

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



An Audit of the Key Controls of  
Zoological Sales Tax

March 05, 2013

**GREGORY P. HAWKINS**

SALT LAKE COUNTY AUDITOR

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March 05, 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 ZAP

Dear Mayor McAdams:

We recently completed an analysis of the financial records of ZAP 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 ZAP and the cooperation from Vicki Bourns, ZAP Program Manager, and other assigned staff members for answering our questions, gathering the necessary documents and records, and allowing us access to ZAP 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 black ink, appearing to read "B. Nelson", is written over the typed name of Brenda Nelson.

By Brenda Nelson MBA, CISA  
Sr. Deputy Auditor

cc: Erin Litvack, Community Services Director  
Lori Okino, Fiscal Administrator  
Vicki Bourns, ZAP Program Manager





## **Objectives**

Pursuant to § 17-19a-204, we analyzed the financial records and internal controls of Zoological 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**

The activities housed in budget organization 3593, Zoological Sales Tax, were not within the scope of a key control audit. No payroll, accounts receivable, assets, or imprest accounts were present. Expenditures consisted of a pass through of ZAP sales tax revenue to Zoological Organizations, Hogle Zoo and Tracy Aviary. Both entities have a contract with the County regarding use of ZAP funds that includes a provision allowing the County to perform a financial audit of their use of ZAP funds. Distributions of the sales tax revenue were made via EFT transfers that were administered by the Mayor's Office. Contract compliance and controls over EFT transfers were not reviewed. No findings have been issued.

## **Background**

The Zoo Arts and Parks (ZAP) program started in 1997, following voter approval of a new sales tax dedicated to the support of botanical, zoological, cultural, and recreational organizations.

Utah Code Annotated, Section 59-12-701 et. seq. states:

"... the Legislature intends to permit the counties of the state of Utah to enhance public financial support of Utah's publicly owned or operated recreational and zoological facilities, and botanical, cultural, and zoological organizations owned or operated by institutions or private nonprofit organizations, through the imposition of a county sales and use tax. (6) In a county of the first class, it is necessary and appropriate to allocate a tax imposed under this part in a manner that provides adequate predictable support to a fixed number of botanical and cultural organizations and that gives the county legislative body discretion to allocate the tax revenues to other botanical and cultural organizations."

By statute, Zoological Groups receive 12.125 percent of the sales tax revenue generated. Related revenues and expenditures are housed in budget 3593.

## **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 January 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.