

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



An Audit of the Key Controls of
ZAP

March 05, 2013

GREGORY P. HAWKINS

SALT LAKE COUNTY AUDITOR

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March 05, 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 ZAP

Dear Mayor McAdams:

We recently completed an analysis of the financial records of ZAP 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.

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 ZAP and the cooperation from Vicki Bourns, ZAP Program Manager, and other assigned staff members for answering our questions, gathering the necessary documents and records, and allowing us access to ZAP during our audit. The staff was friendly, courteous, and very helpful. Please feel free to contact me with any questions.

Sincerely,

Gregory P. Hawkins
Salt Lake County Auditor

A handwritten signature in black ink, appearing to read "B. Nelson", is written over the typed name of Brenda Nelson.

By Brenda Nelson MBA, CISA
Sr. Deputy Auditor

cc: Erin Litvack, Community Services Director
Lori Okino, Fiscal Administrator
Vicki Bourns, ZAP Program Manager



Objectives

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

ZAP administration has put into place key internal controls for managing public funds, safeguarding public assets, and payroll reporting. Most aspects of a typical key control audit were not within the scope for ZAP administration. For example, there were no funds received in the mail or over the counter and there was no petty cash fund on hand. Finally, purchasing cards and key financial computer controls were reviewed during the recent audit of ZAP Tier 1, budget organization 3591. We have no material findings to report.

Background

The Zoo Arts and Parks (ZAP) program started in 1997, following voter approval of a new sales tax dedicated to the support of botanical, zoological, cultural, and recreational organizations.

Utah Code Annotated, Section 59-12-701 et. seq. states:

"... the Legislature intends to permit the counties of the state of Utah to enhance public financial support of Utah's publicly owned or operated recreational and zoological facilities, and botanical, cultural, and zoological organizations owned or operated by institutions or private nonprofit organizations, through the imposition of a county sales and use tax. (6) In a county of the first class, it is necessary and appropriate to allocate a tax imposed under this part in a manner that provides adequate predictable support to a fixed number of botanical and cultural organizations and that gives the county legislative body discretion to allocate the tax revenues to other botanical and cultural organizations."

The ZAP tax is equal to 1/10th of 1 percent of a county sales and use tax. Organization 3594 houses expenditures related to administration of ZAP funds. A small staff of one full time and two part time employees oversee the recipient application and grant compliance process. They also handle public relations and communication for the ZAP program.

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 January 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.