

A REPORT
TO THE CITIZENS OF SALT LAKE COUNTY

BEN McADAMS, MAYOR



An Audit of the Key Controls of
Columbus Senior Center

July 29, 2014

GREGORY P. HAWKINS

SALT LAKE COUNTY AUDITOR

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July 29, 2014

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 Columbus Senior Center

Dear Mayor McAdams:

We recently completed an analysis of the financial records of Columbus 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 Columbus Senior Center and the cooperation from Penny White and other assigned staff members for answering our questions, gathering the necessary documents and records, and allowing us access to Columbus 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 Roger Larsen
Sr. Deputy Auditor

cc: Becky Kapp, Division Director
Jessica Montgomery, Administrative and Fiscal Manager
Penny White, Columbus Senior Center Manager

GREGORY P. HAWKINS
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Objectives

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

The Columbus Senior Center has put into place several key controls for managing public funds. Minor risks identified were discussed with management and were not expected to result in material loss. Deficiencies in controlled asset records have a higher likelihood of loss. A report of the last audit of Columbus Senior Center was released to the public in July 2013. There were no repeat findings.

Findings and Recommendations

Finding # 1 - Accountability for some controlled assets was not properly established.

Risk Level: Low

Countywide Policy #1125, "Safeguarding Property/Assets," Section 2.2.3 states that property managers are required to:

"Maintain records as to current physical location of all fixed assets and controlled assets within the organization's operational and/or physical custody."

Out of the 42 controlled assets that we reviewed, 3 had been removed from the controlled asset inventory list because of obsolescence. However, all were being occasionally used as a training resource.

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

Recommendation

We recommend that Columbus Senior Center ensure that all controlled assets within the organization's physical custody are included on the proper lists.

Additional Information

Background

The Columbus Senior Center is a part of the Salt Lake County Aging and Adult Services Division and is located at 2531 South and 400 East, in Salt Lake City. The Columbus 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
- Accounts Receivable
- Accounts Payable
- Third Party Contracts

Our examination period covered up to twelve months ending March 31, 2014. 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. Retesting of prior audit findings was also performed, where applicable.

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



July 11th, 2014

Roger Larsen
Salt Lake County Senior Deputy Auditor
2001 South State Street, N3300
PO Box 144575
Salt Lake City, Utah 84114-4575

Re: Audit of Columbus Senior Center

Dear Roger,

Thank you for meeting with Penny White, Columbus Senior Center Manager, to complete the Columbus Senior Center audit. I appreciate the feedback and assessment of our services. This letter outlines how the Active Aging Program will respond, train and correct the deficiencies found. Based on your letter dated July 1, 2014, the auditor's office identified one finding that needs action; listed below is our response:

Finding #1 – Accountability for some controlled assets was not properly established.

- A. The Assistant Program Manager will meet with the Senior Center Manager and ensure that all items are properly listed on the Controlled Asset Inventory by July 31, 2014. Any items not being utilized by the senior center will be sent to surplus with a PM-2 Form completed.

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

Sincerely,

A handwritten signature in blue ink that reads 'Becky Kapp'.

Becky Kapp
Aging and Adult Services Director

cc: Jessica Montgomery, Fiscal Manager
Kele Griffone, Associate Director
Traci Lee, Active Aging Program Manager
Penny White, Columbus Senior Center Manager
Emma Houston, Active Aging Assistant Program Manager

Ben McAdams
Salt Lake County Mayor

Lori Bays
Human Services
Department Director

**AGING and ADULT
SERVICES**

Becky Kapp
Division Director
Aging and Adult Services

Information & Referral
385-468-3200

*"Promoting independence
through advocacy, engagement
and access to resources"*