

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



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

October 27, 2014

GREGORY P. HAWKINS

SALT LAKE COUNTY AUDITOR

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October 27, 2014

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 Carol Rushton, WIC Bureau Manager, 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 Leonardo Flores
Deputy Auditor

cc: Gary Edwards, Executive Director
Dorothy Adams, Director of Administrative Services
Audrey Stevenson, Director of Family Health Services
Iliana MacDonald, WIC Bureau Manager
Matt Ferguson, Fiscal Manager

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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 several key controls for managing public funds. Most risks identified were minor and not expected to result in material loss. Deficiencies in internal controls for controlled assets have a higher likelihood of being a liability to the County. A report of the last audit of the West Jordan Public Health Center was released to the public in March 2013.

Findings and Recommendations

Finding # 1 - A comprehensive controlled asset inventory had not been conducted within one year.

Risk Level: Low

Countywide Policy #1125, "Safeguarding Property/Assets," Section 2.2.11 states:

"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."

Documentation on file showed an annual physical inventory of controlled assets had not been performed within one year.

When accountability for assets is not fully established by conducting an annual inventory, assets are at a greater risk of being lost, stolen, or diverted for personal use.

Recommendation

We recommend that a comprehensive controlled asset inventory be conducted at least annually.

Additional Information

Background

The West Jordan Public Health Center is part of the Salt Lake County 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
- Accounts Receivable
- Accounts Payable
- Third Party Contracts

Our examination period covered up to twelve months ending August 31, 2014. 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. Retesting of prior audit findings was also performed, where applicable.

Management response to findings in this report, when received, will be attached as Appendix A.



Memorandum

To: Leonardo Flores, Salt Lake County Auditor's Office
CC: Gary Edwards, Audrey Stevenson, Iliana MacDonald, Ricardo Flores
From: Matt Ferguson, Fiscal Manager
Thru: Dorothy Adams, Associate Director
Date: 10/21/2014
Re: Key Control Audit of the West Jordan Public Health Center

Thank you for providing the finding of the West Jordan Clinic Key Control Audit. Below is our response to this audit:

The finding was, **“A comprehensive controlled asset inventory had not been conducted within one year.”** We concur with the recommendation to perform a controlled asset inventory annually. This step is outlined in our manual of procedures which everyone is required to read each year. The next audit of the West Jordan Clinic assets is scheduled for July 2015 and it will be coordinated by Carol Rushton.

In conclusion, please include this official response with the final audit report.