

A REPORT
TO THE CITIZENS OF SALT LAKE COUNTY

BEN McADAMS, MAYOR



An Audit of the Key Controls of
Liberty Senior Center

August 30, 2013

GREGORY P. HAWKINS

SALT LAKE COUNTY AUDITOR

Audit reports are available at
<http://www.saltlakecountyauditor.org/site/audit/>



GREGORY P. HAWKINS
Salt Lake County Auditor

LONN LITCHFIELD, JD, LL.M.
Chief Deputy Auditor

2001 South State Street, N3300
PO Box 144575
Salt Lake City, UT 84114-4575

(385) 468-7200
(385) 468-7201 / fax
GHawkins@slco.org

August 30, 2013

Ben McAdams, Mayor
Salt Lake County
2001 S State St #N2100
Salt Lake City, UT 84114-4575

Re: An Audit of the Key Controls of Liberty Senior Center

Dear Mayor McAdams:

We recently completed an analysis of the financial records of Liberty Senior Center in compliance with Utah Code Ann. § 17-19a-204. Our purpose was to verify the accuracy and completeness of selected financial records and to assess compliance with certain internal controls that we have identified as key to good financial management. We also sought to identify areas of material risk to determine whether we should commit more of our limited resources in further auditing or investigation. A report of our findings and recommendations is attached.

Our work was designed to provide reasonable but not absolute assurance that records were accurate and complete and that the system of internal controls was adequate. There may be inaccurate or incomplete financial records that were not selected for review. Further, there may also be instances of noncompliance in areas not examined.

We appreciate the time spent by the staff at Liberty Senior Center and the cooperation from Tim Tomer, Center Supervisor, and other assigned staff members for answering our questions, gathering the necessary documents and records, and allowing us access to Liberty Senior Center during our audit. The staff was friendly, courteous, and very helpful. We trust that the implementation of the recommendations will provide for more efficient operations and better safeguarded County assets. Please feel free to contact me with any questions.

Sincerely,

Gregory P. Hawkins
Salt Lake County Auditor

By Scott Ball
Deputy Auditor

cc: Sarah Brenna, Division Director
Jessica Montgomery, Fiscal and Admin Manager
Tim Tomer, Center Supervisor



Objectives

Pursuant to § 17-19a-204, we analyzed the financial records and internal controls of Liberty Senior Center. Our purpose was to verify the accuracy and completeness of selected financial records and to assess compliance with certain internal controls that are key to good financial management. We also sought to identify areas of material risk.

Conclusion

Liberty Senior Center has put into place key internal controls for managing public funds, safeguarding public assets, and payroll reporting. Most risks identified were minor and would not be expected to result in the material loss of County assets. Deficiencies in the tracking and recording of controlled assets have a higher likelihood of leading to loss of County property.

Findings and Recommendations

Finding # 1 - The Controlled Assets Inventory Form-Employee was not being used.

Risk Level: Low

Countywide Policy #1125, "Safeguarding Property and Assets," Section 4.3 states:

"The Property Manager shall maintain records to manage controlled assets using the following forms (or forms that contain substantially the same information) and procedures. 4.3.1 Exhibit 3 - 'Controlled Assets Inventory Form-Employee' is used for those assets that due to their nature, are used by and therefore readily assignable to an individual."

Within Liberty Senior Center, some assets, such as computers and printers, were assigned to specific employees. The controlled asset list provided during our fieldwork did not indicate to which employee the assets were assigned. In addition, the "Controlled Assets Inventory Form-Employee" was not in use.

The Property Manager stated that he was not aware of the policy requirement.

When accountability for assets is not fully established, assets are at a greater risk for being lost or stolen.

Recommendation

We recommend that assets readily assignable to one employee be included on the "Controlled Assets Inventory Form-Employee" and that the employee sign a new form each year.

Additional Information

Background

The Liberty Senior Center is a part of the Salt Lake County Aging Services Division and is located at 251 East and 700 South, in Salt Lake City. The Liberty Senior Center provides seniors with social and learning opportunities, including: meals, classes, computer access, and activities.

Scope

Our work included a formal examination of financial records related to the following key internal controls, to the degree applicable:

- Change fund
- Petty Cash and Imprest Accounts
- Cash Receipting
- Cash Depositing
- Credit / Debit Card
- Capital and Controlled Assets and Software Inventory
- Financial Computer Controls
- Purchasing Card Use
- Payroll Practices

Our examination period covered up to twelve months ending May 31, 2013. In addition to reviewing financial records, we reviewed and examined current practices through observation. Sampling of daily cash deposits, where applicable, was performed to assess compliance with Countywide policy and standard business and internal control practices.

Management response to findings in this report, when received, will be attached as Appendix A.



August 8, 2013

Ben McAdams
Salt Lake County Mayor

Lori Bays
Human Services
Department Director

AGING SERVICES

Sarah Brenna
Aging Services Division Director

Information & Referral
385-468-3200

*"Helping you
navigate the transitions
of aging"*

Scott Ball
Salt Lake County Auditor
2001 South State Street, N3300
PO Box 144575
Salt Lake City, Utah 84114-4575

Re: Audit of Liberty Senior Center

Dear Scott,

This letter outlines how the Active Aging program will respond, train, and correct the deficiencies found in your letter dated May 30, 2013.

Finding #1 – The Controlled Assets Inventory Form – Employee was not being used.

- A. The Senior Center Manager will complete a Controlled Asset Inventory Form – Employee for all employees by August 23, 2013.

Thank you for your assistance and support. Please feel free to contact us with any questions or concerns.

Sincerely,

A handwritten signature in black ink, appearing to read 'Sarah Brenna', with a long horizontal flourish extending to the right.

Sarah Brenna
Director

cc: Jessica Montgomery, Fiscal Manager
Kristy Cottrell, Aging Services Associate Director
Traci Lee, Active Aging Program Manager
Tim Tomer, Liberty Senior Center Manager
Emma Houston, Active Aging Assistant Program Manager