

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



An Audit of the Key Controls of  
Kearns Senior Center

August 30, 2013

**GREGORY P. HAWKINS**

SALT LAKE COUNTY AUDITOR

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August 30, 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 Kearns Senior Center

Dear Mayor McAdams:

We recently completed an analysis of the financial records of Kearns 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 Kearns Senior Center and the cooperation from Joshua DeCola and other assigned staff members for answering our questions, gathering the necessary documents and records, and allowing us access to Kearns 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: Sara Brenna, Division Director  
Jessica Montgomery, Fiscal Manager  
Joshua DeCola, Center Supervisor

GREGORY P. HAWKINS  
Salt Lake County Auditor

LONN LITCHFIELD, JD, LL.M.  
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## Objectives

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

Kearns Senior Center has put into place 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 the tracking and recording of controlled assets have a higher likelihood of leading to loss of County property.

## Findings and Recommendations

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***Finding # 1 - The "Controlled Assets Inventory Form-Employee" was not being used.***

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### **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. 4.3.1 Exhibit 3 - '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 Kearns 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 Center 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 of 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 each employee sign a new form each year.

## **Additional Information**

### **Background**

The Kearns Senior Center is a part of the Salt Lake County Aging Services Division and is located at 4851 West 4715 South, in the city of Kearns. The Kearns 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.



August 15, 2013

**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"*

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

Re: Audit of Kearns Senior Center

Dear Scott,

This letter outlines how the Active Aging program will respond, train, and correct the deficiencies found in your letter dated July 29, 2013.

***Finding #1 – The Controlled Assets Inventory Form – Employee was not being used.***

- A. The Senior Center Manager will complete a Controlled Asset Inventory Form – Employee for all employees by August 23, 2013. The Program Manager will ensure that this form is complete.

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

Sincerely,

A handwritten signature in cursive script, appearing to read 'Sarah Brenna'.

Sarah Brenna  
Director

cc: Jessica Montgomery, Fiscal Manager  
Kristy Cottrell, Aging Services Associate Director  
Traci Lee, Active Aging Program Manager  
Joshua DeCola, Kearns Senior Center Manager  
Emma Houston, Active Aging Assistant Program Manager