



December 31, 2012

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

GREGORY P. HAWKINS  
Salt Lake County 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](mailto:GHawkins@slco.org)

LONN LITCHFIELD, JD, LLM  
Chief Deputy Auditor

MICHAEL P. CHABRIES, PhD  
Senior Advisor

BRAD A. ROGERS  
Executive Assistant

Re: An Audit of Parks Operations

Dear Mayor McAdams:

We recently completed an analysis of the financial records of Parks Operations (Parks). Our scope was limited to verification of the accuracy and completeness of financial records and compliance with internal controls related to cash handling, capital and controlled assets, and merchandise inventory. Our audit covered the period from September 2011 through September 2012.

Our objectives were to determine whether:

- Receipts and petty cash were handled according to Countywide Policy #1062, *Management of Public of Funds*, Policy #1203, *Petty Cash and Other Imprest Funds*, and Policy #1301, *Acceptance of Checks*, and good business practice and controls were in place to prevent theft of funds.
- Capital and controlled assets were managed according to Countywide Policy #1125, *Safeguarding Property/Assets*, and are guarded against equipment becoming missing or stolen.
- Parks reservations were adequately monitored and referenced to a receipt indicating payment.
- Procedures were in place to track the fueling of mowers and other equipment in guarding against theft.

Our work was designed to provide reasonable but not absolute assurance that the system of internal controls was adequate, records current, and daily transactions valid. Since our audit included only a sample of items from the period examined, there is a risk that we would not have discovered misuse or theft of County assets because such actions may have occurred with respect to assets or transactions not selected for review. Management's response to this audit can be found in Appendix A.

As its own section within the Parks and Recreation Division, Parks Operations has offices and equipment storage areas at 3383 South 300 East, its main office, and at 4500 South and Main Street. In addition to the many parks it maintains, Parks Operations also mows lawns at the County Government Center and a few other County government sites, and maintains grounds at Sugarhouse Park, as contracted with the Sugarhouse Park Authority. Parks has equipment storage buildings at Sugarhouse Park as well. Design and planning offices are

located at the Government Center.

Under its auspices, Parks maintains 77 neighborhood, community, and regional parks, as well as special interest parks, trail heads, and undeveloped areas. Of these 77 locations, 24 have pavilions or other facilities the public may reserve for a fee. Fees are paid at the Parks Office on 33<sup>rd</sup> South, or on-line.

Within its portfolio are portions of the Jordan River Parkway Trail, Dimple Dell Regional Park – a natural area – and Millcreek Canyon. Millcreek Canyon is managed by the U.S. Forest Service, but Parks is the reservation agent for many of its picnic areas and operates the fee-collecting booth at the canyon’s entrance. Fees collected are split on a percentage basis with the Forest Service. Since Millcreek Canyon was audited last year, it fell outside our audit scope. We did not examine collections from the booth.

Collections at the 33<sup>rd</sup> South office are for parks and Millcreek reservations, and equipment usage, and are processed using Sportsman management software, a system installed in mid-2011. Prior to that time, the manual McBee receipting system was used. As park reservation collections tend to be infrequent, no cash registers are found on-site.

Parks is a general fund operation. The five-year trend in expenses as taken from the County’s financial system, AFIN, is shown in Figure 1 below. Expenses increased significantly in 2011 due to the custodial program that was added to the Parks organization for AFIN accounting purposes. Fees collected for parks reservations, and rental of sports equipment, total between \$100,000 and \$200,000 per year.

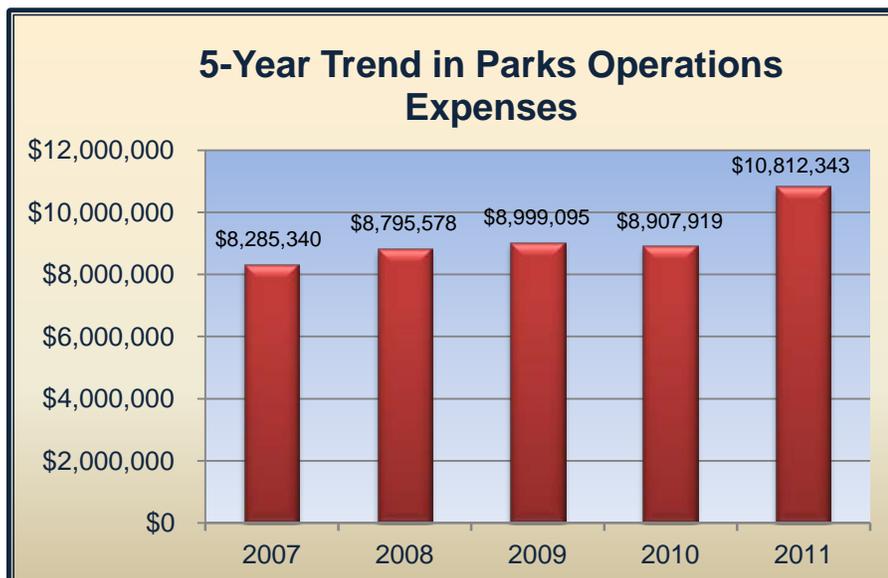


Figure 1. Expenses increased in 2011 due to the custodial program that was added as a component unit.

