

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



An Audit of the Key Controls of
West Jordan Public Health Center

March 25, 2013

GREGORY P. HAWKINS

SALT LAKE COUNTY AUDITOR

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March 25, 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 West Jordan Public Health Center

Dear Mayor McAdams:

We recently completed an analysis of the financial records of West Jordan Public Health 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 West Jordan Public Health Center and the cooperation from Iliana MacDonald, Family Health Bureau Manager, Carol Rushton, WIC Team Leader, Glenna Jensen, Payroll Coordinator, and other assigned staff members for answering our questions, gathering the necessary documents and records, and allowing us access to West Jordan Public Health 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 Todd Livingston
Deputy Auditor

cc: Gary Edwards, Health Department Director
Matt Ferguson, Fiscal Manager
Iliana MacDonald, FHB Manager
Carol Rushton, WIC Team Leader
Glenna Jensen, Payroll Coordinator



Objectives

Pursuant to § 17-19a-204, we analyzed the financial records and internal controls of West Jordan Public Health 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

The West Jordan Public Health Center has put into place key internal controls for managing WIC vouchers and payroll reporting. However, the risk discovered dealing with the failure to conduct a physical inventory of controlled assets has a higher likelihood of leading to loss of County property.

Findings, Recommendations, and Management Responses

Finding # 1 - An annual physical inventory of controlled assets was not conducted.

Risk Level: Moderate

Countywide Policy #1125 "Safeguarding Property/Assets," Section 2.2.11, under Property Manager's Duties, property managers are responsible to:

"At least annually, conduct physical inventory of fixed assets and controlled assets, to ensure complete accountability for all property owned by, or assigned to the organization."

An annual physical inventory of controlled assets was not conducted at the West Jordan Public Health Center.

Failure to conduct an annual physical inventory of controlled assets increases the risk of assets being lost, stolen, or diverted for personal use.

Recommendation

We recommend the West Jordan Public Health Center conduct an annual physical inventory of controlled assets.

Management Response

See Appendix A.

Additional Information

Background

The West Jordan Public Health Center is part of the Salt Lake Valley Health Department and is located at 1740 West 7800 South, in West Jordan. The West Jordan Public Health Center is a Women, Infant, and Childrens (WIC) clinic that provides qualifying pregnant women and new mothers with special checks to buy healthy food, nutrition education and counseling, and help in finding health care and other community resources.

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 04, 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.

03/14/13

County Auditor's
Todd Livingston
2001 S. State Street, N3300

RE: Response from West Jordan Audit Findings

- **Remediating action planned:**

An inventory was completed on 3/12/13 by Carol Rushton, WIC Supervisor and Jordan Wood, IT Specialist.

All assets were accounted for (see attached).

In addition, Ricardo Flores, Facilities Manager, held an inventory control meeting on 3/13/13 to review inventory procedures. During this meeting Ricardo discussed completion of yearly inventory and follow-up that will be done if a copy of control assets inventory is not received by the end of June in his office.

- **Actions that will take place include:**

E-mail will be sent on May 01, 2013 by Facilities Manager to remind all clinics to complete inventory and send appropriate forms to facilities for accountability. If inventory has not been received by June 30, 2013, a follow-up call will go out to specific individuals whose forms were not received.

- **Individuals responsible for changes:**

Ricardo Flores will send inventory e-mail reminder to all clinics.

Max Rowan, Facilities Office Specialist, will review forms for completion and notify any specific clinic if inventory is not received by 6/30/13.

Carol Rushton will complete physical inventory of control at assets at the West Jordan WIC Clinic.