

A REPORT
TO THE CITIZENS OF SALT LAKE COUNTY
BEN McADAMS, MAYOR



An Audit of the Key Controls of
Cottonwood Softball Complex

December 18, 2013

GREGORY P. HAWKINS

SALT LAKE COUNTY AUDITOR

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December 18, 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 Cottonwood Softball Complex

Dear Mayor McAdams:

We recently completed an analysis of the financial records of Cottonwood Softball Complex 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 Cottonwood Softball Complex and the cooperation from Eliza Schofield, Facility Manager, and other assigned staff members for answering our questions, gathering the necessary documents and records, and allowing us access to Cottonwood Softball Complex 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: Michele Nekota, Division Director
Paul Ross, Associate Division Director
Eliza Schofield, Facility Manager

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Objectives

Pursuant to § 17-19a-204, we analyzed the financial records and internal controls of Cottonwood Softball Complex. 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

Cottonwood Regional Softball Complex has put into place several 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. However, deficiencies discovered dealing with compliance in transaction receipting, change fund controls, and inventory of concessions have a higher likelihood of leading to loss of County property.

Findings and Recommendations

Finding # 1 - Receipts were not consistently issued to patrons.

Risk Level: Moderate

Countywide Policy #1062, "Management of Public Funds," Section 3.5.1 states:

"Cashiers will prepare a receipt for all remittances made in person 'over-the-counter.'"

Concession staff did not offer receipts to patrons tendering payment.

When receipts are not consistently issued to patrons, County funds are at a greater risk of being lost, stolen, or diverted for personal use.

Recommendation

We recommend that cashiers give a receipt to all persons tendering payment in person.

Finding # 2 - No retail inventory tracking process was in place.

Risk Level: Moderate

Countywide Policy #1125, "Safeguarding Property/Assets," states in the Purpose that:

"Salt Lake County procures a variety of property and equipment necessary for government operations, which must be properly managed – meaning, controlled, inventoried and protected."

Cottonwood Regional Softball Complex had not established a procedure for tracking retail inventory.

When the inventory procedure does not properly track merchandise and revenues, they are at a greater risk of being lost, stolen, or diverted for personal use.

Recommendation

We recommended that the Cottonwood Regional Softball Complex implement a retail inventory tracking procedure.

Finding # 3 - Cash balance sheets were not reviewed and signed by an independent party.

Risk Level: Low

Countywide Policy #1062, "Management of Public Funds," Section 3.8.1 states:

“All County Agencies should balance collections to cash register (or receipt log) totals and prepare a deposit, using MPF Form 3A, Cash Balance Sheet, or a similar form developed for and produced by the specific Agency. (See Appendix 3 [MPF Form 3A] attached).”

The cashier's cash balance sheets (MPF Form 3A or similar form) were not signed as evidence of review.

When the cash balance sheet is not reviewed by an independent person, funds are at greater risk of being lost, stolen, or diverted for personal use.

Recommendation

We recommend that cash balance sheets be reviewed and signed off on by another employee designated by Agency Management.

Additional Information

Background

Cottonwood Regional Softball Complex is located on 72 acres at 4302 South 1300 East, Holladay, UT 84124. Along with the 4-plex Baseball/Softball fields, amenities include a large grass area with 5736 feet concrete walking/jogging path, 6 volleyball courts, 4 shuffleboard courts, a playground and a pavilion that seats 210. Salt Lake County offers a variety of adult softball programs: fastpitch and slowpitch, fall and spring leagues, and tournaments, as well as A, B, C, and D classifications. This is the largest softball program in the state with over 950 teams playing in more than 80 leagues throughout the valley.

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 July 18, 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.



**Parks & Recreation Division Response to
Summary of Findings & Recommendation**

For Cottonwood Softball Complex Audit Dated: July 18, 2013

No.	FINDING	RECOMMENDATION	RESPONSE / ACTION TAKEN
1.	Receipts were not consistently issued to patrons.	Recommend that cashiers give a receipt to all persons tendering payment in person.	Agree. Action: We have purchased a new cash register and will print receipt for all patrons. We will also post a sign that says "Please Ask for a Receipt."
2.	No retail inventory tracking process was in place.	Implement a retail inventory tracking procedure.	Agree. Action: For 2014 season we will have a retail inventory tracking system in place. We have already made the forms and are ready for the season to start.
3.	Cash balance sheets were not reviewed and signed by an independent party.	Recommend that cash balance sheets be reviewed and signed off by another employee designated by Agency Management.	Agree. Action: We implemented an independent party to sign off the cash balance sheets and started this process in July of 2013. We will continue to have the cash balance sheets reviewed and signed off by the independent party for 2014.

NAME AND TITLE OF PERSON RESPONDING: Eliza Schofield Facility Manager

DATE PREPARED: 10/16/13