Management had concern for effective controls in establishing proper cash handling and oversight of County assets. Given the extent of its operations, we found particular attention to detail in tracking mowers, and other maintenance equipment. We did find, however, areas where

greater monitoring of County assets and adherence to Countywide Policy could be achieved. Our findings are divided into the following sections: 1) Cash Handling and Depositing, 2) Capital and Controlled Assets, 3) Reservation Tracking, and 4) Fuel Monitoring.

### **CASH HANDLING AND DEPOSITING**

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

- *All deposit documents were not filed together by date, and Sportsman summary reports were not used in the deposit preparation process.*
- *A balance sheet was not completed and used in the deposit preparation process.*
- *Documented explanations were not included for reversals of transactions and transactions were excluded from the deposit.*
- *Deposits were not made timely, or within three days of receipt of collections, per Countywide Policy.*
- *A fund transfer form was not used when transferring the petty cash fund to another employee.*
- *Personal identification was not written on checks received at Parks Operations.*

---

*All deposit documents were not filed together by date, and Sportsman summary reports were not used in the deposit preparation process.* A Sportsman summary report of tills opened and total collections recorded by cash, check, and credit card amount was missing from deposit documentation and, in fact, was not printed. Use of this report, the “Cash Register Deposit Batch Report,” is standard throughout Parks and Recreation in balancing and deposit preparation. In its absence the tracking of tills that should be included in the deposit is not efficiently achieved, and a sum total of Sportsman recorded collections is not available for review.

Without this report we had to sort through and add about 14 individual till collections reports for each deposit examined. Each till opened should be accounted for in the deposit. Opening a till means opening Sportsman to enter transactions from a desktop computer. A till report is produced at the end of the day when Sportsman is closed out. Sportsman assigns a sequential number to each till opened and closed.

Countywide Policy #1062, *Management of Public Funds*, Section 3.8.1.3, states:

*To complete the balancing process, all recorded receipts shall be summed to arrive at the amount of total collections. A report of total collections...may be in the form of...an on-line, cash-registering system generated report.*

Since Sportsman use is new to Parks Operations, employees were not familiar with all operational features and reports for preparing deposits. In fact, personnel requested additional training in its function and use.

Moreover, we found deposit documentation not bundled or filed by date. All deposit slip copies were in one file, and individual cash till balance reports in another file. General practice throughout the County is to staple or bundle the deposit slip and all supporting documentation together by date. Without this bundling, deposit documentation flow is difficult to follow, and matching one amount against another cannot be made without sorting through various documents in different places. Since Sportsman use was new, personnel were not aware of the best filing methodology.

**RECOMMENDATIONS:**

- 1. We recommend that the Sportsman “Cash Register Deposit Batch Report” be printed and included with documentation for each deposit.**
- 2. We recommend that the completed deposit slip copy and all associate documentation be stapled or filed together by date.**
- 3. We recommend that additional training in documents produced in Sportsman, and documents that should be printed for deposit preparation, be provided to appropriate Parks personnel.**

---

*A balance sheet was not completed and used in the deposit preparation process.* The lack of a balance sheet did not allow personnel to notice where overages or shortages might have occurred.

Countywide Policy #1062, Section 4.1.2, states:

*All County agencies should balance collections to cash register totals...using MPF Form 3A, Cash Balance Sheet, or a similar form...*

Parks Operations personnel were not familiar with balance sheet use. Formerly, when they used the McBee receipting system, all receipts were added and a total written on the McBee ledger. Since collections were relatively infrequent, any differences would readily have been apparent, and the need for a balance sheet was not seen. Balancing differences, however, have occurred, as noted in the next section, especially as Sportsman has been implemented, and lack of familiarity in some cases with its use has led to these differences.

**RECOMMENDATION:**

**We recommend that a cashier complete a balance sheet, MPF Form 3A, or similar form, for each occurrence of a Sportsman till closeout, and that this form be included with deposit documentation.**

---

*Documented explanations were not included for reversals of transactions and transactions were excluded from the deposit.* As we added individual till reports in our deposit examination process we found some discrepancies between what had been recorded and what was actually deposited. In some cases, transactions were deleted without any written explanation

provided, and in other cases, checks recorded in Sportsman were not included in the deposit. Use of a balance sheet, as discussed in the previous section, would have revealed the balancing shortage created from excluded checks.

