

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



An Audit of the Key Controls of  
**Centennial Pool**

August 06, 2014

**GREGORY P. HAWKINS**

SALT LAKE COUNTY AUDITOR

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August 06, 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 Centennial Pool

Dear Mayor McAdams:

We recently completed an analysis of the financial records of Centennial Pool 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 Centennial Pool and the cooperation from Tiffany King, Amber Milne, Marian King, and other assigned staff members for answering our questions, gathering the necessary documents and records, and allowing us access to Centennial Pool 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 Larry Decker CPA, CIA  
Sr. Deputy Auditor

cc: Martin Jensen, Director of Parks and Recreation  
Andrew Keddington, Associate Director  
Tiffany King, Facility Manager

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## Objectives

Pursuant to § 17-19a-204, we analyzed the financial records and internal controls of Centennial Pool. 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

In our audit of the Centennial Pool, we found bank deposits that did not match balance sheet totals of collections. Also, deposits were not timely in some cases. Finally, we could not locate several controlled assets in our sample. A report of the last audit of the Centennial Pool was released to the public in October 2013.

## Findings and Recommendations

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### ***Finding # 1 - Accountability for some controlled assets could not be established.***

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#### **Risk Level: Low**

Countywide Policy #1125, "Safeguarding Property/Assets," Section 2.2.3 states that property managers are required to:

"Maintain records as to current physical location of all fixed assets and controlled assets within the organization's operational and/or physical custody."

Of the 30 controlled assets we reviewed from the inventory list, 5 could not be located on-site at Centennial Pool. An additional two items, both of them computers, were found on-site but were not listed on the controlled asset list.

Management stated that recent personnel changes, both at the Centennial Pool and in Parks and Recreation administration, resulted in lack of controlled asset oversight. In addition, computers had been moved by Information Service (IS) personnel shortly before our audit, and the controlled assets list had not yet been updated for these changes.

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

#### ***Recommendation***

We recommend that Centennial Pool administration properly account for all controlled assets.

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***Finding # 2 - Deposits did not always balance.***

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**Risk Level: Low**

Countywide Policy #1062, "Management of Public Funds," Section 3.8.1.2 states:

"A 'master' balance sheet may be prepared to accumulate totals of individual cash balance sheets from each cash register. With any balancing procedure, the cash count total, including the breakdown by cash and check composition, should match the deposit slip total."

Six of the 30 bank deposits reviewed did not balance with the daily collections reported on the cash balance sheets. The greatest difference found was \$30 in a deposit from 2013. In this case, cashiers reported \$3,763 in cash on their balance sheets, but \$3,733 was deposited. No documented explanation was provided for the six instances where we found variances.

Management expressed surprise at these differences and felt they may have been due to sales mistakenly entered as credit card transactions instead of cash transactions, though deposit documentation did not support this suggested cause for differences we found.

When daily collection records and cash balance sheets are not reconciled with deposit documentation, cashier theft and/or errors cannot easily be discovered.

***Recommendation***

We recommend that the cash balance sheets showing the daily collections balance with the daily bank deposit.

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***Finding # 3 - Deposits were not always made in a timely manner.***

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**Risk Level: Low**

Countywide Policy #1062, Section 4.1.2 states:

"As required by § 51-4-2, Utah Code Annotated, all public funds shall be deposited daily whenever practicable, but no later than three days after receipt."

We found that 8 out of 30 deposits examined were deposited more than three days after receipt of collections.

Management stated that occasional small collection amounts may result in deposits not being prepared in a timely manner.

When funds are not deposited on a timely basis, they are more susceptible to loss or theft. In addition, interest is lost that would otherwise be accrued.

***Recommendation***

We recommend that funds be deposited on the same day, whenever practicable, but no later than three days after receipt.

## **Additional Information**

### **Background**

Centennial Outdoor Swimming Pool opened in 1999 and is located about 50 yards south of the Acord Ice Center at 5355 West 3100 South in West Valley City. The pool falls under the administrative direction of the Acord Ice Center. It features two pavilions, a large slide, play features, water geysers, and a concessions stand. The pool is opened between Memorial Day and Labor Day each year. Swimming lessons are offered and the pool is available for private rental.

### **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 July 09, 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.



## 2014 Summary of Audit of Key Control

### Findings and Recommendations

#### Centennial Pool: July 29, 2014

No.	FINDING	RECOMMENDATION	RESPONSE / ACTION TAKEN
1.	Accountability for some controlled assets could not be established.	We recommend that Centennial Pool administration properly account for all controlled assets.	We recently hired a new Building Operations Manager. He will confirm, update and surplus all items listed on the control asset inventory for both Acord and Centennial Pool. Action will take place immediately. (08/01/14).
2.	Deposits did not always balance.	We recommend the cash balance sheets showing the daily collections balance with the daily bank deposit.	In 2014, Centennial Pool received an upgraded version of Sequel decreasing the transaction entry errors. We reviewed the discrepancies noted on the cash balance sheet and created an additional check and balance when the cash is verified for the deposit. Cash Balance sheets will be confirmed when verified to balance with the deposit. Action will take place immediately. (07/29/14)
3.	Deposits were not always made in a timely manner.	We recommend that funds be deposited on the same day, whenever practicable, but no later than three days after receipt.	Acord Ice Center prepares the deposits on Monday, Wednesday, Friday's with the exception of holidays or unforeseen events such as power outages or computer issues. Action took place in March 2014.
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NAME AND TITLE OF PERSON RESPONDING: Tiffany King, Facility Manager

DATE PREPARED: July 30, 2014