

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



An Audit of
Salt Lake County Recorder's Office

December 31, 2014

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

December 31, 2014

Ben McAdams, Mayor
Salt Lake County
2001 S State St #N2100
Salt Lake City, UT 84114-4575

Re: An Audit of Salt Lake County Recorder's Office

Dear Mayor McAdams:

We recently completed an analysis of Salt Lake County Recorder's Office pursuant to 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. 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 Recorder's Office and the cooperation from Earl "Rocky" Hanson, Administrative and Fiscal Manager, Brenda Miller, Data Services Specialist, and other assigned staff members for answering our questions, gathering the necessary documents and records, and allowing us access to Salt Lake County Recorder's Office 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 Cherylann Johnson MBA, CIA, CFE
Sr. Deputy Auditor

cc: Gary Ott, Salt Lake County Recorder
Julie Dole, Chief Deputy Recorder
Earl "Rocky" Hanson, Administrative and Fiscal Manager



Objectives

Pursuant to § 17-19a-204, we analyzed the financial records and internal controls of Salt Lake County Recorder's Office. 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 Recorder's Office management has put into place some key controls for managing public funds and safeguarding confidential information. However, some risks and areas of non-compliance were identified. Most were minor and would not be expected to result in the material loss of County assets. We noted that additional controls should be implemented for the receipting and safekeeping of public money. A report of the last audit of the Recorder's Office was released to the public in December 2013.

Findings and Recommendations

Finding # 1 - The cash drawer can be opened without an electronic record of the transaction.

Risk Level: [Moderate](#)

Countywide Policy #1062, "Management of Public Funds," Section 2.4.1 states:

"Each Agency shall acquire and maintain the systems and equipment necessary for the accurate receipting, recording, accounting, and safekeeping of public money."

The Recorder's point-of-sale system allows cashiers to open the cash drawer without an electronic record of the transaction.

When a cash drawer can be opened without recording the transaction, accurate receipting, recording, accounting, or safekeeping of public money cannot be established.

Recommendation

We recommend that transactions conducted in the point-of-sale system result in an accurate receipting, recording, and accounting of public money.

Additional Information

Background

The government of the Territory of Utah created the office of the Salt Lake County Recorder in 1852. The Recorder's Office was created for the purpose of recording documents in "good and well bound books, suitable for the purpose." Today, the functions of the Salt Lake County Recorder continue to be fundamentally the same. However, these functions are kept by various electronic means. The Recorder's Office serves as the repository for all recorded documents and records for the citizens of Salt Lake County. Statutorily, the County Recorder is designated as the custodian of these recorded instruments and is responsible for maintaining them as part of the public record. All documents presented for recordation are made available to the public according to County, State, and Federal law.

Scope

Our work included a formal examination of financial records related to the following internal controls, to the degree applicable:

- Change Fund
- Cash Receipting
- Cash Depositing
- Capital and Controlled Assets and Software Inventory
- Accounts Receivable
- Accounts Payable
- Third Party Contracts

Our examination period covered up to twelve months ending June 30, 2014. In addition to reviewing financial records, we reviewed and examined current practices through observation 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.



February 24, 2015

The Honorable Scott Tingley
Salt Lake County Auditor
2001 South State #N3-300
Salt Lake City, Utah 84190-1100

Dear Auditor Tingley,

We have received and reviewed the finding and recommendation of the December 31, 2014 Audit of Salt Lake County Recorder's Office. We are submitting our response below.

Finding # 1 – The cash drawer can be opened without an electronic record of the transaction.

The CashPro financial software system we utilize did and does currently track each transaction. Each time a transaction is completed a receipt is generated noting the purpose and amount of the transaction, as well as providing a receipt number and the initials of the cashier who completed the transaction. I believe the audit exception addresses the fact that the drawer could be opened without a transaction in progress, at which point, no receipt or tracking did occur.

As soon as this audit finding was brought to our attention, we contacted Hyland who fully supports the CashPro financial system we use and will continue to do so until the Windows operating system requires an upgrade. Hyland immediately addressed this issue, amending the software to include a cash drawer opening tracker so that now every cash drawer opening is tracked digitally and an electronic record is available.

We appreciate the diligence of your audit team, as this allows us to address any potential financial risks we have in our office.

Sincerely,

A handwritten signature in black ink, appearing to read "Gary W. Ott", with a long horizontal flourish extending to the right.

Gary W. Ott
Salt Lake County Recorder

Gary W. Ott • Salt Lake County Recorder
Julie Dole • Chief Deputy Recorder

Salt Lake County Government Center • 2001 South State Street, Suite N1600 • Salt Lake City, Utah 84190-1150
Tel (385) 468-8146; TTY 711 • Fax (385) 468-8170 • gott@slco.org