
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
the Northwest Recreation
Center



OFFICE OF THE
SALT LAKE COUNTY
AUDITOR

SCOTT TINGLEY
COUNTY AUDITOR

August 2020

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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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August 28, 2020

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

Re: Follow-up Audit: An Audit of Key Controls at the Northwest Recreation Center,
Report Number 2018-MLR17

Dear Martin,

We have completed final follow-up work on the audit recommendations contained in Report Number 2018-MLR17, *An Audit of Key Controls at the Northwest Recreation Center*, issued July 2018.

Our follow-up audit work found that out of the six recommendations issued in the original Northwest Recreation Center ("Northwest") audit report, three (3) were implemented, two (2) were closed as no longer relevant, and one (1) recommendation was not implemented. Future audit work may include a review of these risks and issues that were not addressed by management.

We truly appreciate the time and efforts of the employees at the Northwest Recreation Center 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, Audit Services 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
Larry McKinney, Section Manager – Recreation, Parks and Recreation Division
Andrew Keddington, Associate Director – Fiscal Operations, Parks and Recreation Division
Clark Littleton, Facility Manager, Northwest Recreation Center

Follow-up Audit Results

Finding 3.1 – A capital asset was described incorrectly on the capital asset inventory list.

Recommendation	Action Taken	Status
We recommend that Northwest management report the treadmill to Mayor's Finance and request that they correct the description as an elliptical machine.	The Parks and Recreation Fiscal Manager requested that Mayor's Finance correct the capital asset description on the capital asset master list for Northwest. We found that the capital asset description was corrected.	Implemented

Finding 3.2 – A controlled asset was not listed on the controlled asset inventory list.

Recommendation	Action Taken	Status
We recommend that Northwest management research acquisition information and add the computer to their controlled asset inventory list.	During our follow-up review, we found that three computers on the controlled asset inventory list did not have control tag numbers, and that asset descriptions did not include the model or serial numbers. Therefore, we were unable to verify whether the computer noted during the original audit had been added. Management has not corrected the issue.	Not Implemented

Finding 4.1 – A purchasing cardholder did not have copies of purchasing card documentation on file.

Recommendation	Action Taken	Status
We recommend that all purchasing cardholders retain copies of original receipts and supporting documentation on file, available for inspection as needed.	We noted that Countywide Policy 7035 states that, " <i>Original itemized receipts showing the detail of the goods or services purchased shall be retained and maintained by the agency.</i> " In this case, purchasing card receipts were kept by Parks and Recreation at the Administration office. Because of this fact, and the low level of risk associated with the original audit finding, this issue was closed.	Closed

Finding 4.2 – Sales tax was paid on some purchasing card transactions.

Recommendation	Action Taken	Status
We recommend that Northwest purchasing cardholders request recovery of sales tax paid on P-Card transactions.	We confirmed that the Program Coordinator at Northwest reimbursed the County in full for the sales tax that was paid by mistake.	Implemented

Finding 4.3 – Accounting records did not show the correct employment location for two Northwest purchasing cardholders.

Recommendation	Action Taken	Status
We recommend that management update accounting files to show the current employment address and division code for the two Northwest purchasing cardholders incorrectly designated to other locations.	Management requested that Contracts and Procurement update the cardholder profiles. Management accepts some risk that the cardholder profiles address and division codes are not correct because the Northwest Recreation Center and Northwest Community Center share the same parking lot and management team.	Implemented

Finding 5.1 – A monthly reconciliation of accounts receivable was not being performed.

Recommendation	Action Taken	Status
We recommend that Northwest Recreation Center management prepare, date, and sign a monthly accounts receivable reconciliation and retain it on file.	Parks and Recreation administration is in the process of developing standard operating guidelines and procedures for all recreation centers to follow for managing customer accounts receivable.	Closed

Appendix A: Additional Audit 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-MLR17, <i>An Audit of Key Controls at the Northwest Recreation Center</i> , issued July 2018.
Background	The original audit evaluated the design, implementation, and effectiveness of the Northwest Recreation Center’s 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, customer accounts receivable, capital and controlled assets, and purchasing card use. The original audit identified six findings related to the audit objectives.

Appendix B: Audit Recommendation 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.