
A Report to the
Citizens of Salt Lake County
The County Mayor and the
County Council

An Investigation of
Salt Lake County
Parks Operations Division



OFFICE OF THE
SALT LAKE COUNTY
AUDITOR

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COUNTY AUDITOR

May 2022

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OFFICE OF THE SALT LAKE COUNTY AUDITOR
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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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May 18, 2022

Martin Jensen, Parks and Recreation Division Director
Parks and Recreation
2001 South State Street, S4-700
Salt Lake City, Utah 84114-4575

Re: An Investigation of Salt Lake County Parks Operations Division

Pursuant to Utah Code Ann. §17-19a-401, *County Auditor Investigative Powers – Report of Findings*, we recently completed an investigation of alleged wrongdoing at the Salt Lake County Parks Operations Division. We received a tip through the Salt Lake County Auditor's Fraud Hotline, alleging that:

- Employees were operating commercial vehicles without a Class A Commercial Driver's License (CDL).
- Management was not properly tracking capital and controlled assets and parts inventory.
- An employee purchased more trailer brakes than necessary.

Wrongdoing includes actions such as fraud, waste, abuse, and unethical behavior. Our priority in any type of investigation is to ensure that County funds and assets are fully accounted for and that they are properly safeguarded against theft or misappropriation. We designed our investigation procedures to gather sufficient evidence related to the reported allegations and to form the basis for our conclusions and findings in this report. However, the evidence we gathered, and the investigative steps taken, are meant to provide only reasonable, not absolute assurance, that any wrongdoing occurred.

We truly appreciate the time and efforts of the employees at Parks Operations throughout the investigation. Our work was made possible by their cooperation.

We would be happy to answer any questions you may have about the investigation, or the findings and recommendations contained in this report.

Sincerely,

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

Cc: Patrick Leary, Associate Division Director
Andrew Keddington, Associate Division Director
Brent Laulusa, Fiscal Manager
Garin Lamph, Assistant Parks Operations Manager

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Executive Summary

Why Audit Services Division Performed This Audit:

The County Auditor has statutory investigative powers to complete an investigation of alleged wrongdoing.

We received a tip through the Auditor's Fraud hotline alleging:

- Employees were operating commercial vehicles without a Class A Commercial Driver's License (CDL).
- Management was not properly tracking capital and controlled assets and parts inventory.
- An employee purchased more trailer brakes than necessary.

Impact on Taxpayers and Residents of Salt Lake County:

Checking that County organizations and departments have appropriate internal controls and are following County policy can have beneficial budgetary impacts, substantiates appropriate use of resources and helps protect the County against fraud, waste, and abuse.

What Our Audit Found:

Parks Operations did not maintain sufficient records to validate either, the use of parts inventory on County equipment or to ensure that only Class A CDL drivers operated County commercial vehicles. While the department implemented controls over tracking driver's licenses, inventory purchases, and asset records, we found missing driver license records for some employees, a missing controlled asset from their inventory list, and insufficient documentation of changes to the trailer brake purchase order.

We recognize that Parks Operations is a large organization with multitudes of inventory, assets, and employees to oversee and they recently purchased software to help document the use and management of their equipment.

What Audit Services Division Recommends:

The Auditor's office made specific recommendations for each of the five findings within the Parks Operations. Additional details can be found within the audit report and the citation of county policies. We recommend Parks Operations maintain logs that document the drivers and dates of operation for vehicles that require a Class A CDL. We recommend that management periodically review the logs to verify that the log is up-to-date and that only valid Class A CDL holders operated the vehicles.

We recommend that management verify that the driver's license expiration spreadsheet has all employees' driver's license expiration dates entered prior to being assigned a County vehicle.

We recommend that management implement policies and procedures requiring mechanics to document parts used that are above a determined cost threshold, requiring supervisory review and approval of work orders and to ensure that parts above a determined cost threshold are accounted for and are either on hand or were installed on County vehicles.

Management agreed with all nine of the recommendations and is in the process of implementation.

