

A REPORT  
TO THE CITIZENS OF SALT LAKE COUNTY  
PETER CORROON, MAYOR



An Audit of the Key Controls of  
**Hunter Library**

November 27, 2012

**GREGORY P. HAWKINS**  
SALT LAKE COUNTY AUDITOR

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November 27, 2012

Peter Corroon, Mayor  
Salt Lake County  
2001 South State Street N2100  
Salt Lake City, UT 84114-4575

Re: A Key Controls Audit of Hunter Library

Dear Mayor Corroon:

We recently completed an analysis of financial records of Hunter Library in compliance with Utah Code Ann. § 17-19a-204. Our purpose was to verify the accuracy and completeness of selected financial records and 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 the system of internal controls was adequate. In some cases, we reviewed a statistically significant random sample; there may be inaccurate or incomplete financial records that were not selected for review. There may be instances of noncompliance in areas not examined.

We appreciate the time spent by the staff at Hunter Library and the cooperation from Javaid Lal and Kathy Christiansen, Fiscal Management, for answering our questions, gathering the necessary documents and records, and allowing us access to the Library during our audit. The staff was friendly, courteous, and very helpful. We trust that the implementation of the recommendation 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 Roger K. Larsen  
Senior Deputy Auditor

Cc: Jim Cooper, Director  
Javaid Lal, Fiscal Manager  
Jan Elkins, Hunter Library Management

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Audit Report  
**Hunter Library**  
Key Controls Audit

## Objectives

Pursuant to § 17-19a-204, we analyzed the financial records and processes of Hunter Library. Our purpose was to verify the accuracy and completeness of selected financial records and to assess compliance with certain internal controls that have been identified as key to good financial management. We also sought to identify areas of material risk. Countywide Policies referenced included #1062, *Management of Public Funds* and #1125, *Safeguarding Property/Assets*.

## Conclusion

Hunter Library Management has implemented key internal controls for managing public funds, safeguarding public assets, and payroll reporting. Risks identified are minor and would not be expected to result in the material loss of County assets.

## Findings, Recommendations, and Management Responses

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***Finding #1: Signatures were missing on Daily Cash Balance Sheet Forms, Night Cash Counts, and Coin Box Reconciliations.***

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### Level: Moderate

Policy 1062 Section 3.8.1.1 states, "...the cash balance sheet should be signed by the cashier for each cash register or location where cash is accepted. If a cashier is not required to balance their individual cash drawer, an MPF Form 7A, Fund Transfer Receipt, or similar form shall be completed to document the transfer of funds to the employee performing the balancing procedure."

There are no signatures on the Daily Cash Balance Sheet Form, Cash Drawer Count Forms, or Coin Box Form indicating who counted and verified funds. The consolidated Daily Cash Collection Form is signed by the employee creating the deposit, who may or may not be the same employee originally counting the individual funds.

Transfer forms have been created to protect each employee that has access to and handles cash. These forms create accountability for cash as it is transferred from station to station. Without certifying funds, accountability is lost between the stations.

### Recommendation

We recommend that two employees count the individual cash drawers and coin boxes, and certify through signature to the total cash and collections counted. In addition, we recommend

that this certification be kept with the Daily Cash Collection Form used for cash and collection deposits.

***Management Response***

We concur with the findings.

Action Taken: Hunter Library management has implemented the recommendation which requires two employees to count and verify the daily cash receipts. The cash count form is kept with the Daily Cash Collection Form.

## **Additional Information**

### **Background**

Hunter Library is one of eighteen libraries managed by Salt Lake County. It is one of the most used libraries in the County. The Fiscal Manager maintains numerous reports of patron usage, daily receipts, production by square footage and by employee, and other important indicators. The varied programs for youth, teen, young adult, and adult patrons provided at Hunter Library add value to the community as a whole.

### **Scope**

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

- Change funds
- Cash Receipting
- Cash Depositing
- Credit / Debit Card
- Capital and Controlled Assets and Software Inventory
- Financial Computer Controls
- Payroll Practices

Our examination period covered thirteen months ending September 30, 2012. In addition, current practices were reviewed and examined through observation. Statistical sampling of controlled assets and daily cash deposits were performed to indicate level of compliance with Countywide policy and best business and internal control practices.