

Audit of Recorder's Office Cash Receipts, Deposits and Data Services Receivables



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Objectives

The audit objectives were to:

- Evaluate the adequacy of internal controls over Cash handling, receipting, and depositing at the Salt Lake County Recorder's Office.
- Determine if cash receipts and data services receivables are collected, recorded, and accounted for correctly.
- Determine if financial records are accurate and complete.
- Determine if cash receipts and deposits are adequately safeguarded, and the Recorder's cash handling practices comply with County policies.

Expanded Objectives

Due to the allegations submitted to Auditor's Fraud Tip hotline in June 2022, the audit objectives were expanded to include:

- Determine whether recorded documents were post-dated
- Review the RFP process for the new recording and cashiering system to ensure compliance with Countywide Procurement process and pricing was reasonable and fair compared to other vendor bids.

Background

- As of December 31, 2021, there was \$13,593,391 collected in Recording Fees and \$1,317,870 in Data Services.
- We examined business processes, established controls, and financial transactions for the Recorder's Office Cash Receipts, Deposits and Data Services Receivables for the period January 1, 2021- December 31, 2021.

Audit Criteria (1 of 2)

Countywide Policy (“CWP”) 1062 “Management of Public Funds”

- Clear segregation of duties between person with custody of funds and/or those performing cashiering duties, and those having access to and maintaining accounting records related to public funds.
- Safeguarding and accountability for receipt, deposit, transmittal, and disbursement of funds, including physical security over these activities.
- Duties of opening mail and summarizing the daily receipt of checks should be separate from posting payments

Audit Criteria (2 of 2)

Countywide Policy (“CWP”) 1220 “Management of Accounts Receivable and Bad Debt Collection”

- Establish a policy and procedure for management of accounts receivable, including proper filing, record keeping, and follow up with individuals or companies that owe money to Salt Lake County
- Establish guidelines for the approval, control, and accounting for amounts due to Salt Lake County.
- Provide written instructions relating to the collection of amounts due, including procedures to be followed in the event of nonpayment.
- Achieve timely collections of accounts receivable and maximize collection of all amounts due, bearing in mind that the older an account becomes, the less likely it is to be collected.

Findings

Twelve findings.

- Improving Segregation of Duties*
- Improving Transaction Logs*
- Missing Records*

Management Response

Recorder's Office agreed with all recommendations except 1, and in that case they are changing the process to meet controls in a different manner.