager Examine merchant agreement		x		

#	Requirement	Testing Procedure	Compliant			Notes
			Yes	No	Partial	
3.3	Credit card receipts are signed, where possible	Examine credit card receipts	✗			If they can't sign up online, enter while on phone with patron, or write number and shred after it is processed. Email receipt to patron.
3.4	Individual credit card receipts are reconciled to the daily credit card settlement report and z-tape except for integrated POS. (Policy #1062, 7.3.2.1)	Examine a credit card settlement report, credit card receipts and z-tape		x		Documentation not found to support this step
3.5	A copy of the daily credit card settlement is attached to the deposit documentation	Examine deposit documentation	✗			
3.6	Fiscal officer reconciles daily credit card activity to the merchant's bank statement	Interview Fiscal Manager Examine reconciliation documentation	*			Credit card deposits are reconciled monthly to the deposits.
3.7	Do reports such as PED reports, Batch reports, POS reports, credit card receipts, cash register reports etc. contain credit card information such as credit card numbers, pin numbers, CVV codes, etc	Examine reports Interview Fiscal Manager		x		
3.8	Credit card reports retained for 4 years	Examine credit card reports Interview Fiscal Manager	*			Per GRAMA requirements, 4 year retention.
3.9	POS vendor PCI compliance certificate on file	Examine PCI compliance certificate	*			Verified with, emailed PCI Compliance Letter.
3.10	Completed and compliant PCI SAQ on file	Examine SAQ on file	*			Verified with, emailed SAQ D

Cash Depositing

#	Requirement	Testing Procedure	Compliant			Notes
			Yes	No	Partial	
4.1	Deposits made within 3 days after receipt	Interview supervisor Examine deposit documentation	*			
4.2	Deposit reconciles to daily collection record (cashier balance sheet)	Examine deposit documentation Interview Supervisor	*			
4.3	Deposit is prepared by two individuals or deposit accuracy is reviewed and signed by another employee on site	Examine deposit documentation	*			
4.4	Deposits are sealed in a tamper-proof deposit bag	Interview supervisor Observe deposit process	*			
4.5	Tear-off tag is retained with daily deposit documentation	Examine deposit documentation	*			
4.6	Management reviews bank statements to verify deposits clear the bank	Interview Fiscal Manager Examine reconciliation documentation	*			Verified with, she performs a monthly reconciliation.
4.7	Cash collection, receipting and deposit records are retained according to Records Management retention schedule.	Interview fiscal manager Examine records retention schedule	*			

Petty Cash Funds and Imprest Accounts

	Agency Records	Auditor's Office Records
Fund Name		Sports 110 3640 2430
Fund Custodian		
Fund Amount		\$500.00
Fund Balance		
Fund Purpose		Petty Cash
Reconciliation method/ Tools (Quickbooks, Excel, etc.)		

#	Requirement	Testing Procedure	Compliant			Notes
			Yes	No	Partial	
5.1	Fund amount matches the Auditor's office records	Examine auditor records Examine agency records		x		Over by \$45.80
5.2	Fund custodian name matches the Auditor's office records	Examine auditor records Examine agency records	✗			
5.3	Petty cash fund is safeguarded and only accessible by the custodian	Observe location of fund Interview custodian	✗			
5.4	Keys, combinations, etc. are safeguarded	Interview custodian	✗			
5.5	Transfer of custody, in absence of custodian, is documented	Examine transfer documentation	✗			Hasn't done in the past.
5.6	Reimbursement request reconciles to the total of the petty cash vouchers	Examine most recent reimbursement request			x	Purchasing cards are used more often, reimbursement only a couple of times each year.
5.7	Funds are not combined with other funds or personal funds	Examine funds Interview custodian		x		Mixed with vending machine funds

#	Requirement	Testing Procedure	Compliant			Notes
			Yes	No	Partial	
5.8	Petty cash vouchers are completed in full	Examine petty cash vouchers	✗			
5.9	Purchases are approved by independent party	Examine documentation	✗			
5.10	Purchases are appropriate	Interview custodian Examine documentation	✗			
5.11	Purchases do not exceed authorized limit	Interview custodian Examine documentation	✗			
5.12	Purchases are supported with receipts	Examine documentation	✗			
5.13	Checks outstanding for more than one year are sent to the Treasurer	Interview custodian Examine outstanding checks				N/A
5.14	Meal reimbursement forms are completed properly approved and attached	Examine documentation	*			No meals out of petty cash
5.15	Fund amount is equal to average three months transactions	Examine reimbursement requests			x	Probably more with the use of purchasing cards.
5.16	No sales tax is paid on purchases (State Form TC-721 is used)	Examine receipts and invoices	*			
5.17	Certification Statement is on reimbursement request form and is signed	Examine reimbursement request form	*			
5.18	Checking account bank statement reconciliations are performed each month by a person other than the custodian	Examine reconciliation documentation Interview fiscal manager				N/A
5.19	A running balance is maintained for checking accounts	Examine documentation				N/A
5.20	Reimbursement request is	Examine reconciliation	*			

