
A Report to the
Citizens of Salt Lake County
The County Mayor and the
County Council

Follow-up Audit:
An Audit of Key Controls at
the Copperview Recreation
Center



OFFICE OF THE
SALT LAKE COUNTY
AUDITOR

SCOTT TINGLEY
COUNTY AUDITOR

April 2021

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An Audit of Key Controls at the
Copperview Recreation Center

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OFFICE OF THE SALT LAKE COUNTY AUDITOR
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OUR MISSION

To foster informed decision making, strengthen the internal control environment, and improve operational efficiency and effectiveness for Salt Lake County, through independent and objective audits, analysis, communication, and training.



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April 1, 2021

Martin Jensen, Division Director
Salt Lake County Parks and Recreation Division
2001 South State Street, Suite S4-700
Salt Lake City, UT 84114-4575

Re: Follow-up Audit: An Audit of Key Controls at the Copperview Recreation Center,
Report Number 2018-MLR12

Dear Martin,

We have completed our final follow-up work on the audit recommendations contained in Report Number 2018-MLR12, An Audit of Key Controls at the Copperview Recreation Center, issued May 2018.

Our follow-up audit work found that Copperview Recreation Center ("Copperview") has successfully implemented ten out of the twelve recommendations issued in the original audit report. We found that the two remaining recommendations regarding the management and collection of outstanding customer accounts receivable had not been implemented. Copperview is still not in full compliance with Countywide Policy 1220, Management of Accounts Receivable and Bad Debt Collection. Additional follow-up audit work may be required in the future to address the two recommendations that were not implemented as of the date of this report.

We truly appreciate the time and efforts of the employees at Copperview Recreation Center throughout the follow-up audit. Our work was made possible by their cooperation and prompt attention given to our requests. If you have any questions, please feel free to contact Shawna Ahlborn, Audit Services Division Administrator, at (385) 468-7179 or Brenda Nelson, Audit Manager, at (385) 468-7178.

Sincerely,

Scott Tingley, CIA, CGAP
Salt Lake County Auditor

Cc: Andrew Keddington, Associate Division Director – Fiscal Operations, Salt Lake County Parks and Recreation
Brent Laulusa, Fiscal Manager, Salt Lake County Parks and Recreation
Ashley Bowen, Copperview Recreation Center Manager

Follow-Up Audit Results

Finding 1.1	Copperview employees were not using the MPF Form 7 – Fund Transfer Ledger to document the transfer of the change funds to and from the safe.
Recommendation	We recommend that employees at Copperview count the change fund and sign and date the MPF Form 7, Fund Transfer Ledger, or similar log, each time the change fund is retrieved from or returned to the safe.
Status & Action Taken	Implemented. We found that Copperview had started using the Fund Transfer Ledger form to track when the change fund is retrieved from or returned to the safe.
Finding 2.1	Thirty percent of the daily deposits in our audit sample were not deposited within three days after receipt as required by countywide policy and Utah state law.
Recommendation A	We recommend that management at Copperview ensure that all cash receipts are deposited daily whenever possible, but no later than three days after receipt.
Status & Action Taken	Implemented. We tested a sample of daily deposits and found that all deposits within the sample were deposited at the bank within three business days after receipt.
Recommendation B	We recommend that management at Copperview train additional employees in how to prepare daily deposits, to facilitate more timely depositing of cash collections.
Status & Action Taken	Implemented. We found that Copperview management had implemented the following: <ul style="list-style-type: none"> • Developed and distributed a daily deposit “Transmittal How to Steps” training document to key staff members. • Required key staff to watch a “Transmittal Training Video,” which included instructions that cash collections should be deposited within three business days after receipt, whenever possible. • Tracking employee training through use of a training log.
Finding 3.1	Capital assets were not identified properly using asset identification tags, and Copperview’s controlled asset inventory list was not maintained and updated as required by Countywide Policy 1125, Safeguarding Property/Assets.
Recommendation A	We recommend that the Property Manager at Copperview create a separate file folder for the two pieces of artwork, and retain the capital

	asset identification tags, written descriptions of each piece, and possibly photographs in the folders to document the items as capital assets belonging to the County.
Status & Action Taken	Implemented. Copperview management had created a separate file folder containing asset descriptions, pictures, and ID tags for the two pieces of artwork.
Recommendation B	We recommend that the Property Manager at Copperview update the controlled asset list as soon as possible to include recently purchased items and the items that we identified in the audit as missing from the inventory list.
Status & Action Taken	Implemented. The Property Manager had updated the controlled asset inventory list, and the controlled assets that were missing from the list had been added and properly identified with controlled asset ID tags.
Recommendation C	We recommend that the Property Manager at Copperview ensure that the two controlled assets that were missing their asset ID tags are tagged and properly identified on the controlled asset list as soon as possible.
Status & Action Taken	Implemented. The Property Manager had updated the controlled asset inventory list, and the controlled assets that were missing from the list had been added and properly identified with controlled asset ID tags.

