

A REPORT
TO THE CITIZENS OF SALT LAKE COUNTY
BEN McADAMS, MAYOR



An Audit of the Key Controls of
Utah State University Cooperative Extension

July 07, 2014

GREGORY P. HAWKINS

SALT LAKE COUNTY AUDITOR

Audit reports are available at
<http://www.saltlakecountyauditor.org/site/audit/>



GREGORY P. HAWKINS
Salt Lake County Auditor

LONN LITCHFIELD, JD, LL.M.
Chief Deputy Auditor

2001 South State Street, N3300
PO Box 144575
Salt Lake City, UT 84114-4575

(385) 468-7200
(385) 468-7201 / fax
GHawkins@slco.org

July 07, 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 Utah State University Cooperative Extension

Dear Mayor McAdams:

We recently completed an analysis of the financial records of Utah State University Cooperative Extension 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.

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 Utah State University Cooperative Extension and the cooperation from Yanping Ding, JayDee Gunnell, Heidi Thompson, and other assigned staff members for answering our questions, gathering the necessary documents and records, and allowing us access to Utah State University Cooperative Extension during our audit. The staff was friendly, courteous, and very helpful. Please feel free to contact me with any questions.

Sincerely,

Gregory P. Hawkins
Salt Lake County Auditor

By Roger Larsen
Sr. Deputy Auditor

cc: Lori Bays, Department Director
Yanping Ding, Fiscal Manager
JayDee Gunnell, County Director, Horticulture Faculty
Heidi Thompson, Administrative Assistant



Objectives

Pursuant to § 17-19a-204, we analyzed the financial records and internal controls of Utah State University Cooperative Extension. 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

Utah State University Cooperative Extension and Salt Lake County had initiated operational controls and reports that protected the assets of Salt Lake County. Audit tests of monthly billings for "other professional fees" that were budgeted by contract at \$398,667, as well as tests of source documents for the Junior Livestock Program's \$20,000 contribution, resulted in no material findings and recommendations. A report of the last audit of the Utah State University Cooperative Extension was released to the public in April 2013.

Background

Utah State University Cooperative Extension is a partnership of the Federal government (through the United States Department of Agriculture), State government (through the land grant university), and County government. Extension programs in Salt Lake County continue to be funded through these three sources as agreed upon in an annual Memorandum of Understanding. The network of county offices and state universities deliver educational programs across the nation, at the grassroots level. Salt Lake County contracts with Utah State University to deliver these educational programs to County residents. The County cost for these programs was listed at \$591,610 in the County 2014 budget. Of this, \$398,667 was to be paid as "other professional fees," and \$20,000 was paid as a contribution to the Junior Livestock program. The balance of costs was for office space, utilities, and overhead allocations.

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

Our examination period covered up to twelve months ending April 30, 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.