#	Requirement	Testing Procedure	Compliant			Notes
			Yes	No	Partial	
	based on the total of checks or vouchers issued, not a “plugged” figure	documentation				
5.21	Checks and vouchers are numbered and issued sequentially	Examine documentation	✗			Hand written numbering

Accounts Receivable

#	Requirement	Testing Procedure	Compliant			Notes
			Yes	No	Partial	
6.1	Clients are screened before credit is granted	Interview Accounts Receivable Manager				N/A
6.2	There are internal policies on credit limits	Examine internal policies				N/A
6.3	Accounts are billed within the first ten days of each month	Interview Accounts Receivable Manager Examine documentation				N/A
6.4	Accounts are aged monthly	Examine aging reports				N/A
6.5	Past due notices and reminders are sent monthly	Examine past due notices				N/A
6.6	Management reviews reports monthly	Interview Accounts Receivable Manager Interview Fiscal Manager				N/A
6.7	Management reviews past due accounts monthly	Interview Accounts Receivable Manager Interview Fiscal Manager				N/A
6.8	Management reviews aging schedules monthly	Interview Accounts Receivable Manager Interview Fiscal Manager				N/A

#	Requirement	Testing Procedure	Compliant			Notes
			Yes	No	Partial	
6.9	Privileges are suspended when required by policy	Interview Accounts Receivable Manager				N/A
6.10	Accounts are not maintained or posted by the person receiving the payment	Observe account posting process Interview Accounts Receivable manager Interview Fiscal Manager				N/A
6.11	120 day Past-due accounts are turned over to the DA	Interview Accounts Receivable manager Examine Aging Reports				N/A

Capital / Controlled Assets and Software Inventory

Property Manager Name	
Software Inventory Custodian Name	County IS

#	Requirement	Testing Procedure	Compliant			Notes
			Yes	No	Partial	
7.1	Capital assets are tagged	Examine capital assets			x	New laptops do not have tags
7.2	Controlled asset inventory is maintained	Examine controlled asset inventory		x		Waiting for list from– list not on-site
7.3	Software inventory is maintained	Examine software inventory	✗			(from IS)
7.4	Controlled asset inventory includes serial number, make, model, physical location, where applicable	Examine controlled asset inventory		x		Waiting for list from, list not on-site
7.5	Form PM-2 is used for items that are stolen, transferred or sent to surplus	Examine PM-2 forms Interview property manager	✗			Yes, sent to, submitted it for a stolen laptop.
7.6	Form PM-2 and a letter to	Examine PM-2 forms	✗			Hasn't since has worked at the center.

#	Requirement	Testing Procedure	Compliant			Notes
			Yes	No	Partial	
	the Mayor have been submitted for items that have been destroyed or lost	Interview property manager				
7.7	Locations of assets are accurate	Examine asset inventory and locations				Unable to examine, list not provided
7.8	Organization completes annual inventory of controlled assets	Interview property manager	*			
7.9	Organization completes annual inventory of capital assets	Interview property manager	*			Copier machine,
7.10	Capital asset inventory is on file in the Auditor's office	Examine capital asset inventory in Auditor's office	*			Location is intermingled with Parks & Rec throughout the county. Unable to get location code.
7.11	Written notifications of theft have been given to the Auditor's office	Interview property manager Examine notifications sent to Auditor's office	*			
7.12	Items acquired since the last inventory are on the asset list and are tagged appropriately	Examine asset list Examine purchasing records			x	New laptops did not have tags.
7.13	Form PM-3 has been completed for capital assets on loan	Examine form PM-3 Interview property manager				N/A
7.14	Physical security controls are in place for software and license keys	Observe location of software and license keys				Unknown, licenses and keys are controlled by IS.
7.15	Security controls are in place for assets such as locking storage areas, shared equipment check in / checkout and receiving procedures	Observe asset storage and procedures for shared assets Interview property manager	✗			