Finding 3.2	Management at Copperview could not provide evidence that they had conducted a recent annual controlled asset inventory as required by Countywide Policy 1125.
Recommendation	We recommend that the Property Manager at Copperview conduct a physical inventory of all capital (fixed) and controlled assets at least annually, and that management reviews and signs-off on the inventory to acknowledge that it was conducted accurately and document Copperview's compliance with countywide policy.
Status & Action Taken	Implemented. Management provided copies of a current controlled asset inventory form. We found that the form had been reviewed and signed by management, in compliance with countywide policy.

Finding 3.3	Management at Copperview was not using the <i>Controlled Assets Inventory Form – Employee</i> to establish individual accountability for controlled assets assigned to specific employees.
Recommendation	We recommend that the Property Manager at Copperview establish standard procedures for using the Controlled Assets Inventory Form - Employee for all assets assigned to specific employees at Copperview and ensure that the forms are reviewed and updated as needed.

Status & Action Taken	Implemented. The Property Manager had implemented the use of the <i>Controlled Assets Inventory Form – Employee</i> and that the forms were being used to establish individual accountability for controlled assets assigned to specific employees.
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Finding 5.1	The staff at Copperview were not verifying that the number of youth soccer jerseys received matched the total number of jerseys ordered, and therefore did not have an accurate count of jerseys that should be in inventory.
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Recommendation	We recommend that management at Copperview implement an inventory receiving process that verifies and documents the quantity and quality of merchandise received and procedures to ensure that inventory records are accurate and complete.
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Status & Action Taken	Implemented. We reviewed a sample of packing slips from merchandise deliveries to Copperview and noted that the packing slips were marked and signed, indicating that a count was performed. Management has implemented a count of inventory upon delivery.
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Finding 6.1	Outstanding balances on customer accounts receivable were not managed in accordance with Countywide Policy 1220, Management of Accounts Receivable and Bad Debt Collection. Seriously delinquent customer account balances (more than a year past due) totaled approximately \$33,000.
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Recommendation	We recommend that all outstanding customer account balances at Copperview, greater than one year past due, be researched and transferred to the District Attorney's Office for collection efforts and written off as bad debt, as per Countywide Policy 1220.
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Status & Action Taken	Implemented. We reviewed Copperview's outstanding customer accounts receivable balances and confirmed that seriously delinquent accounts (more than a year past due) had been turned over to the District Attorney's Office for collection efforts or written-off as bad debt according to Countywide Policy 1220.
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Finding 6.2	Management at Copperview did not maintain a current aging schedule of customer accounts receivable balances or track seriously delinquent customer accounts that were more than a year past due, as per Countywide Policy 1220, Management of Accounts Receivable and Bad Debt Collection.
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Recommendation	We recommend that management at Copperview prepare an aging schedule of all customer accounts receivable balances at least monthly and use that information to pursue collection efforts on all customer accounts more than 30 days past due, as outlined in Countywide Policy 1220.
Status & Action Taken	Not Implemented. Management at Copperview did not have a current aging schedule of all customer accounts receivable balances. The Office Coordinator stated that she checks outstanding customer accounts receivable balances monthly but was not tracking the exact age of outstanding accounts receivable balances.

Finding 6.3	Copperview was not performing a monthly reconciliation of customer accounts receivable balances, as required by Countywide Policy 1220.
Recommendation	We recommend that management at Copperview ensure that a monthly reconciliation of accounts receivable is performed, and that the reconciliation is documented and signed by the employee who performed the reconciliation.
Status & Action Taken	Not Implemented. Copperview management tracked and researched outstanding customer accounts receivable balances by program in their point-of-sale system by printing off system reports. However, the reports did not contain beginning and ending balances for each customer account, which made it impossible for management to perform a reconciliation of customer payments and charges on account each month, as required by Countywide Policy 1220.

Appendix A: Additional Information

Scope & Objectives	Generally accepted <i>Government Auditing Standards (GAO-18-568G)</i> , require that auditors perform follow-up audit work to determine if appropriate corrective action has been taken to address issues, findings, and deficiencies identified in prior audit engagements. The primary objective of this follow-up audit was to determine the status of management actions to address the findings reported in Report Number 2018-MLR12, <i>An Audit of Key Controls at Copperview Recreation Center</i> , issued May 2018.
Background	The original audit evaluated the effectiveness of Copperview Recreation Center’s key internal controls to ensure the accuracy and reliability of financial records and reports and compliance with County policies. We examined financial records and reports, transactions, and Copperview’s processes and procedures in the areas of revenue collections and deposits, customer accounts receivable, safeguarding of County assets, and merchandise inventory management. The original audit identified nine findings related to the audit objectives.

Appendix B: Audit Recommendation Implementation Status			
Implemented	In Process	Not Implemented	Closed
The agency has implemented the audit recommendation or has adequately addressed the original issue or finding in all respects as verified by the follow-up audit. No further follow-up is required.	The agency is in the process of implementing the audit recommendation. Additional follow-up may be required.	The agency has taken no action to implement the audit recommendation. Additional follow-up may be required.	Circumstances have changed surrounding the original finding or recommendation that make it no longer applicable, or the agency will only implement a portion of the recommendation as verified by the follow-up audit. No further follow-up is required.