



AUDIT REPORT

2025-06 TRANSFER STATION



MAY 20, 2025

WEBER COUNTY INTERNAL AUDIT
KIMBERLEE BECK, CPA, CFE





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

Dear Audit Committee Members,

In accordance with County Policy 8.1.4.8, Internal Audit, Compliance Review and based upon special request from Scott Parke, Comptroller, and approved by Ricky Hatch, County Clerk/Auditor, I am pleased to report that we have completed a follow-up review related to the previous audit report dated May 3, 2023 with initial follow-up completed February 5, 2024 and have completed additional limited procedures related to change fund cash balances and greater than normal over/short transactions related to cash receipts at the County's Transfer Station.

The previous audit report dated May 3, 2023 contained 9 recommendations. Follow-up procedures completed February 5, 2024 found that 5 of the recommendations had been implemented, 1 was partially implemented, and 3 had not been implemented. Based on our follow-up procedures, we have determined the partially implemented recommendation and the 3 recommendations that had not been implemented have now been implemented.

Questions concerning recent change fund cash balances and noted increases in the frequency and amounts of over/short transactions recorded by the Transfer Station were raised about the time we were to begin our follow-up testwork noted above. With the approval of Ricky Hatch, County Clerk/Auditor, we included some additional limited procedures in our engagement to determine what might be happening at the Transfer Station related to these items. Testwork associated with these items was limited to 2025 year-to-date transactions and balances. Based upon the testwork completed, we identified areas of improvement as they relate to investigating cash receipting discrepancies found during performance of internal control procedures and have issued 1 finding containing a multi-part recommendation. The issues, finding, and recommendation are described further in the following report.

I wish to express appreciation for the Transfer Station staff, all of whom were forthcoming and very helpful in assisting us through this engagement.

If any questions arise related to this audit, I may be contacted at 801-399-8708 or kbeck@webercountyutah.gov.



Sincerely,

Kimberlee Beck

Kimberlee Beck, CPA, CFE
Weber County Internal Auditor

cc: Sean Wilkinson, Director, Community Development Department
William Ross, Deputy Director, Community Development Department
John Watson, Director, Transfer Station
Wendie Glass, Business Office Manager, Transfer Station
Scott Parke, Weber County Comptroller

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FOLLOW-UP AND LIMITED PROCEDURES OF THE WEBER COUNTY TRANSFER STATION

BACKGROUND

Weber County Solid Waste Transfer station manages collection, processing, and transfer of the County's solid waste from industry and local residents. Fees are collected from users which fund its operations. Staff working at the Station are responsible for all financial activities for the Station handled outside of the County Comptroller's Office including cash receipting, procurement of goods and services, and payment of invoices.

The Shelter utilizes a subsystem called WasteWorks to track incoming loads, composting sales, and to calculate fees owed. WasteWorks also acts as the cash receipting system for the fees charged to users. Credit card transactions are recorded in WasteWorks but are completed outside of that system using independent credit card processing machines. All financial transactions are to be recorded in the County's accounting system, Munis. There is no interface between WasteWorks, the credit card machines, and Munis; all transactions are subsequently entered manually into Munis and deposited with the County Treasurer's Office.

This engagement was conducted as part of follow-up procedures associated with findings and recommendations found in the May 3, 2023 audit with initial follow-up procedures conducted February 5, 2024. In addition, limited procedures related to change fund cash balances and over/short transactions recorded by the Transfer Station that were not originally included on the 2025 Audit Plan were conducted because the issues raised coincided with the starting of our follow-up procedures. The addition of these procedures was approved by Ricky Hatch, County Clerk/Auditor and Vice-Chair of the County's Audit Committee.

OBJECTIVES AND SCOPE

Initial follow-up procedures regarding the May 3, 2023 audit were completed on February 5, 2024. Of the 9 original recommendations, the follow-up engagement indicated that 5 of the recommendations had been implemented, 1 had been partially implemented, and 3 had not been implemented. This engagement followed up with the 1 partially implemented and 3 not implemented recommendations. These recommendations included: followed up with the recommendations made in a prior audit dated May 1, 2024 which included:

3. Consult with the Clerk/Auditor's office on extension of life repairs for possible capitalization.
4. Include the 2022 purchases of a salt spreader and Atlas Copco air compressor as capital assets. These transactions were reported in Organization 40450430, Object Code 62500.
6. Identify location of Century Link phone number and determine its continued need.
8. Consider the use of a pre-printed template for daily sales and deposit closeouts. Include all Site Reports with scanned source support.

