

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



An Audit of the Key Controls of
Salt Lake County Adaptive Recreation

October 23, 2013

GREGORY P. HAWKINS

SALT LAKE COUNTY AUDITOR

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GREGORY P. HAWKINS
Salt Lake County Auditor

LONN LITCHFIELD, JD, LL.M.
Chief Deputy 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

October 23, 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 Salt Lake County Adaptive Recreation

Dear Mayor McAdams:

We recently completed an analysis of the financial records of Salt Lake County Adaptive Recreation 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 Salt Lake County Adaptive Recreation and the cooperation from Jeff Burley, Adaptive Program Manager, and other assigned staff members for answering our questions, gathering the necessary documents and records, and allowing us access to Salt Lake County Adaptive Recreation 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 Anita C. Kasal
Deputy Auditor

cc: Michele Nekota, Division Director
Paul Ross, Associate Division Director
Kristin Riker, Associate Division Director
Jeff Burley, Adaptive Program Manager



Objectives

Pursuant to § 17-19a-204, we analyzed the financial records and internal controls of Salt Lake County Adaptive Recreation (SLCAR). 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

SLCAR relies extensively on the Copperview Community Center for services including cash receipting, cash depositing, credit card depositing, and capital and controlled asset inventorying. Therefore, SLCAR has put into place key internal controls for managing public funds (a petty cash fund and three purchasing cards), 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. Deficiencies in certain internal controls over the petty cash fund have a higher likelihood of leading to a loss of County property.

Findings and Recommendations

Finding # 1 - The authorized \$1,000 petty cash fund was excessive.

Risk Level: Low

Countywide Policy #1203 "Petty Cash and Other Imprest Funds," Section 3.1.4 states:

"The requested imprest amount should be sufficient to provide adequate operating funds for 2 months."

SLCAR expended \$423.72 from their \$1,000 petty cash fund for the period January 15, 2013 through June 15, 2013.

Excessive petty cash funds are at a greater risk of misappropriation because timely reviews of disbursements by agency management are delayed. In addition, interest is lost on excess funds that could be deposited.

Recommendation

We recommend that SLCAR reduce the petty cash fund to provide adequate operating funds for 2 months.

Finding # 2 - An MPF Form 6, "Reimbursement Request and Control Listing," was not maintained on file.

Risk Level: Low

Countywide Policy #1203 "Petty Cash and Other Imprest Funds," Section 4.7.1 states:

"Custodians shall maintain on file MPF Form 6 'Reimbursement Request and Control Listing,' or a document with similar format...The Control Listing portion of MPF Form 6 shall identify, in voucher number order, the: Voucher number, Date of each disbursement, Vendor(s) name(s), Employee/Payee name, and Amount expended."

The SLCAR petty cash custodian did not maintain a copy of MPF Form 6 or a document with similar format for petty cash records.

When the custodian does not maintain an MPF Form 6 or a similar document on file then records are incomplete.

Recommendation

We recommend that SLCAR maintain a copy of the MPF Form 6 or similar document, on file.

Additional Information

Background

The SLCAR main office is located at 8446 South Harrison St. (340 W), in Midvale. Adaptive programs are held throughout the County at several recreation locations but not at all locations. Salt Lake County Parks and Recreation is a Paralympic Sport Club (PSC). PSCs offer community based programs developed to involve youth and adults with physical, visual and intellectual disabilities in sports and physical activity regardless of skill. Salt Lake County Parks and Recreation was formed and came into existence on May 11, 1946. Ten days later the organization dedicated its first park, today over 50 years later -- 104 parks, and over 20 recreation facilities are in operation.

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 June 15, 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 (Salt Lake County Adaptive Recreation) Audit Dated: 10/1/13

No.	FINDING	RECOMMENDATION	RESPONSE / ACTION TAKEN
1.	The authorized \$1,000 petty cash fund was excessive	We recommend that SLCAR reduce the petty cash fund to provide adequate operating funds for 2 months.	Salt Lake County Adaptive Recreation will reduce the petty cash amount at the end of the year and start with a new amount for the new budget year 2014. This amount is still not determined, but will be in line with the needs of the program.
2.	Custodians shall maintain on file MPF form 6	We recommend that SLCAR maintain a copy of the MPF Form 6 or similar document, on file.	Salt Lake County Adaptive Recreation will add copies of each receipt and voucher to current petty cash logs. Starting with current reimbursement log due at the end of October.
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NAME AND TITLE OF PERSON RESPONDING: Jeff Burley Adaptive Recreation Program Manager

DATE PREPARED: 10/16/13