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

Follow-up Audit:  
Salt Lake County Parks  
and Recreation Division's  
Point of Sale System



OFFICE OF THE  
SALT LAKE COUNTY  
AUDITOR

SCOTT TINGLEY  
COUNTY AUDITOR

April 2019  
Report Number 2019-RF-01

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# Follow-up Audit: Salt Lake County Parks and Recreation Division's Point of Sale System

April 2019  
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OFFICE OF THE SALT LAKE COUNTY AUDITOR  
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#### 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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April 12, 2019

Martin Jensen, Director  
Parks and Recreation Division  
Salt Lake County Government Center  
2001 S State Street, Suite S4-700  
Salt Lake City, UT 84114-4575

Re: **Follow-up Audit: Salt Lake County Parks and Recreation Division's Point of Sale System, Report Number 2019-RF-01**

Dear Martin,

We have completed follow-up work on the audit recommendations contained in Report Number 2015-03, *An Audit of the Salt Lake County Parks and Recreation Division's Point of Sale System*, issued August 2015.

Our follow-up audit work found that Parks and Recreation has implemented eight (8) out of the 13 recommendations issued in the original audit report and is in the process of implementing one (1) recommendation. Additional follow-up audit work may be required in the future to address the remaining recommendations that have not been implemented or closed as of the date of this report.

We truly appreciate the time and efforts of the employees of Parks and Recreation 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 me at (385) 468-7185, or Shawna Ahlborn, Audit Manager, at (385) 468-7179.

Sincerely,

Scott Tingley, CIA, CGAP  
Salt Lake County Auditor

Cc: Holly Yocom, Director, Department of Community Services  
Robin Chalhoub, Associate Director, Department of Community Services  
Lori Okino, Fiscal Administrator, Department of Community Services  
Andrew Keddington, Associate Director – Fiscal Operations, Parks and Recreation Division  
Darian Abegglen, Associate Director – Recreation, Parks and Recreation Division  
Mark Evans, Director of Information Systems Security, Information Services Division

## Follow-up Audit Results

### **Finding 1: The System Administrator account user ID and password were shared between recreation centers throughout the County.**

	<b>Recommendation</b>	<b>Action Taken</b>	<b>Status</b>
1.1	<b>Parks and Recreation should assign a unique login and password to each point-of-sale system user.</b>	Parks and Recreation has implemented unique user IDs for each of their employees and no longer utilizes universal accounts that are shared between individuals or locations.	<b>Implemented</b>
1.2	<b>Parks and Recreation should, to the extent possible within the current point-of-sale system, centralize all system administrator functions for better system security.</b>	Parks and Recreation has implemented centralized security administration for the POS environment. Parks and Recreation administration perform the user administration and an IS employee oversees the system administration.	<b>Implemented</b>

### **Finding 2: Parks and Recreation did not have written standards or policies for employee role-based user account management in the POS system.**

	<b>Recommendation</b>	<b>Action Taken</b>	<b>Status</b>
2.1	<b>Parks and Recreation should implement an employee role-based user access control system for recreation center employees in the point-of-sale system.</b>	Parks and Recreation established an employee role-based user control system based on job title and job function/responsibilities.	<b>Implemented</b>
2.2	<b>The user access control system should include user profiles based on job titles and essential job functions that would limit employee access to only those specific user settings required for each user role, or essential job functions, within the system.</b>	Parks and Recreation established an employee role-based user control system based on job title and job function/responsibilities.	<b>Implemented</b>

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**Finding 3: Employee user accounts were not always assigned with the least amount of system privileges for each employee's essential job duties or functions.**

	<b>Recommendation</b>	<b>Action Taken</b>	<b>Status</b>
3.1	<b>The user access control system should be based on the <i>principle of least privilege</i> and limit employee access to only those specific user settings required for each user role or only the employee's essential job functions, within the system.</b>	Parks and Recreation has developed Sportsman Security Access based on job role/function for access to the control system. However, it is noted that there are limitations within Sportsman as to the granularity available for security settings for the various roles.	<b>Implemented</b>

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**Finding 4: Inactive POS system user accounts were not periodically identified and removed from the system.**

