
A Report to the
Citizens of Salt Lake County
The County Mayor and the
County Council

Follow-up Audit:
An Audit of Key Controls at
Salt Lake County's
Clark Planetarium



OFFICE OF THE
SALT LAKE COUNTY
AUDITOR

SCOTT TINGLEY
COUNTY AUDITOR

November 2019

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Salt Lake County's Clark Planetarium

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OFFICE OF THE SALT LAKE COUNTY AUDITOR
AUDIT SERVICES DIVISION

OUR MISSION

To foster informed decision making, strengthen the internal control environment, and improve operational efficiency and effectiveness for Salt Lake County, through independent and objective audits, analysis, communication, and training.



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November 13, 2019

Lindsie Smith, Director
Clark Planetarium
110 South 400 West
Salt Lake City, UT 84101

Re: **Follow-up Audit: An Audit of Key Controls at Salt Lake County's Clark Planetarium, Report Number 2018-MLR15**

Dear Lindsie,

We have completed final follow-up work on the audit recommendations contained in Report Number 2018-MLR15, *An Audit of Key Controls at Salt Lake County's Clark Planetarium*, issued June 2018.

Our follow-up audit work found that Clark Planetarium has successfully implemented five (5) out of the nine (9) recommendations issued in the original audit report. Clark Planetarium is in the process of implementing two of the recommendations and management has not implemented the two remaining recommendations. Future audit work may include a review of the risks and issues that were not addressed by management as of the date of this final follow-up report.

We truly appreciate the time and efforts of the employees at Clark Planetarium throughout the follow-up audit. Our work was made possible by their cooperation and prompt attention given to our requests. If you have any questions, please feel free to contact Shawna Ahlborn, Division Administrator, at (385) 468-7179 or Colleen Hilton, Audit Manager, at (385) 468-7231.

Sincerely,


Scott Tingley, CIA, CGAP
Salt Lake County Auditor

Cc: Holly Yocom, Department Director, Department of Community Services
Lori Okino, Fiscal Administrator, Department of Community Services
Anna Marie Tueller, Administrative and Fiscal Manager, Clark Planetarium

Follow-up Audit Results

Finding 2.1: Funds were not always deposited in the bank within three days of receipt.

Recommendation	Action Taken	Status
We recommend that Clark Planetarium management discuss the three-day bank deposit rule with their armored car service to determine if delays can be eliminated.	Clark Planetarium's daily deposits are prepared the next business day following the prior day's transactions. They have contracted with Loomis Armored Car Service to collect their deposits four times per week, which should ensure that deposits are made within three business days of receipt.	Implemented

Finding 3.1: An iPad Pro that we found on-site at Clark Planetarium was not included on the controlled assets inventory list.

Recommendations	Action Taken	Status
A. We recommend that Clark Planetarium management add the iPad Pro to the controlled assets inventory list as soon as possible.	We found that Clark Planetarium had updated their controlled asset inventory list, and that the iPad Pro had been added to the list as recommended.	Implemented
B. We recommend that Clark Planetarium management review the controlled assets inventory list, at least annually, to verify that all purchases of controlled assets are recorded on the list in a timely manner.	We found that after the original audit, Clark Planetarium had updated their controlled asset tracking list on August 2, 2019. We noted that they had added 133 controlled assets to the tracking list. Going forward, management should implement a process to ensure that controlled asset items are added to the tracking list as they are purchased.	Implemented

Finding 3.2: Four items listed on the control assets inventory list could not be found on-site.

Recommendation	Action Taken	Status
<p>We recommend that Clark Planetarium’s management develop a controlled asset tracking system that will eliminate confusion as to the asset location and possible theft.</p>	<p>We found that Clark Planetarium had updated their controlled asset tracking list on August 2, 2019. The updated list included asset descriptions and serial numbers. However, we noted that it did not accurately list the location of controlled assets, which made them difficult to locate and positively identify. In our sample of 30 controlled assets we selected for our follow-up audit, we could not locate three of the items listed. We recommend that Clark Planetarium continue their efforts to improve their controlled asset tracking list by including accurate asset locations on the list.</p>	<p>Not Implemented</p>

Finding 3.3: The Property Manager did not complete an annual controlled assets inventory using correct methodology.