Background

Pursuant to Utah Code Ann. §17-19a-401, *County Auditor Investigative Powers – Report of Findings*, we recently completed an investigation of alleged wrongdoing at Salt Lake County’s Parks Operations Division (“Parks Operations”). We received a tip through the Salt Lake County Auditor’s Fraud Hotline alleging that:

- Employees were operating commercial vehicles without a Class A Commercial Driver’s License (CDL).
- Management was not properly tracking capital and controlled assets and parts inventory.
- An employee purchased more trailer brakes than necessary.

Scope and Objectives

Our audit procedures were designed to gather sufficient evidence to form conclusions, where possible, regarding the allegations, and to ensure that controls were in place to protect County funds and assets from fraud, waste, and abuse.

Our audit period included January 1, 2021, to December 31, 2021, but was extended beyond this period in some cases. Procedures were limited to an examination of financial and other records related to the allegations and on-site testing of capital and controlled assets and parts inventory.

Conclusions

- Management designed controls to track employee driver’s licenses. However, controls were not always implemented and there was insufficient documentation to determine whether only qualified individuals operated vehicles requiring Class A CDLs.
- Management designed and implemented controls over capital and controlled assets. An annual capital and controlled asset inventory was performed and all assets were tagged or engraved with an asset number.
- Management designed and implemented controls over inventory purchases. The purchase of trailer brakes was reviewed and approved by the Parks Operations Assistant manager prior to purchase. However, we noted an exception related to purchasing and control weaknesses related to tracking of parts inventory. As a result, we were unable to confirm that the trailer brakes purchased were installed on County vehicles. Our detailed findings and conclusions are included below.

Findings and Recommendations

Finding 1- Drivers operating vehicles requiring Class A CDLs not tracked

Summary. Driver logs or other documentation was not maintained to corroborate that only Class A CDL holders operated vehicles that require it.

Condition: Class A CDLs were required when 10 wheelers with air brakes, or trucks with a trailer weighing more than 10,000 pounds were operated. Parks Operations maintains a Fleet Assignment spreadsheet that documents the employees or trades (grounds, carpentry, etc.) assigned to each vehicle.

The 10 wheelers were assigned to "Grounds" and there was no driver logs or other documentation that could corroborate whether only Class A CDL drivers operated the vehicles. When vehicles that could tow a trailer were operated, there was no documentation whether a trailer was attached and no driver logs or other documentation regarding who operated the vehicle.

Cause: Management explained that because they were not a commercial trucking operation they were not required to maintain driver logs. They also explained that supervisors were aware of licensing requirements and only assigned employees with current Class A CDLs in situations where that was required.

Effect/Risk. There is an increased risk that unqualified employees may operate vehicles without a Class A CDL. The County may be liable in the event of an accident occurring where the employee was not properly licensed.

Recommendations

1. We recommend Parks Operations maintain logs that document the drivers and dates of operation for the 10-wheel dump trucks and combination vehicles that require a Class A CDL.
2. We recommend that management periodically review the logs to verify that the log is up-to-date and that only valid Class A CDL holders operated the vehicles.

Management Response

1. **Agree.** See Agency Response in Appendix A.
2. **Agree.** See Agency Response in Appendix A.

Finding 2: Not all driver license expiration dates tracked

Summary. Management implemented procedures to track employee driver license expiration dates, but the expiration date for eight (24 percent) out of 33 employees was not entered.

Criteria. Countywide Policy 1350, Vehicle Policy, 22.0 Driver License Verification, states:

Section 22.3, Verification. Each elected office, department or division shall verify that each user under its direction who drives for official use has a valid driver license.

Condition. We found eight employees did not have a driver license expiration date in the 2021 Defensive Driving and License Expiration Date spreadsheet. Six were identified as new hires, one was the associate division director, and one was a merit employee. The drivers were assigned to vehicles per the Fleet Assignment spreadsheet in 2021. While outside of the audit period, we noted that the 2022 tracking spreadsheet did have each employee's driver license expiration date.

Cause. Failure to enter all driver's license expiration dates was an oversight on the part of management.

Effect/Risk. Failure to maintain records of expiration dates places an increased risk of employees operating County vehicles without a valid driver's license. The County may be liable in the event of an accident occurring where the employee was not properly licensed.

Recommendation

We recommend that management verify that the driver license expiration spreadsheet have all employee's driver's license expiration dates entered prior to being assigned a County vehicle.

