

Second FOLLOW-UP REPORT

AN AUDIT OF KEY CONTROLS AT THE SOLID WASTE MANAGEMENT FACILITY

JANUARY 2025



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AUDITOR'S LETTER

JANUARY 2025

In keeping with generally accepted government auditing standards and Auditor's Office policy, as authorized by Utah Code Title 17, Chapter 19a, "County Auditor," Part 2, "Powers and Duties.", we have a responsibility to monitor and follow up on audit recommendations to ensure county agencies address audit findings through appropriate corrective action and to aid us in planning future audits.

This letter serves as the final follow-up audit report for An Audit of Key Controls at Solid Waste Management Facility. The original audit report was issued in July 2019, followed by a preliminary follow-up report in June 2022. The original audit report identified nine findings with 10 recommendations. In the preliminary follow-up, Solid Waste management implemented four of the 10 recommendations, three were in progress, one was not implemented and two were closed.

We appreciate the significant progress made by Solid Waste management in addressing the recommendations. As of this final follow-up, seven of the 10 recommendations have been fully implemented, and two have been closed.

However, during this final follow-up, we found that one recommendation has not been implemented. The outstanding recommendation involves improving internal controls for oversight of cash overages and shortages. Specifically, cashiers did not consistently sign 38% of the reviewed logs, and supervisors did not consistently sign 69%. This lack of documentation indicates a breakdown in internal controls and raises concerns about the accuracy and completeness of cash handling procedures.

The Auditor's Office has fulfilled its follow-up responsibilities by conducting two follow-up audits on these recommendations. For the outstanding recommendation, it is now the responsibility of Solid Waste management to implement the remaining recommendation and the County Council to provide oversight and enforcement, if needed, to mitigate the associated risks. The Auditor's Office will no longer be following up on this recommendation. Without sufficient oversight from management, these identified issues and their corresponding recommendations will not be addressed. It is crucial for Solid Waste management and the County Council to ensure these recommendations are implemented to manage the risks effectively.

We performed this audit in accordance with Generally Accepted Government Auditing Standards (GAGAS). Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. We appreciate the leaders and team members at Solid Waste who shared their time and knowledge with us during the audit. We appreciate the cooperation and assistance provided by all county stakeholders during this audit. Please contact me at 385-468-7200 with any questions.

A handwritten signature in black ink, appearing to read "Chris Harding".

Chris Harding, CPA, CFE, CIA
Salt Lake County Auditor

Action Since Audit

An Audit of Key Controls at the Solid Waste Management Facility

Original Audit: Report Issued July 2019

Nine Findings with 10 recommendations issued.

Preliminary Follow Up Audit: Report Issued June 2022

Solid Waste Management fully implemented four recommendations, with three recommendations in process, one recommendation not implemented, and two recommendations were closed.

Secondary Follow up Audit Report

Four recommendations remained after the preliminary follow-up.

- Three recommendations were fully implemented.
- One recommendation was not implemented.

Overall, Solid Waste management implemented seven recommendations, one was not implemented and two were closed.



FULLY
IMPLEMENTED

7



IMPLEMENTATION IN
PROGRESS

0



NOT
IMPLEMENTED

1



CLOSED

2

Remaining Risks

This secondary follow-up audit concludes the testing of recommendations related to the initial Solid Waste report from July 2019. For the outstanding recommendation, the onus is now on management and those charged with governance to implement the remaining one recommendation and mitigate the associated risks.

FINDING 2. SOLID WASTE EMPLOYEES WERE NOT USING THE MPF FORM 7 – “FUND TRANSFER LEDGER” TO DOCUMENT THE TRANSFER OF THE CHANGE FUNDS TO AND FROM THE SAFE.



Recommendation 2.1 - We recommend that employees count the change fund and sign and date the MPF Form 7 “Fund Transfer Ledger,” or similar log, to document each time the change fund is retrieved from or returned to the safe.

Agency Action – Implemented.

FINDING 3. CASHIER SUPERVISORS WERE NOT REVIEWING AND RECONCILING INDIVIDUAL CASHIER BALANCE SHEETS TO DEPOSIT SLIPS AT THE END OF EACH CASHIER’S SHIFT.



Recommendation 3.1 - We recommend that a supervisor, or other designated employee, perform a review and reconciliation of the individual cash balance sheet to the bank deposit slip at the end of each cashier’s shift and sign the individual balance sheet as an indication of review as required by County Policy.

Agency Action – Implemented.

FINDING 4. CASH OVERAGES AND SHORTAGES WERE NOT PROPERLY RECORDED ON MPF FORM 11 CASH OVER/SHORT LOG OR SIMILAR FORM AS REQUIRED BY COUNTY WIDE POLICY 1062.



Recommendation 4.1 - We recommend that cashiers at Solid Waste Management record all cash overages or shortages from their individual cash balance sheets daily onto an MPF Form 11, Cash Over/Short Log, or similar form, as required by Countywide Policy.

Agency Action – Recommendation not implemented. We found that cashiers did not sign five out of the 13 (38%) Cash Over/Short Logs selected for reviewed. Additionally, supervisors did not sign nine out of the 13 (69%) logs to indicate that they had reviewed the log for accuracy and completeness.





FINDING 5. MANAGEMENT AT SOLID WASTE DID NOT CONSISTENTLY REVIEW AND APPROVE VOIDED SALES TRANSACTIONS.



Recommendation 5.1 - We recommend that management review and sign as an indication of review all voided transaction receipts and reconcile those receipts to the POS report to ensure all receipts have been included with the daily cash balance sheet.

Agency Action – Implemented.

APPENDIX A: AUDIT RECOMMENDATION IMPLEMENTATION STATUS

Audit Recommendation Implementation Status			
 <p>Fully Implemented</p>	 <p>Implementation In Progress</p>	 <p>Not Implemented</p>	 <p>Closed</p>
<p>The audit recommendation has been implemented, and the corrective actions effectively address the original issue or finding, as verified by the follow-up audit. No further action is required at this time.</p>	<p>The agency has begun taking corrective actions to address the audit recommendation. However, full implementation has not yet been achieved.</p>	<p>The agency has not taken corrective action to address the audit recommendation.</p>	<p>Circumstances have changed surrounding the original finding or recommendation that make it no longer applicable, or the agency will only implement a portion of the recommendation as verified by the follow-up audit. No further follow-up is required.</p>