In all, we found three Sportsman reversals, and two instances of checks recorded but not included in the deposit. Table 1 below provides amounts and other details of these transactions.

| <b>Changes to Sportsman Transactions</b> |                 |               |                         |
|--|-----------------|---------------|-------------------------|
| <b>Deposit Date</b>                      | <b>Check #s</b> | <b>Amount</b> | <b>Type</b>             |
| May 22, 2012                             | 1540            | \$70          | Reversed                |
| May 22, 2012                             | 130             | \$30          | Reversed                |
| June 12, 2012                            | 591/593         | \$12          | Two checks not included |
| June 27, 2012                            | 1959            | \$60          | Check not included      |
| June 30, 2012                            | 365             | \$6           | Reversed                |

**Table 1.** *Some transactions were reversed while others were not included in the deposit.*

We asked Parks personnel to explain differences noted in Table 1. The \$70 reversal was due to the customer paying the wrong amount. Personnel pulled the check and requested the customer to issue another check. The \$30 reversal was to adjust an amount entered in error for \$100 where the check was written for only \$70.

The two checks totaling \$12 and not included in the deposited were likely equipment rentals where Parks returned the checks due to patron complaint or problems with the equipment. Personnel explained that since equipment rental payments are not attached to a specific Sportsman account, no notes were included and therefore no ready explanation was apparent. We also noted a \$6 voided check for this same till.

For the \$60 check not included in the deposit personnel wrote “cancelled” on the till balance report but did not void it in Sportsman, and therefore by not depositing the check, a \$60 shortage occurred. No notations were made in Sportsman for the cancellation or why it occurred. Apparently the check was pulled before deposit preparation, allowing it to be returned to the patron.

In the final instance, the \$6 reversal, a balancing overage actually resulted. Personnel explained the reversal as possibly due to a check that should have been written for \$12. The \$6 check might have been pulled and returned to the patron. Nevertheless, it must have still been deposited since an overage resulted after the check was deleted from Sportsman.

Reversals in Table 1 were, in essence, voids, as were checks not included in the deposit. Checks not included in the deposit should have been voided within Sportsman, if they were returned to the patron.

Countywide Policy #1062, Sections 3.7.2 and 3.7.3, state:

*All [receipt] copies will be marked "VOID"...The cashier initiating the voided transaction will document, on the front of the voided receipt, the cause...and its resolution.*

*A supervisor...will review and sign...the voided receipt, along with the cashier who initiated the void.*

Lack of familiarity with Countywide policy and Sportsman processes caused reversed transactions to be incorrectly accounted for. We also found that reversals were noted as "Till Shortage Adjustment" in Sportsman when they should have been classified as "Voided." When reversals are made without explanation, the opportunity for theft is greater.

**RECOMMENDATIONS:**

- 1. We recommend that voided receipts be signed by the cashier and supervisor, after writing an explanation, and that they then be filed with deposit documentation.**
- 2. We recommend that any checks not included in the deposit be voided in Sportsman and documented with a written explanation, with the explanation included in the deposit documentation.**
- 3. We recommend that reversals of transactions in Sportsman be processed as a "Void" instead of a "Till Shortage Adjustment."**

---

*Deposits were not made timely, or within three days of receipt of collections, per Countywide Policy.* We noted that 27 out of 31 deposits in a sample we selected included collections made more than three days before the deposit.

Countywide Policy #1062, Section 4.1.2, states:

*As required by §51-4-2, Utah Code Annotated, all public funds shall be deposited daily whenever practicable, but not later than three days after receipt.*

The timeliness issue is underscored by the fact that no more than 38 deposits were prepared between September 22, 2011 and September 20, 2012. Typically, each deposit included a week's worth – and oftentimes more – of collections. Personnel stated that they could not deposit more frequently due to other time-consuming duties. Nevertheless, funds not deposited are more subject to theft.

**RECOMMENDATION:**

**We recommend that Parks collections be deposited no later than three days after receipt.**

---

*A fund transfer form was not used when transferring the petty cash fund to another employee.* The petty cash custodian stated that when he takes extended leave he transfers petty cash to another Parks employee. No MPF Form 7A, Fund Transfer Form, however, was used to document this transfer.

Countywide Policy #1203, *Petty Cash and Other Imprest Funds*, Section 6.2.1, states:

*In the...extended absence of the Custodian...[an] MPF Form 7A, "Transfer of Funds Receipt," may be formally made to carry on... cash-handling functions by the Backup Custodian.*

Personnel were not aware of the process for transferring funds, or the form involved. Without its use, however, any accounting for missing funds from one custodian to the other would not be possible.