Management Response

Agree. See Agency Response in Appendix A.

Finding 3: Purchase request improperly adjusted

Summary. The purchase request for trailer brakes in December 2020 was changed by the former Fiscal Coordinator but not documented and approved.

Criteria. Countywide Policy 7010 Procurement: 16.0 Documentation, states:

Sufficient records should be kept to allow reconstruction of a decision at a later date. Good records are valuable for efficient operation of the division.

Condition. The original purchase request included two orders of trailer brakes, one for \$2,398 and one for \$3,627. The purchase request was reviewed and approved by the Assistant Manager. The Fiscal Coordinator removed the \$3,627 portion of the order using white-out. That portion of the order was later placed with the vendor, but a new purchase request was not created nor was the change documented and approved.

Cause. The Fiscal Coordinator stated that since the order exceeded the \$5,000 small cost threshold, due diligence was required to confirm the price was competitive. She received three other vendor bids, which were all higher than the initial order. Therefore, the set of trailer brakes for \$3,627 was placed with the original vendor. The former Fiscal Coordinator acknowledged that she should not have used white out, but rather made a line through the order with a comment and initials to document the change.

Effect/Risk. Without appropriate documentation of purchase requests and approvals there is a risk that unnecessary or fraudulent orders may be placed and that misappropriation of funds or assets may occur.

Recommendations

1. We recommend management implement procedures to document any purchase request changes with the initial of who changed the request and the reason for the change.
2. We recommend that new purchase requests be completed and approved whenever items are cancelled or removed but later ordered.

Management Response

1. **Agree.** See Agency Response in Appendix A.
2. **Agree.** See Agency Response in Appendix A.

Finding 4: Parts not tracked when used

Summary. Documentation, such as work order entries, to substantiate that the trailer brakes ordered were installed on County equipment were not maintained.

Condition. We reviewed 220 work orders from October 1, 2020, to March 21, 2021, as well as five work orders from April 1, 2021, through December 31, 2021, to determine if the trailer brakes ordered were installed on County equipment. We could not identify work orders that included the trailer brakes. Work orders typically contained general descriptions of inventory used such as, "Parts", "Parts Inventory", "Winterized [Truck/Equipment]", "Admin tasks", etc. In addition, work orders did not always indicate the unit number of the vehicle and were not reviewed and approved by a supervisor to ensure that parts used were appropriate.

Criteria. Countywide Policy 7010 Procurement, 16.0 Documentation:

Sufficient records should be kept allowing reconstruction of a decision at a later date. Good records are valuable for efficient operation of the division.

Cause. The Assistant Manager of Parks Operations stated that the likelihood of identifying the trailer brakes being installed would be nearly impossible if the mechanic did not enter the unit number on the work order.

Effect/ Risk. When the ultimate use of parts is not documented and approved, parts inventory is more susceptible to theft or misuse. County funds may be spent unnecessarily.

Recommendations

1. We recommend that management implement policies and procedures requiring mechanics to document parts used that are above a determined cost threshold on work orders, including an adequate description of the part, quantity used, and unit number they were installed on.
2. We recommend that management implement policies and procedures requiring supervisory review and approval of work orders.
3. We recommend that management implement policies and procedures to ensure that parts above a determined cost threshold are accounted for and are either on hand or were installed on County vehicles.

Management Response

1. **Agree.** See Agency Response in Appendix A.
2. **Agree.** See Agency Response in Appendix A.
3. **Agree.** See Agency Response in Appendix A.

Finding 5: Unable to locate a controlled asset

Summary. Management could not locate a voltage tool that was commonly used by electricians.

Condition. During on site testing of controlled assets, management attempted to locate a multi-meter Fluke 85III, which was listed on the controlled asset inventory, but could not. We researched the item and found that it can retail for \$490.

Criteria. Countywide Policy 1125 Safeguarding Property/Assets, Section **2.2.3**:

Maintain records as to current physical location of all fixed assets and controlled assets within the organization's operational and/or physical custody.

Cause. Management stated that they had one employee on sick leave that was assigned the tool and that employee may be able to locate the tool.

Effect/Risk. There is an increased risk of mismanagement of tools due to theft or loss if management is unable to readily locate controlled assets.

