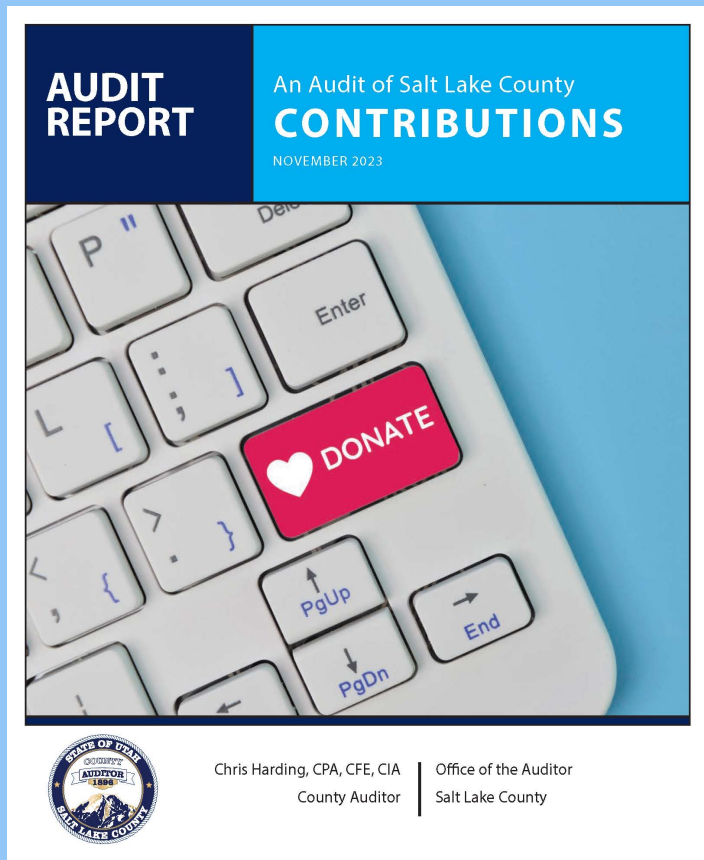


**An Audit of  
Countywide  
Contributions**



## ***Audit Team***

### **Audit Team**

Brenda Nelson, CISA, Audit Manager  
Abigail Cooper, Internal Auditor  
Anthony Kournianos, Internal Auditor

### **Audit Management**

Chris Harding, CPA, CFE, CIA, County Auditor  
Richard Jaussi, MBA, Chief Deputy Auditor  
Roswell Rogers, Senior Advisor  
Shawna Ahlborn, Audit Division Director

### **Audit Committee**

Marty Van Wagoner, CPA, MBA  
Jordan Fuller, CPA, CGMA, CISA

## *Objectives*

The audit objectives were to examine Salt Lake County contributions to provide reasonable assurance that:

- The internal controls in place are adequate and effective to help ensure accurate financial reporting, and to protect funds from fraud, waste, and abuse.
- Contributions comply with all applicable fiscal ordinances, policies, and procedures.

## All Agreed to except one

The Community Services department holds a differing perspective concerning our recommendation regarding Finding 3.2, specifically in the context of requiring an application for contributions.

Policy 1200 includes an application form, readily available on the County website, which is intended to be employed for all such requests.

While the proposal from the Sundance Institute contains many of the elements required by the form, not all elements are present, including the acknowledgement and agreement section and signature.

# Policy Considerations

## Define What is a Contribution

- Question on whether some items classified as contribution are a contribution or a contract.

# Policy Considerations

## Define a Process

- Current Policy seems to envision a ZAP like process where any non-profit applies for funding.
- Make it clear what is required for a contribution and steps taken after (disbursement of funds report).
  - Answers questions that come up in budget – “What does this non-profit provide?”

# Policy Considerations

## Willing Group

- Every audit response from around the County expressed a willingness to assist the Council and Mayor in drafting a policy that works.

# FINDING 1

## Unclear and Inconsistent Policies and Procedures

- We recommend that the County Council modify Countywide Policy 1200 to clearly define the elements of what constitutes a Contribution under the policy, as well as any exclusions.
- We recommend that the County Council modify Countywide Policy 1200 to clearly define when Contributions require a contract, as well as any exclusions.



## FINDING 2

### No Formal Procedure for Gathering, Evaluating, and Ranking Requests for Contributions

We recommend that the County Council amend Countywide Policy 1200 to include procedures for:

- Generating nonprofit awareness of potential contributions on an equitable basis.
- Gathering, evaluating, and ranking requests for contributions, including clear guidelines and criteria for accepting requests, conducting evaluations, and establishing a transparent ranking system.
- Roles and responsibilities of individuals involved in the process.