**RECOMMENDATION:**

**We recommend that the petty cash custodian use the MPF Form 7A, "Transfer of Funds Receipt" when transferring any money to or from the backup custodian.**

---

*Personal identification was not written on checks received at Parks.* We noticed that identification was not written on checks. Personnel were not aware of this requirement.

Countywide Policy #1062, Section 3.1.3, states:

*Persons remitting "over-the-counter" payments by means of personal check shall be required to provide a valid form of identification...*

In addition, Countywide Policy #1301, *Acceptance of Checks*, Section 4.2 states:

*When a valid form of identification is provided, the following information should be documented on the front of the check: expiration date of identification card and the...driver's identification number.*

Generally, a driver's license is considered a valid form of ID. Without documenting identification on the check, the issuer may not be located to recover insufficient funds should the bank return it. In recent years, checks have largely fallen into disuse in favor of credit or debit cards. Many people, however, still issue checks when reserving parks.

**RECOMMENDATION:**

**We recommend that identification be required for all over-the-counter personal checks presented for payment, and that the number, such as the driver's license number and expiration date be documented on the face of the check.**

---

**CAPITAL AND CONTROLLED ASSETS**

Our findings in the area of Capital and Controlled Assets are as follows:

- *Several capital assets did not have the County property tag affixed to them.*

- *Receivers used for sprinkling systems were not readily identified by location.*
- *Purchases of ball field chalkers were not identified on the controlled asset list or assigned a property tag number.*

*Several capital assets did not have the County property tag affixed to them.* We located all 95 capital assets sampled out of a total of 143. We commend Parks administrators for helping us track these assets, many of which were spread among various locations throughout the valley. We did note, however, 18 assets with the County property tag missing. Table 2 below identifies these untagged assets.

| <b>Untagged Capital Assets</b> |            |                          |            |
|--------------------------------|------------|--------------------------|------------|
| <b>Description</b>             | <b>Tag</b> | <b>Description</b>       | <b>Tag</b> |
| John Deere 1995 Excavator      | M04845     | Kawasaki Mule            | 97147      |
| Towmaster Trailer/Ramps        | M16776     | Kubota Tractor           | 97230      |
| Western Salt/Sand Spreader     | M24120     | Ransommes 72" Mower      | 97534      |
| Champion 1993 Motor Grader     | P10HI-017  | Ransommes 72" Mower      | 97535      |
| Kubota Tractor                 | 87838      | Arctic Cat ATV/Snow Plow | 98135      |
| Kubota Tractor                 | 91792      | Genie Scissor Lift       | 98195      |
| SDI Boom Sprayer               | 91865      | Toro Groundsmaster Mower | 98305      |
| Ransommes Frontline Mower      | 96769      | Sewer Jetter             | 99785      |
| Polaris Magnum 425 ATV         | 96947      | Kubota Tractor           | M18010     |

**Table 2.** *Most large equipment was identified by a serial number.*

Any equipment subjected to rough use is prone to tags wearing off. In many cases, however, we could not see any tag ever having been attached. Large equipment, such as the grader, normally has the property number clearly painted on it in large letters. In this case the capital asset number was not painted.

We identified most assets in Table 2 by their serial number, and in some cases, such as the grader, by their status as the only piece of equipment of that type on site. Also, we especially noted property tags lacking on Kubota tractors. We identified these by their serial numbers. Given their relatively large quantity, tractors with capital asset tags attached would have particularly benefited us in our search.

In addition to items in Table 2, we found several untagged flatbed trailers at the 33<sup>rd</sup> South location. All had VIN numbers included, but no County property tag. While trailers would likely find no ready personal use, they are still of significant value. We also found an old, heavy untagged Caterpillar bulldozer in the corner of the 45<sup>th</sup> South lot.

Property tags either wore off of equipment, as mentioned, or were never attached at all due to lack of priority. While we found key Parks personnel to be acutely familiar with equipment and its location, the lack of property tags makes capital assets more susceptible to theft.

**RECOMMENDATIONS:**

- 1. We recommend that Parks administration either work with the Mayor's Office accounting section to obtain capital asset tags for equipment not tagged, or that numbers be painted or etched on untagged equipment, where appropriate.**
- 2. We recommend that flatbed trailers receive special attention to ensure that a County property tag is affixed.**

---

*Receivers used for sprinkling systems were not readily identified by location.* In our inventory of controlled assets – items with a cost under \$5,000 – we found or accounted for all 68 items sampled out of 885 in total, except for two receivers. Within the population, we noted a large number of electronic receivers used in sprinkling system control. Parks personnel use them to control sprinkling systems by radio. To avoid skewing the sample with too many receivers, we excluded 52, or nearly all of them from the population. Nevertheless, two receivers still appeared in our sample.