#	Requirement	Testing Procedure	Compliant			Notes
			Yes	No	Partial	
7.16	Controlled asset inventory form-employee is in place and signed by the employee	Examine asset inventory forms (employees)				handles these for Parks & Recreation.
7.17	Controlled asset inventory form –organization is in place and signed by the property manager	Examine asset inventory forms (organization)	✗			
7.18	Employees meet with the property manager annually and upon transfer or termination to review and verify assets in their control	Interview property manager	✗			
7.19	Employees notify property manager whenever there is a change in status of assets under their control	Interview property manager	✗			
7.20	Employees coordinate surplus property disposals through the property manager	Interview property manager	✗			
7.21	Employees appropriately report thefts or misuse of assets	Interview property manager	✗			
7.22	Software inventory includes the number of authorized and actual installations	Examine software inventory and documentation	✗			IS will not install on system if there is not a license for it.
7.23	Software inventory includes proof of purchase	Examine software inventory and documentation	✗			Small purchases on Purchasing Card, less than \$100.
7.24	Software inventory is reviewed at least annually	Interview software inventory custodian	✗			

#	Requirement	Testing Procedure	Compliant			Notes
			Yes	No	Partial	
7.25	Software inventories are updated as changes occur (ie new software installed, equipment transferred, new hardware installed, etc)	Interview software inventory custodian	*			IS coordinates
7.26	Management has approved in writing any personally owned software installed on computers	Examine documentation Interview software inventory custodian			x	Property Manager is unaware of any personally installed software, it will be added.
7.27	Written agreements are in place for licenses shared with other county agencies	Examine documentation Interview software inventory custodian	*			Housed in IS

IT Security

Software application(s) for Cash Receipting	
Software Titles used for Credit / Debit card processing	
Software titles used for Cash Depositing	
Software titles used for Petty cash and imprest account management	N/A
Software titles used for Accounts receivable	N/A
Software titles used for Capital and Controlled Assets / software	N/A
Social Networking sites (for business purposes)	Facebook accounts: corporate games, adult volleyball
Obtain network diagram showing servers and workstations using each application	None
Types of sensitive data collected (i.e. HIPAA, PCI, see County Ordinance)	I-9s and contracts are not stored on-site, but sent to the government center. Liability releases are stored on-site and scanned to store online.

#	Requirement	Testing Procedure	Compliant			Notes
			Yes	No	Partial	
8.1	Virus protection installed on each pc and server	Examine LanDesk reports	✗			

#	Requirement	Testing Procedure	Compliant			Notes
			Yes	No	Partial	
8.2	Laptops are encrypted	Examine laptops	✗			
8.3	Accounts to applications and systems are not shared	Interview application administrator			X	is sometimes shared when a login is not working. It is difficult to get help desk assistance from.
8.4	Virus protection software is not disabled	Examine LanDesk reports Examine PC's and servers	✗			
8.5	County IS has been informed of IT security incidents	Interview agency manager Interview IT representative	✗			
8.6	Encryption keys are stored on an approved centralized server	Interview IT representative	✗			Server is located at the county server farm.
8.7	Mobile phones and devices that access the county network are password protected	Interview IT representative	✗			This is mandatory.

Merchandise Inventory

Perpetual or periodic Inventory System	N/A
Software used in managing merchandise inventory	N/A
Method of vendor payment –Imprest Checking Account or County Purchasing System	N/A
Tagging type – SKU number or none	N/A

#	Requirement	Testing Procedure	Compliant			Notes
			Yes	No	Partial	
9.1	Merchandise inventory list is maintained	Examine merchandise inventory list				N/A
9.2	Inventory count is performed at least annually and documented	Examine documented inventory procedure				N/A

#	Requirement	Testing Procedure	Compliant			Notes
			Yes	No	Partial	
9.3	Counts are compared to what should be on hand and differences are noted.	Examine documented inventory procedure				N/A
9.4	Goods per inventory list are on hand	Examine merchandise inventory list Count items on-site				N/A
9.5	Functions of ordering goods and paying for those goods are separated	Interview Fiscal Manager Interview Fund Custodian				N/A
9.6	Purchase requests are in a documented form	Examine purchase request forms				N/A
9.7	Both inventory list and vendor payment detail are cross-referenced to vendor invoices	Examine vendor invoices Examine inventory list Examine checking account record				N/A
9.8	Goods paid for were entered onto the inventory list	Examine checking account record and compare to Inventory list				N/A
9.9	Date and by whom goods are entered onto the inventory list are noted on the invoice	Examine vendor invoices				N/A
9.10	Packing slips are maintained on file	Examine packing slips				N/A

PED Information	
Location	
Make	
Model	
Serial Number	
Firmware level (if known)	