

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



An Audit of the Key Controls of
Taylorsville Senior Center

December 04, 2013

GREGORY P. HAWKINS

SALT LAKE COUNTY AUDITOR

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December 04, 2013

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 Taylorsville Senior Center

Dear Mayor McAdams:

We recently completed an analysis of the financial records of Taylorsville Senior 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 Taylorsville Senior Center and the cooperation from Stuart Lawson, Center Supervisor, and other assigned staff members for answering our questions, gathering the necessary documents and records, and allowing us access to Taylorsville Senior 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 Scott Ball
Deputy Auditor

cc: Sarah Brenna, Division Director
Jessica Montgomery, Fiscal Manager,
Stuart Lawsom, Center Supervisor



Objectives

Pursuant to § 17-19a-204, we analyzed the financial records and internal controls of Taylorsville Senior 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

Taylorsville Senior Center has put into place several key internal controls for managing public funds, safeguarding public assets, and payroll reporting. Most risks identified were minor and would not be expected to result in the material loss of County assets. Deficiencies in tracking controlled assets and an unauthorized petty cash fund have a higher likelihood of leading to loss of County property.

Findings and Recommendations

Finding # 1 - An unauthorized petty cash fund was found at Taylorsville Senior Center.

Risk Level: Moderate

Countywide Policy #1203, "Petty Cash and Other Imprest Funds," Section 8.1 states:

“When Agency Management designates a new Custodian, all funds under the control of the current Custodian shall be transferred to the new Custodian. Items transferred include all cash, checks, and petty cash vouchers with supporting documentation. The transfer is accomplished by completing and signing MPF Form 7A, "Transfer of Funds Receipt." Agency Management or the Fiscal Manager should conduct the transfer with both the outgoing and newly designated Custodians present, if possible.”

Taylorsville Senior Center was in possession of a \$100 petty cash fund that was not on the County imprest account list.

The manager stated that the petty cash fund was at the Center when he moved into the position and is not used.

When a petty cash fund is not properly established, funds are subject to theft or being diverted to personal use.

Recommendation

We recommended that the Petty Cash Fund be closed in accordance with Countywide Policy #1203, "Petty Cash and Other Imprest Funds," Section 9.0, “Closing a Petty Cash or Imprest Fund.”

Finding # 2 - The Controlled Assets Inventory Form-Employee was not being used.

Risk Level: Low

Countywide Policy #1125, "Safeguarding Property and Assets," Section 4.3 states:

"The Property Manager shall maintain records to manage controlled assets using the following forms (or forms that contain substantially the same information) and procedures... 'Controlled Assets Inventory Form-Employee' is used for those assets that due to their nature, are used by and therefore readily assignable to an individual."

Within Taylorsville Senior Center, some assets, such as computers and printers, were assigned to specific employees. The controlled asset list provided during our fieldwork did not indicate which employee the assets were assigned to. In addition, the "Controlled Assets Inventory Form-Employee" was not in use.

The Manager stated that he was not aware of the policy requirement.

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

Recommendation

We recommend that assets readily assignable to one employee be included on the "Controlled Assets Inventory Form-Employee" and that the employee sign a new form each year.

Additional Information

Background

The Taylorsville Senior Center is a part of the Salt Lake County Aging Services Division and is located at 4743 Plymouth View Dr., in Salt Lake City. The Taylorsville Senior Center provides seniors with social and learning opportunities, including: meals, classes, computer access, and activities.

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

Our examination period covered up to twelve months ending May 31, 2013. 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.

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



October 8, 2013

Scott Ball
Salt Lake County Auditor
2001 South State Street, N3300
PO Box 144575
Salt Lake City, Utah 84114-4575

Re: Audit of Taylorsville Senior Center

Dear Scott,

This letter outlines how the Active Aging program will respond, train, and correct the deficiencies found in your letter dated September 12, 2013.

Finding #1 – An unauthorized petty cash fund was found at Taylorsville Senior Center.

- A. The unauthorized petty cash fund is no longer at Taylorsville Senior Center; the fund has been turned into the Senior Accountant for deposit.

Finding #2 – The Controlled Assets Inventory Form – Employee was not being used.

- A. The Program Manager has met with the Senior Center Manager; employee specific inventory has been completed for all County employees at the Taylorsville Senior Center.

Thank you for your assistance and support. Please feel free to contact us with any questions or concerns.

Sincerely,

A handwritten signature in black ink, appearing to read 'Sarah Brenna', written in a cursive style.

Sarah Brenna
Director

cc: Jessica Montgomery, Fiscal Manager
Dwight Rasmussen, Aging Services Associate Director
Traci Lee, Active Aging Program Manager
Stuart Lawson, Taylorsville Senior Center Manager

Ben McAdams
Salt Lake County Mayor

Lori Bays
Human Services
Department Director

AGING SERVICES

Sarah Brenna
Aging Services Division Director

Information & Referral
385-468-3200

*"Helping you
navigate the transitions
of aging"*