We chose not to locate sampled receivers because personnel reported they were spread among several different parks, requiring us to potentially visit dozens of locations in trying to locate them. Each winter, many of them are brought to the Parks office to be identified and inventoried. Parks did not report any missing receivers on their controlled asset list. Though of limited personal value, they are expensive, each receiver costing \$800.

During our search for controlled assets we did view and note many receivers at the 45<sup>th</sup> South location not currently used at any park. Each unit measured about 8"x 7"x 2". Personnel reported that receivers are already being replaced with smaller, card-type systems.

While of limited personal value, they are costly, and without readily identifying them by location, any loss might remain unrecognized. Also, we noted a drill missing from our controlled asset inventory. Parks administrators were aware of this status and so noted it on their controlled asset list.

**RECOMMENDATION:**

**We recommend that Parks maintain a list of receivers by property tag number and by park location when these are distributed each year to the various parks.**

---

*Purchases of ball field chalkers were not identified on the controlled asset list or assigned a tag number.* We identified Parks equipment purchases over the past year through a search of the County's financial system, AFIN, and related invoices. We found purchases such as trimmers and blowers included on the controlled assets. We did find, however, three chalkers at a cost of \$300 each that were not included. The property manager felt these would not be easily converted to personal use. While this may be so, their cost would nevertheless create a market for someone attempting to sell them. Without tagging and identifying them as controlled assets they could more easily be stolen.

**RECOMMENDATION:**

**We recommend that the three ball field chalkers purchased in 2012 be included on the controlled asset list.**

---

**RESERVATION TRACKING**

Our finding for Reservation Tracking is as follows:

- *Several parks reservations whose dates had already expired showed no payment from the patron.*
- 

*Several parks reservations whose dates had already expired showed no payment from the patron.* Within Sportsman we found 205 reservations in 2012 whose dates had already passed without any patron payment. To perform our analysis, Parks personnel downloaded all Sportsman reservation data from September 2011 through September 2012. The 205 unpaid reservations were not reversed or otherwise noted as cancelled within Sportsman. Unpaid reservations raise questions as to whether patron payment had actually occurred with funds then diverted to personal use.

To determine payment status in these instances, we statistically selected a random sample of 33 reservations out of the 205, with an additional 7 at the auditor's discretion, and called the named parties, personally talking with 22 of them. Others either did not return our phone calls, or phone numbers we had were no longer in service.

We found no conclusive evidence of payment, and in fact, all but one stated they had not paid. In this instance, the individual presented a confusing set of circumstances where she thought payment had been made on her debit card, but then thought her husband had paid. Her husband stated to her the reservation amount might have been reduced, in which case he would have paid cash. This lack of clarity created doubt as to any payment being made at all.

Surprised by these outstanding reservations within Sportsman, Parks personnel finally concluded they represented cancellations. Reservations were placed by phone to Parks personnel and entered into Sportsman, but individuals making the reservations never followed up and paid. The lack of training in Sportsman, and also programming features that do not provide for a cancelled status, allowed for these reservations to remain as unpaid and outstanding in Sportsman. Parks personnel stated that when payment is not made, the park manager will not prep the site and write the group's name on the pavilion or site reservation board.

Parks personnel further stated that accounts receivable generally do not exist. Without payment, the reservation is considered cancelled. Parks does, however, allow for about two accounts receivable per year, in the case of corporations or organizations reserving a park for a large community event not easily cancelled. In our sample, we found a large chain restaurant that had reserved a park in August 2012 for \$250, an amount Parks considered as outstanding and still collectible.

Also, despite the assertion of sites not prepped when nonpayment occurs, we did find one party who stated she used a facility, the Crestwood Pool, in an after-hours group reservation without paying. This raised the additional issue of how closely reservations are followed for payment status as some groups could reserve and use a pavilion, pool, or other facility, without paying. Though park pavilions are easily used with indiscretion, a Parks employee would have to provide a key or open the gate to a pool facility.

***RECOMMENDATIONS:***

- 1. We recommend that a programming feature be added to Sportsman allowing for a “cancelled” status for non-payment of park pavilion or other facility reservations, and that a supervisor review all cancellations or non-payments.**
- 2. We recommend that personnel either be trained in current Sportsman features, or that they request added programming that would produce a list of the current day’s reservations and payment status.**

---

**FUEL MONITORING**

Our finding for Fuel Monitoring is as follows:

- ***Reported gallons for fueling of mowers and equipment did not match meter readings of fuel tanks.***

---

***Reported gallons for fueling of mowers and equipment did not match meter readings of fuel tanks.*** As part of our audit work we examined handwritten logs used to record fueling of mowers and other small equipment. While we commend Parks administration for this procedure in helping deter theft, we noted discrepancies between total fuel usage per tank reading, and individual gallons recorded for each mower, can, or other piece of equipment.