	<b>Recommendation</b>	<b>Action Taken</b>	<b>Status</b>
4.1	<b>Parks and Recreation should deactivate and remove user accounts of terminated employees immediately, and periodically review all POS system user accounts to ensure that only current employees have active user accounts.</b>	Progress has been made. Parks and Recreation administration has been performing their own ongoing clean-up audits to identify and remove terminated or transferred employees that are still listed as active users in the point-of-sale system. In June 2018, Parks and Recreation administration performed a clean-up audit. Their results from the clean-up audit were compared to the list of 76 unnecessary active users identified by Audit Services. Three of the 76 active users were still active and not properly inactivated in the point-of-sale system.	<b>In Process</b>

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**Finding 5: Parks and Recreation did not have written standards or policies regarding reviewing and monitoring recreation center POS system administration functions.**

	<b>Recommendation</b>	<b>Action Taken</b>	<b>Status</b>
5.1	<b>Parks and Recreation should establish written standards and policies for POS system database administration, including implementing standards for granting user access rights and maintaining POS system database information.</b>	No action taken.	<b>Not Implemented</b>

**Finding 6: Inadequate segregation of duties between employees who performed cashiering functions and prepared daily deposits created the opportunity for fraud and misuse of public funds.**

	<b>Recommendation</b>	<b>Action Taken</b>	<b>Status</b>
6.1	<b>Parks and Recreation should clearly define a strong system of segregation of duties between recreation center employees who perform the duties of a cashier and those employees who review and prepare the daily deposits.</b>	Parks and Recreation defined proper segregation of duties within the POS permissions chart for Cashiers and Bookkeepers.	<b>Implemented</b>
6.2	<b>Parks and Recreation should implement a system of employee role-based user access controls that ensures proper segregation of duties between those employees who perform cashiering functions, and those that review and prepare the daily deposits.</b>	Parks and Recreation defined proper segregation of duties within the POS permissions chart for Cashiers and Bookkeepers. The permissions are employee role based.	<b>Implemented</b>

**Finding 7: Internal control weaknesses within the POS system with regard to adjusting transactions created an opportunity for fraud and misuse of public funds.**

	<b>Recommendation</b>	<b>Action Taken</b>	<b>Status</b>
7.1	<b>Parks and Recreation should update its cash handling policies and procedures to reflect the current state of the POS system currently in use, and clearly define policies and procedures for employees to follow regarding adjusting transactions.</b>	No action taken.	<b>Not Implemented</b>

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**Finding 8: Revenue recorded in the POS system did not reconcile to amounts reported in the County's financial system or bank statements.**

	<b>Recommendation</b>	<b>Action Taken</b>	<b>Status</b>
8.1	<b>Parks and Recreation should implement policies and procedures to ensure that all EFT revenue is accurately recorded in the POS system at each recreation center.</b>	No action taken.	<b>Not Implemented</b>

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**Finding 9: The manual revenue reporting process was inefficient and a duplication of Parks and Recreation staff effort.**

	<b>Recommendation</b>	<b>Action Taken</b>	<b>Status</b>
9.1	<b>Parks and Recreation should automate the monthly revenue reporting process by generating revenue reports directly from the POS system.</b>	No action taken.	<b>Not Implemented</b>

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**Finding 10: The monthly bank deposit reconciliation process for each recreation center was done manually, which created a greater risk for accounting errors.**

	<b>Recommendation</b>	<b>Action Taken</b>	<b>Status</b>
10.1	<b>Parks and Recreation should discontinue the manual monthly bank reconciliation process and implement a more efficient system using basic financial management software.</b>	The reconciliation process that Parks and recreation administration performs has improved. In 2015, the reconciliation required 2 to 3 weeks with an assistant to complete. Now the process takes 2 to 4 days with no need for the additional assistant. The process is as follows; the Sportsman transmittal is received and imported into the Excel cash report to be reconciled with the bank statement and the revenue upload for PeopleSoft is generated by formula.	<b>Implemented</b>

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## Appendix A: Additional Information

<b>Scope &amp; Objectives</b>	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 2015-03, <i>An Audit of the Salt Lake County Parks and Recreation Division's Point of Sale System</i> , issued August 2015.
<b>Background</b>	The original audit evaluated the effectiveness of Parks and Recreation's point-of-sale system user access and system administration controls. We also reviewed general systems controls and fiscal procedures to determine if point-of-sale system financial reports were accurate and reliable. The original audit identified 10 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.