Recommendation	Action Taken	Status
<p>We recommend that Clark’s Property Manager conduct an annual controlled assets inventory using the total list of assets for the organization as the reference point and not consider the signed “Controlled Asset Inventory Form[s] – Employee” as a valid organization-wide inventory.</p>	<p>We found that Clark Planetarium had updated their controlled asset inventory tracking list on August 2, 2019. However, management was still relying on employees self-reporting the controlled assets in their custody, and that a complete physical inventory of fixed and controlled assets had not yet been conducted to comply with Countywide Policy 1125. We recommend that management conduct a complete physical inventory of all property owned by, or assigned to the organization, at least annually.</p>	<p>Not Implemented</p>

Finding 4.1: Sales tax was paid on some purchasing card purchases.

Recommendation	Action Taken	Status
We recommend that p-cardholders present the Sales Tax Exemption Form to vendors to ensure that sales tax is not paid and obtain sales tax refunds from the vendor if they forget to follow this process and pay sales tax.	During our follow-up audit, we identified three purchases where the cardholders had paid sales tax on purchases. However, Clark Planetarium management provided evidence that efforts were being made to obtain refunds or reversals for the sales tax that was paid on these purchases.	Implemented

Finding 4.2: Items purchased using County-issued purchasing cards were not added to the controlled assets inventory list, even though they met the definition of a controlled asset.

Recommendations	Action Taken	Status
A. We recommend that Clark Planetarium management review items at risk to conversion to personal use costing \$100 or greater and record them on the controlled assets list.	During our follow-up audit, we selected a sample of items from Clark Planetarium's updated controlled asset tracking list and traced them back to purchasing card bank records. We confirmed that four out of five of those items were successfully added to the controlled asset tracking list. We recommend that management continue their efforts to improve accountability for controlled assets purchased by employees using purchasing cards.	In Process
B. We recommend that Clark Planetarium management implement proper receiving controls to ensure that all controlled assets are properly recorded on the controlled assets inventory list.	See comments for Recommendation 3.1.B. above.	Implemented

Finding 5.1: Some gift shop merchandise inventory items could not be accounted for, including three expensive telescopes, valued at over \$600 each.

Recommendation	Action Taken	Status
We recommend that Clark Planetarium management review and address issues between the inventory management system and the point-of-sale system to ensure sales of merchandise inventory are accurately recorded.	We found that the Store Manager had implemented a policy of conducting periodic merchandise inventory counts with emphasis on high dollar value/high risk items such as telescopes and electronics. During our follow-up audit, we noted that there were still some discrepancies between physical counts and the POS system with some lower dollar value items such as stuffed animals and assorted rocks and minerals.	In Process

Appendix A: Additional Information

Scope & Objectives	Generally accepted <i>Government Auditing Standards (GAO-18-568G)</i> , require that auditors perform follow-up audit work to determine if appropriate corrective action has been taken to address issues, findings, and deficiencies identified in prior audit engagements. The primary objective of this follow-up audit was to determine the status of management actions to address the findings reported in Report Number 2018-MLR15, <i>An Audit of Key Controls at Salt Lake County’s Clark Planetarium</i> , issued June 2018.
Background	The original audit evaluated the effectiveness of the Clark Planetarium key controls. We examined assets, records, and transactions in the areas of change funds, petty cash and other imprest accounts, cash handling and daily deposits, capital and controlled assets, purchasing card use, and merchandise inventory. The original audit identified seven findings related to the audit objectives.

Appendix B: Follow-up Audit Implementation Status			
Implemented	In Process	Not Implemented	Closed
The agency has implemented our recommendation or has adequately addressed the original issue or finding in all respects as verified by the follow-up audit. No further follow-up is required.	The agency is in the process of implementing our recommendation. Additional follow-up may be required.	The agency has taken no action to implement our recommendation. Additional follow-up may be required.	Circumstances have changed surrounding our original finding or recommendation that make it no longer applicable, or the agency will only implement a portion of our recommendation as verified by the follow-up audit. No further follow-up is required.