Fueling of mowers and other small equipment occurs from diesel and gas tanks mounted in the back of a pickup truck. These tanks are filled from County pumps at the 33<sup>rd</sup> South Parks location by entering a PIN and tank number. Sugarhouse Park also has a pickup truck with fuel tanks.

In its logs, a Parks employee records a beginning and ending fuel tank reading. To start a new log, the beginning reading is entered, and after the log is filled out with individual fueling amounts, the ending tank reading is entered. Between these two readings are 33 lines to record individual gallons for each mower or other pieces of equipment filled.

Meters indicating gallons pumped for individual units can be reset to “0” following fueling, in preparation for fueling of the next piece of equipment. Most fueling occurs at the end of the workday, or 3:00, as equipment rolls into the 33<sup>rd</sup> South yard on flatbed trailers. The fuel truck at 33<sup>rd</sup> South, however, also travels to other sites.

In our analysis, we summed individual lines from 33 logs out of 96 in total. We compared these recorded gallons to the difference between beginning and ending tank readings on each log. Usage should have been the same, or nearly the same. We did, however, find several discrepancies.

Total diesel recorded on the 33 logs exceeded tank meter readings by 30 gallons, while gas was less by 100 gallons. Fewer gallons recorded would indicate fuel pumped but not recorded. We found discrepancies of 10 or more gallons on 10 of the logs examined. These 10 discrepancies are shown in Table 3 below.

| <b>Discrepancies of 10 Gallons or More Between Total Fuel Tank Readings and Sum of Individual Fuelings</b> |               |            |             |               |            |
|--|---------------|------------|-------------|---------------|------------|
| <b>Date</b>  | <b>Diesel</b> | <b>Gas</b> | <b>Date</b> | <b>Diesel</b> | <b>Gas</b> |
| 2/29/12  | -10.6         | -0.1       | 6/14/12     | -.04          | -10.1      |
| 3/16/12  | -0.1          | 14.0       | 6/18/12     | 1.0           | -10.1      |
| 3/27/12  | 10.4          | -0.2       | 6/23/12     | -1.3          | -25.0      |
| 5/9/12   | 20.9          | 0.0        | 8/30/12     | -18.9         | -14.8      |
| 6/13/12  | 10.8          | -0.2       | 9/12/12     | 7.8           | -22.1      |

**Table 3.** *Negative amounts indicate more fuel pumped than recorded.*

Light pink-shaded areas in Table 3 highlight negative discrepancies of 10 gallons or more, and green-shaded areas indicate positive differences of 10 gallons or more. Parks personnel, while expecting some variances, were surprised at large differences, especially those of 20 gallons or more. They also stated that while kept on file, no review or analysis of these logs has been performed in four years. Further, they explained some differences, especially small differences of a few tenths of a gallon, as faulty meter readings at times, or meters that continued running even though the tank had emptied of fuel. In addition, the person maintaining the log could have recorded certain gallons in error.

Whatever the cause, discrepancies of such large amounts between perpetual tank meter readings, and readings from fueling of individual pieces of equipment could also indicate theft, though positive proof of such cannot be made. The risk of theft, however, only points to the need for reliability in recording gas and diesel gallons when fueling small equipment.

We also noted that diesel disbursed from the tanks exceeded the amount put into them by 901 gallons. We based this finding on our analysis of diesel disbursed from the County gas pump using the PIN number assigned to those gas and diesel tanks. Information from Fleet Management provided to us for this PIN number showed that 10,716 gallons of diesel were disbursed from County pumps during the period January 4, 2012 through September 28, 2012. On the other hand, Parks logs recording disbursement from the tanks for January 19, 2012 through October 1, 2012 showed 11,617 gallons in diesel disbursed. During the identical time period we also found the same type of difference in gas, but in this case of only 120 gallons.

No explanation for these differences was readily available from Parks administration. Nevertheless, they point to lack of proper oversight in managing fuel use and consumption.