Recommendation

We recommend that management attempt to locate the tool once the employee returns from leave. If they are unable to locate the tool, complete Form PM-2 and document with a Mayor Letter of the lost item.

Management Response

Agree. See Agency Response in Appendix A.

Appendix A: Agency Response

Agency Response Parks Operations Management

Finding 1- Drivers operating vehicles requiring Class A CDL not tracked.

Recommendation(s)	Agree/ Disagree	Action Plan	Target Date
We recommend Parks Operations maintain logs that document the drivers and dates of operation for the 10-wheel dump trucks and combination vehicles that require a Class A CDL.	Agree	<p>Park Operations has begun tracking the driver, date, and unit number within the work order system (Vueworks).</p> <p>Parks management maintains a log to include employee name, position, defensive driving completion, license expiration, and license classification of all parks employees that operate a county vehicle or approved for mileage reimbursement.</p>	<p>March 28, 2022</p> <p>Log is maintained by the Park Operations Manager</p>
We recommend that management periodically review the logs to verify that the log is up-to-date and that only valid Class A CDL holders operated the vehicles.	Agree	Park managers will review VueWorks work orders to determine that only CDL holders operated the vehicle and ensure reporting in VueWorks is reliable.	March 28, 2022

Finding 2 – Not all driver license expiration dates tracked

Recommendation(s)	Agree/ Disagree	Action Plan	Target Date
We recommend that management verify that the driver license expiration spreadsheet have all employee’s driver’s license expiration dates entered prior to being assigned a County vehicle.	Agree	Parks management maintains a log to include employee name, position, defensive driving completion, license expiration, and license classification of all parks employees that operate a county vehicle or approved for mileage reimbursement.	<p>March 28, 2022</p> <p>Log is maintained by the Park Operations Manager</p>

Finding 3- Purchase Request improperly adjusted

Recommendation(s)	Agree/ Disagree	Action Plan	Target Date
We recommend management implement procedures to document any purchase request changes with the initial of who changed the request and the reason for the change.	Agree	Processes have now been put in place to have every purchase documented on a release log with a purchase request filled out with two (2) signatures, regardless of dollar amount or occurrence. If the dollar amount on a purchase request is changed or cancelled (ex. due to price changes, shipping charges, items no longer needed, etc) a new purchase request will be filled out with the changes documented.	February 1, 2022
We recommend that new purchase requests be completed and approved whenever items are cancelled or removed but later ordered.	Agree	Processes have now been put in place to have every purchase documented on a release log with a purchase request filled out with two (2) signatures, regardless of dollar amount or occurrence. If the dollar amount on a purchase request is changed or cancelled (ex. due to price changes, shipping charges, items no longer needed, etc) a new purchase request will be filled out with the changes documented.	February 1, 2022

Finding 4 – Parts not tracked when used.

Recommendation(s)	Agree/ Disagree	Action Plan	Target Date
We recommend that management implement policies and procedures requiring mechanics to document parts used that are above a determined cost threshold on work orders, including an adequate description of the part, quantity used,	Agree	Parks Mechanics will enter a description of the part, quantity used, and unit number within VueWorks for all single parts that are greater than \$100.	June 30, 2022

and unit number they were installed on.			
We recommend that management implement policies and procedures requiring supervisory review and approval of work orders.	Agree	Parks Management will verify Viewworks workorder for approvals and ensure the data is reliable.	June 30, 2022
We recommend that management implement policies and procedures to ensure that parts above a determined cost threshold are accounted for and are either on hand or were installed on County vehicles.	Agree	Parks management & fiscal will implement procedures to track all single parts over \$100 to ensure parts are accounted. This threshold will be evaluated each year to determine the relevance and risk of parts that are susceptible to theft or lost.	June 30, 2022

Finding 5- Unable to locate a controlled asset

Recommendation(s)	Agree/Disagree	Action Plan	Target Date
We recommend that management attempt to locate the tool once the employee returns from leave. If they are unable to locate the tool, complete Form PM-2 and document with a Mayor Letter of the lost item.	Agree	Parks will attempt to locate the missing tool. If the location of the tool is determined unsuccessful following Parks annual control asset review. Parks will write a letter to the Mayor and document with a PM2 the removal of the controlled asset.	December 31, 2022