

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



An Audit of the Key Controls of
Large Arts Groups Sales Tax

March 11, 2013

GREGORY P. HAWKINS

SALT LAKE COUNTY AUDITOR

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March 11, 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 Large Arts Groups Sales Tax

Dear Mayor McAdams:

We recently completed an analysis of the financial records of Large Arts Groups Sales Tax 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.

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 Large Arts Groups Sales Tax and the cooperation from Vicki Bourns, Lori Okino, and other assigned staff members for answering our questions, gathering the necessary documents and records, and allowing us access to Large Arts Groups Sales Tax during our audit. The staff was friendly, courteous, and very helpful. Please feel free to contact me with any questions.

Sincerely,

Gregory P. Hawkins
Salt Lake County Auditor

A handwritten signature in blue ink that reads "Larry Decker".

By Larry Decker CPA, CIA
Sr. Deputy Auditor

cc: Vicki Bourns, Director of ZAP Fund
Lori Okino, Fiscal Manager for Community Services

GREGORY P. HAWKINS
Salt Lake County Auditor

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Objectives

Pursuant to § 17-19a-204, we analyzed the financial records and internal controls of Large Arts Groups Sales Tax. 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

No findings resulted from our Key Controls Assessment audit of Zoo, Arts and Parks (ZAP) tax for Large Arts Groups (Tier I) funding. A mechanism is in place to evaluate groups receiving funding, and approval of this funding is made by the County Council. Disbursements to these groups are not made by the ZAP Director but by the Mayor's Office Accounting section through established purchasing procedures.

Background

As outlined in Statute, a certain percentage of Zoo, Arts and Parks tax revenues are designated for Tier I, or large arts groups funding. Twenty-three large arts groups are entitled to receive this funding each year. The County Council gives final approval to which 23 groups will receive this funding. The money is divided based on each group's qualifying expenditures to qualifying expenditures in the group as a whole.

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 February 19, 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.