**RECOMMENDATIONS:**

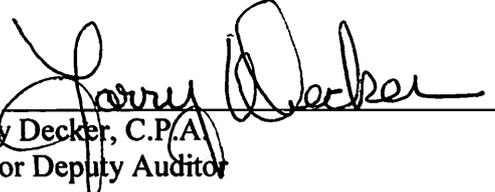
- 1. We recommend that Parks Administrators sum all individual fueling amounts on each log to determine if they equal the difference between beginning and ending tank readings.**
- 2. We recommend that a more reliable, preferably electronic, system be explored for recording fuel disbursed from pickup truck tanks.**
- 3. We recommend that fuel disbursed from pickup truck tanks be reconciled on a regular basis to fuel put into them from the County pump, and that any significant differences be investigated.**

---

We thank Parks administration for their patience, help, and insight as we completed this audit. They especially helped us in the large undertaking of locating many pieces of equipment comprising their extensive capital and controlled asset lists. We trust that implementation of recommendations in this letter will provide for more efficient operations, closer control over County assets, and better compliance with Countywide policy. Please feel free to contact me or chief deputy auditor, Lonn Litchfield, if you have any further questions.

Sincerely,

Gregory P. Hawkins  
Salt Lake County Auditor

By:   
Larry Decker, C.P.A.  
Senior Deputy Auditor

Cc: Michele Nekota  
Paul Ross  
Wayne Johnson  
Garin Lamph



## Summary of Findings and Recommendations for PARK OPERATIONS dated December 28, 2012

Response Dated 1/22/13

| Finding   | Recommendation   |
|---|--|
| <b>Cash Handling and Depositing</b>   |  |
| <p>All deposit documents were not filed together by date, and Sportsman summary reports were not used in the deposit preparation process.</p> | <ol style="list-style-type: none"> <li>1. We recommend that the Sportsman “Cash Register Deposit Batch Report” be printed and included with documentation for each deposit.<br/><b>Response: A “Cash Register Batch Report” will be created for each deposit.</b></li> <li>2. We recommend that the completed deposit slip copy and all associate documentation be stapled or filed together by date.<br/><b>Response: All of the deposit information will be collected together by date instead of in separate files by type of report.</b></li> <li>3. We recommend that additional training in documents produced in Sportsman, and documents that should be printed for deposit preparation, be provided to appropriate Parks personnel.<br/><b>Response: A training meeting was held and produced better procedures of obtaining needed deposit information.</b></li> </ol> |
| <p>A balance sheet was not completed and used in the deposit preparation process.</p>   | <ol style="list-style-type: none"> <li>1. We recommend that a cashier complete a balance sheet, MPF Form 3A, or similar form, for each occurrence of a Sportsman till closeout, and that this form be included with deposit documentation.<br/><b>Response: When Park Operations used the McBee system of cash handling, the MPF Form 3A was used for documenting a cashier’s activity. After migrating to the Sportsman Software, it was mistakenly understood that the “cash till balance report” produced by Sportsman, and similar in content to the MPF Form 3A would suffice as the only necessary documentation needed by a cashier. The MPF Form 3A will now be used in addition to the other documents produced by the Sportsman software.</b></li> </ol>   |

| Finding   | Recommendation   |
|---|--|
| <p>Documented explanations were not included for reversals of transactions and transactions were excluded from the deposit.</p> | <p>1. We recommend that voided receipts be signed by the cashier and supervisor, after writing an explanation, and that they then be filed with deposit documentation.</p> <p><b>Response: Implemented</b></p> <p>2. We recommend that any checks not included in the deposit be voided in Sportsman and documented with a written explanation, with the explanation included in the deposit documentation.</p> <p><b>Response: Implemented</b></p> <p>3. We recommend that reversals of transactions in Sportsman be processed as a “Void” instead of a “Till Shortage Adjustment.”</p> <p><b>Response: Implemented</b></p> |
| <p>Deposits were not made timely, or within three days of receipt of collections, per Countywide Policy.</p>                    | <p>1. We recommend that Parks collections be deposited no later than three days after receipt.</p> <p><b>Response: A renewed effort will be made for making timely deposits.</b></p>   |

| Finding   | Recommendation   |
|---|--|
| <p>A fund transfer form was not used when transferring the petty cash fund to another employee.</p> | <p>1. We recommend that the petty cash custodian use the MPF Form 7A, "Transfer of Funds Receipt" when transferring any money to or from the backup custodian.</p> <p><b>Response: Craig Cheney, the petty cash custodian was not aware of any formal procedure for giving peer office personnel (a backup custodian) access to the fund in his absence. From now on, if Craig is absent and the transfer procedure as outlined in the MPF Form 7A document wasn't set up beforehand then the petty cash fund will not be available for use. If Craig makes a planned absence then MPF Form 7A will be completed and properly transferred to a valid backup custodian.</b></p> |
| <p>Personal identification was not written on checks received at Parks.</p>                         | <p>1. We recommend that identification be required for all over-the-counter personal checks presented for payment, and that the number, such as the driver's license number and expiration date be documented on the face of the check.</p> <p><b>Response: Park Operations cashiers have been remiss in obtaining proper identification when receipting personal checks. This cash handling procedure will be followed.</b></p>   |