Transactions and records examined related to these recommendations varied depending upon the nature of the recommendation.

Just prior to the start of our follow-up engagement, it was noted by the County Treasurer that the number and magnitude of the over/short transactions recorded by the Transfer Station staff in 2025 had increased when compared to prior years. These increases caused concern related to cash receipting processes for the Station and was brought to the attention of the Comptroller. In addition, the most recent cash count of the Station's change funds differed from the balance shown in the Comptroller's records. The Transfer Station reporting having less cash than the balance maintained in financial records. Additional inquiry into this discrepancy led Transfer Station employees to review and revise their summary of their cash counts which then reconciled to the balance maintained in the records. We performed limited testwork regarding these two issues to determine causes behind them and make recommendations for improvement as necessary. Our testwork focused on year-to-date 2025 transactions.

METHODOLOGY

Several methodologies were used to gather and analyze the information as it related to our audit objectives. The methodologies included, but were not limited to:

- Meeting with Transfer Station staff and other County employees to obtain information related to follow-up items and their perspectives on reasons behind recently noted issues;
- Review of various forms of documentation and financial records;
- Observation and documentation of existing controls related to cash receipting processes; and
- Performance of cash counts.

FINDING RISK CLASSIFICATIONS

Potential issues and/or deficiencies noted during our audit are summarized into findings. Each finding is given a risk classification as defined below.

Significant – A significant audit finding identifies a potential problem or deficiency that may have critical impact on the County's financial reporting, internal controls, compliance, risks, and/or efficiencies. Findings classified as significant warrant immediate attention by management.

Moderate – A moderate audit finding identifies a potential problem or deficiency that may have considerable impact on the County's financial reporting, internal controls, compliance, risks, and/or efficiencies. Findings classified as moderate warrant attention by management as soon as practicable.

Low – An audit finding classified as low may have an impact on the County's financial reporting, internal controls, compliance, risks, and/or efficiencies, but may fall within tolerable risk levels. Findings classified as low warrant attention by management but may not require immediate or short-term action.

CONCLUSIONS / FINDINGS

FOLLOW-UP

RECOMMENDATION #3 - CONSULT WITH THE CLERK/AUDITOR'S OFFICE ON EXTENSION OF LIFE REPAIRS FOR POSSIBLE CAPITALIZATION. – **IMPLEMENTED**

RECOMMENDATION #4 - INCLUDE THE 2022 PURCHASES OF A SALT SPREADER AND ATLAS COPCO AIR COMPRESSOR AS CAPITAL ASSETS. THESE TRANSACTIONS WERE REPORTED IN ORGANIZATION 40450430, OBJECT CODE 62500. – **IMPLEMENTED**

RECOMMENDATION #6 - IDENTIFY LOCATION OF CENTURY LINK PHONE NUMBER AND DETERMINE ITS CONTINUED NEED. – **IMPLEMENTED**

RECOMMENDATION #8 - CONSIDER THE USE OF A PRE-PRINTED TEMPLATE FOR DAILY SALES AND DEPOSIT CLOSEOUTS. INCLUDE ALL SITE REPORTS WITH SCANNED SOURCE SUPPORT. – **IMPLEMENTED**

THE FOLLOWING IS A SUMMARY OF THE AUDIT FINDING AND RECOMMENDATION. ADDITIONAL DETAILS REGARDING THE FINDING AS WELL AS MANAGEMENT RESPONSES TO THE RECOMMENDATIONS CAN BE FOUND IN THE NEXT SECTION OF THIS REPORT.

FINDING #1 – INADEQUATE FOLLOW-UP OF CASH RECEIPTING DISCREPANCIES - **SIGNIFICANT**

We noted that the established internal controls regarding cash receipting are being followed, but there is inadequate follow-up investigation regarding discrepancies found by use of the controls. This inadequate follow-up has led to ineffective controls over cash receipting. Ineffective controls over cash receipting can provide opportunity for asset misappropriation and improper receipting of revenue.