## FINDING 3

### Applications were Not on File, Those on File were not in a Central Location

We recommend that the County Council modify Countywide Policy 1200 to clearly define whether and when an Application for Contribution is required and any retention requirements.

Pending Policy 1200 update, we recommend management require that completed applications be submitted with payment requests for all payments that are coded as contributions.

## FINDING 4

### Disbursement of Funds Report Not on File or Not Filed Timely

We recommend that Policy 1200 be updated to include clear procedures and roles and responsibilities for tracking, receiving, reviewing, and following up on Disbursement of Funds Report Forms from recipient organizations.

We recommend that management ensure that a Disbursement of Funds Report is obtained from recipient organizations within 6 months of receipt of funds.

# FINDING 5

## Lack of Approvals or Inadequate Separation of Duties

We recommend payments be made directly to the recipient entities, rather than allowing for payments to be held for delivery or that a funds transfer log be completed and signed to document the amount, date, transferring and receiving individuals.

We recommend having two different users create and approve vouchers in PeopleSoft. We recommend the initiating agency approve vouchers.

# FINDING 6

## Proof of Non-Profit Status Not on File

We recommend that the County Council modify Countywide Policy 1200 to clearly state requirements for Contribution recipients to provide proof of nonprofit status, while also outlining any specific documentation retention requirements.

Pending Policy 1200 update, we recommend that Agency management require that proof of nonprofit status be submitted with payment requests for all payments that are coded as Contributions.

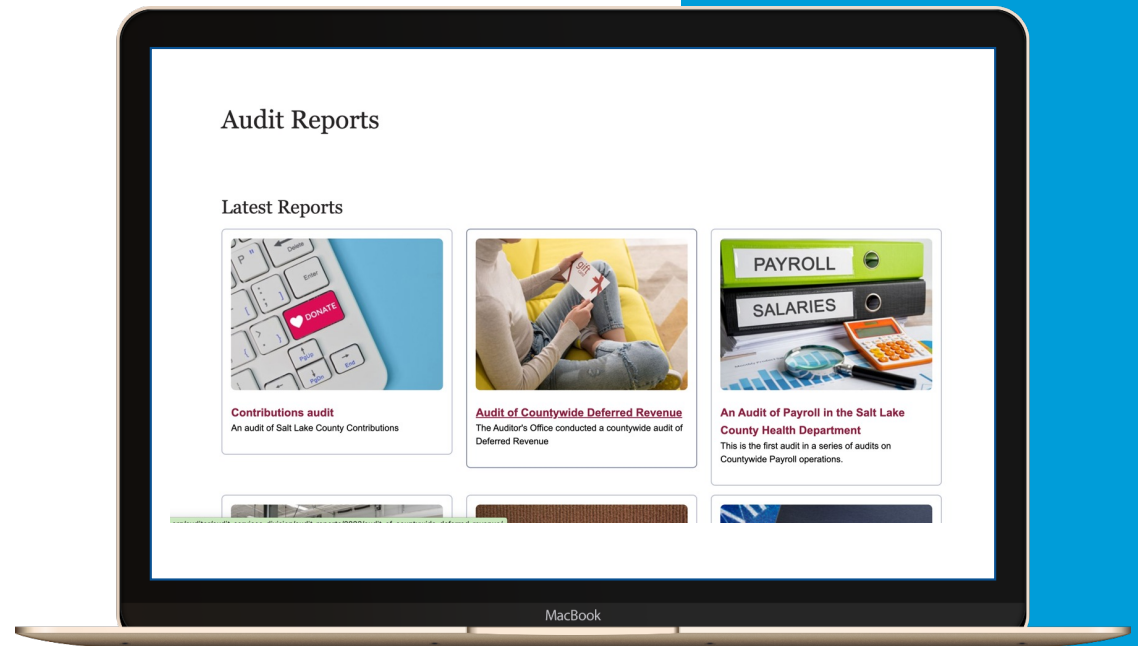
## FINDING 7

### Financial Statements Not on File

We recommend the Council revise Policy 1200 to establish clear guidance that outlines the requirements for nonprofit entities to provide financial statements for contribution funding, including what financial statements or documents are acceptable.

Pending Policy 1200 update, we recommend requiring financial statements be submitted with payment requests for all payments that are coded as contributions.

# Audit Posted on our Website



**THANKS**