| Finding   | Recommendation  |
|---|---|
| <p><b>Capital and Controlled Assets</b></p> <p>Several capital assets did not have the County property tag affixed to them.</p> | <p>1. We recommend that Parks administration either work with the Mayor’s Office accounting section to obtain capital asset tags for equipment not tagged, or that numbers be painted or etched on untagged equipment, where appropriate.</p> <p><b>Response: Equipment with worn of tags will be engraved with the appropriate control number.</b></p> <p>2. We recommend that flatbed trailers receive special attention to ensure that a County property tag is affixed.</p> <p><b>Response: County logo stickers similar to the type used on vehicles will be placed on the trailers.</b></p> |
| <p>Receivers used for sprinkling systems were not identified by location.</p>   | <p>1. We recommend that Parks maintain a list of receivers by property tag number and by park location when these are distributed each year to the various parks.</p> <p><b>Response: Will implement when receivers are dispersed in the spring.</b></p>  |
| <p>Purchases of ball field chalkers were not identified on the controlled asset list or assigned a tag number.</p>              | <p>1. We recommend that the three ball field chalkers purchased in 2012 be included on the controlled asset list.</p> <p><b>Response: Asset numbers will be assigned to the chalkers and tags placed on them.</b></p>   |

| Finding  | Recommendation  |
|--|---|
| <p>Several parks reservations whose dates had already expired showed no payment from the patron.</p> | <p>1. We recommend that a programming feature be added to Sportsman allowing for a “cancelled” status for non-payment of park pavilion or other facility reservations, and that a supervisor review all cancellations or non-payments.</p> <p><b>Response:</b> An audit of all park pavilion reservations revealed a number of reservations that were “made”, but were never completed or “paid” and were never showed as cancelled. A paid park reservation provides the park patron with clean pavilion and restroom facilities, the reservation board on the pavilion being marked with the reservation information, plus the contact information of the park caretaker. Park caretakers are only aware of completed reservations. With respect to the park facilities, there is no difference between a party who only “makes” a reservation and a party who doesn’t. They are both taking their chances on the availability and condition of park facilities. This is no surprise. An unpaid reservation on a date that no one else is interested in becomes a low priority with respect to other aspects of park reservations. Park reservations policy already sets a limit on when a made reservation must be “paid” in order to be completed. For the sake of accounting park patrons will be made aware of when a reservation will become canceled due to non-payment. Reservation information will be so marked with due dates. Using Sportsman, an “aging” report will be used to determine which reservations have fallen into the delinquent category. These reservations will then be cancelled. This additional procedure will “tidy-up” status reports and will allow for easier tracking on accounts receivable.</p> <p>2. We recommend that personnel either be trained in current Sportsman features, or that they request added programming that would produce a list of the current day’s reservations and payment status.</p> <p><b>Response:</b> A training meeting was held and produced better procedures for obtaining reservation and payment status.</p> |

| Finding   | Recommendation  |
|---|---|
| <b>FUEL MONITORING</b>  |   |
| <p>Reported gallons for fueling of mowers and equipment did not match meter readings of fuel tanks.</p> | <p>1. We recommend that Parks Administrations sum all individual fueling amounts on each log to determine if they equal the differences between beginning and ending tank readings.<br/> <b>Response: Implemented</b></p> <p>2. We recommend that a more reliable, preferably electronic, system be explored for recording fuel disbursed from pickup truck tanks.<br/> <b>Response: A float system will be installed on the tank that will shut off the pump when it gets low. This will eliminate the meter from recording air that passes through the meter. See #3 for additional monitoring techniques.</b></p> <p>3. We recommend that fuel disbursed from pickup truck tanks be reconciled on a regular basis to fuel put into them from the County pump, and that any significant differences be investigated.<br/> <b>Response: When fuel monitoring was implemented eight years ago, a fuel log was created to track the amount of fuel used on a daily basis by each piece of equipment and how much was taken from the fuel truck's master tanks. A data entry program was created and the fuel log data was entered into the program for about three years. After that time the fuel logs were completed and collected, but no analysis was performed. The data from the fuel longs will now be analyzed to check for discrepancies between fuel used by equipment and fuel consumed from the truck tanks. Monthly reports will be prepared and given to the Park Operations Director in a timely fashion.</b></p> |

NAME & TITLE OF PERSON RESPONDING: Wayne Johnson, Associate Division Director  
Date Prepared 1-22-2013