



Ricky D. Hatch, CPA
Clerk/Auditor

14 April 2020

Weber County Audit Committee
2380 Washington Blvd.
Ogden, UT 84401

Dear Committee Members:

I recently completed a comprehensive key internal control audit of the Weber County Ice Sheet's operations and administrative procedures. My purpose was to verify the accuracy and completeness of selected financial records and to assess compliance with certain internal controls.

My examination period covered 2019 transactions. Management has put into place significant internal controls for managing public funds and protecting County assets. The organization's attention to internal controls is commendable.

My 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.

My audit scope included tests from the following Internal Control Questionnaires (ICQ), used as my audit program:

- | | |
|----------------------------------|-------------------------------|
| • Cash Receipting and Depositing | No Recommendations |
| • Accounts Payable Disbursements | No Recommendations |
| • Accounts Receivable Procedures | One Recommendation – Low Risk |
| • General Journal Entries | No Recommendations |

Cash Receipting and Depositing

There were 2,703 cash receipt transactions (CRP) posted to MUNIS in 2019. Gross receipts totaled \$700,144.91. Credit card bank charges, over/short, and refunds of \$19,043.29 netted receipts to \$681,101.62. Journal entries and other debit reductions resulted in \$646,267.86 Ice Sheet revenues for 2019.

I randomly sampled 35 transactions and reviewed all October 2019 transactions. I identified typical cashier errors. However, the three level verification process implemented by Ice Sheet management corrected most errors before MUNIS posting.

There were significant problems with the cashier closeout process during October 2019. This was caused by the transition to SQUARE for all cash receipts. Initial problems were corrected. Very few closeout issues were identified in November and December.

Cash, checks, and credit cards were secured and protected. Deposits were made within the three-day rule. There are no recommendations

Accounts Payable Disbursements

There were 311 accounts payable invoice transactions totaling \$392,764.78 posted through MUNIS for 2019. I randomly sampled 50 transactions totaling \$48,343.28. There were no variances observed.

Accounts Receivable Procedures

Monthly manual logs are used to manage the Weber County Ice Sheet accounts receivable process. There were 165 events in 2019 totaling \$281,851.13. Significant statistics include:

- Average number of days from service to invoice – 35. Longest was 274 days.
- Average number of days from invoice to payment – 84. Longest was 369 days.
- Average number of day from service to payment – 118. Longest was 369 days.
- 2019 services paid after March 31, 2020 - \$8,482.50. Technically not 2019 revenue.
- 2019 services unpaid through April 4, 2020 - \$29,272.55. Past due 105 - 400 days.

The \$37,755.05 loss (\$29,272.55 + \$8,482.50) of 2019 services not reported as 2019 revenue is concerning. The unpaid, past due \$29,272.55 is alarming. All over 100 days past due.

I compiled this information from a simple EXCEL spreadsheet using the Ice Sheet manual log as my base. Services before October 2019 could have been paid and not posted to the log. I only reconciled revenues and collections from the log to MUNIS for October, November, and December 2019. However, I believe that unposted payments are rare.

I believe that posting the manual log entries into a database would be beneficial to Ice Sheet management. History by customer, types of activities, date to invoice, payment turnover, and other statistical data could be beneficial for management analysis.

Recommendation – Low Risk:

Weber County Ice Sheet management should:

- Consider utilizing a database program for accounts receivable control.
- Implement more aggressive collection procedures for past due services.
- Collect current year services within 60 days of the subsequent new year.

General Journal Entries:

There were 439 journal entries to Ice Sheet accounts in 2019. Debits totaled \$168,242.01, credits totaled \$444,159.98, including the \$497,329.24 transfer from Tourism. I randomly sampled 35 GNI entries and reviewed all 31 GEN entries. There were no variances identified.

I appreciate the time spent by the Weber County Ice Sheet management and staff. They were friendly, courteous, and very helpful; answering my questions, gathering the necessary documents and records, allowing me access to their information, and assisting me in all aspects of the audit.

Sincerely,

Roger K Larsen
Weber County Internal Auditor



A Report
To the Weber County Audit Committee

An Audit of Key Internal Controls of
Weber County Ice Sheet

14 April 2020

Roger K. Larsen
Weber County Internal Auditor