RECOMMENDATION #1 –

In order to strengthen the existing cash receipting controls, we recommend the following:

- The person reviewing the individual Deposit Forms initial the form to indicate their completion of the review. This will help if questions arise regarding the review process or determine if additional training of the person completing the review is needed.
- Add a Refunds column to the Deposit Closeout form to separately identify refunds of purchases made on previous days and apply those refunds to the appropriate revenue category rather than the Over/Short Object.
- Keep copies of the credit card daily settlement reports for ease of investigating discrepancies.
- Emphasize in further training with employees the importance of proper indication of cash versus check versus credit card sale. Without accurate and consistent reporting, it can be difficult to locate and identify sources of discrepancies.

- Choose a dollar threshold in which “unknown operator error” is unacceptable (recommend no greater than \$50 over/short per individual, but less would be preferable) and will be investigated further until error is found. If error cannot be found, contact the Comptroller’s Office or Treasurer’s Office for further assistance.
- Track all over/short errors not related to city passes and provide continuous training to all staff regarding the issues found.

FINDING AND RECOMMENDATION

FINDING #1 – INADEQUATE FOLLOW-UP OF CASH RECEIPTING DISCREPANCIES

RISK RATING: **SIGNIFICANT**

DESCRIPTION:

We performed a detailed review of detail 2 of 11 day's cash receipting closeout packages for 2025 where the over/short amount for the day was greater than \$50 as of April 28, 2025. We selected another day for review in addition to the 2 tested, but Transfer Station employees were able to identify the issue for that day when they reviewed the documentation after our request for it. In addition, we discussed and reviewed in summary the remaining 8 days in which the over/short amount was greater than \$50 with Transfer Station employees. During our testwork and discussion, we noted that the established internal controls regarding cash receipting are being followed, but there is inadequate follow-up investigation regarding discrepancies found by use of the controls. This inadequate follow-up has led to ineffective controls over cash receipting. Ineffective controls over cash receipting can provide opportunity for asset misappropriation and improper receipting of revenue.

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MANAGEMENT RESPONSE

FINDING #1 – INADEQUATE FOLLOW-UP OF CASH RECEIPTING DISCREPANCIES - **SIGNIFICANT**

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- Keep copies of the credit card daily settlement reports for ease of investigating discrepancies.
- Emphasize in further training with employees the importance of proper indication of cash versus check versus credit card sale. Without accurate and consistent reporting, it can be difficult to locate and identify sources of discrepancies.
- Choose a dollar threshold in which “unknown operator error” is unacceptable (recommend no greater than \$50 over/short per individual, but less would be preferable) and will be investigated further until error is found. If error cannot be found, contact the Comptroller’s Office or Treasurer’s Office for further assistance.
- Track all over/short errors not related to city passes and provide continuous training to all staff regarding the issues found.

Management Response:	
Department Response: <i>(Do you agree/concur or disagree with the recommendation)</i>	Agree
What will you do to comply with the recommendation and how will you do it?	<ul style="list-style-type: none">• We had a staff meeting May 13th, 2025, explaining all recommendations to the employees.• Attendants have been notified of the necessity of entering sales transactions as either credit card or cash.• Attendants are required to review all transactions to identify over/shorts at the end of their shift.• Critical that closeout forms include all information available to help identify over/shorts.

	<ul style="list-style-type: none"> • Attendants were made aware that if an over/short is \$50 or higher and is not corrected by themselves or office staff it will be turned over to county for further investigation and correction. • A “Refund” column was added to the deposit report. This prevents a refund made to a customer being identified as an over/short. • A spreadsheet has been created to track over/shorts thus identifying additional training as necessary. • Copies of the credit settlement reports are now attached to the daily deposits.
When do you expect your actions to be implemented?	May 14 th 2025
Who is responsible for implementing the recommendation? <i>(Include the individual’s name, title, phone number, and email address)</i>	<p>Wendie Glass Weber County Transfer Station Business Office Manger (801)399-8803 wglass@webercountyutah.gov</p> <p>John Watson Weber County Transfer Station Director (801)399-8806 jwatson@webercountyutah.gov</p>