

A REPORT
TO THE CITIZENS OF SALT LAKE COUNTY
BEN McADAMS, MAYOR



An Audit of the Key Controls of
Street Lighting

April 11, 2013

GREGORY P. HAWKINS

SALT LAKE COUNTY AUDITOR

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GREGORY P. HAWKINS
Salt Lake County Auditor

LONN LITCHFIELD, JD, LL.M.
Chief Deputy Auditor

2001 South State Street, N3300
PO Box 144575
Salt Lake City, UT 84114-4575

(385) 468-7200
(385) 468-7201 / fax
GHawkins@slco.org

April 10, 2013

Ben McAdams, Mayor
Salt Lake County
2001 S State St #N2100
Salt Lake City, UT 84114-4575

Re: An Audit of the Key Controls of Street Lighting

Dear Mayor McAdams:

We recently completed an analysis of the financial records of Street Lighting in compliance with Utah Code Ann. § 17-19a-204. Our purpose was to verify the accuracy and completeness of selected financial records and to assess compliance with certain internal controls that we have identified as key to good financial management. We also sought to identify areas of material risk to determine whether we should commit more of our limited resources in further auditing or investigation.

Our 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.

We appreciate the time spent by the staff at Public Works Operations and the cooperation from Lynn Erickson and other assigned staff members for answering our questions, gathering the necessary documents and records, and allowing us access to Street Lighting records during our audit. The staff was friendly, courteous, and very helpful. Please feel free to contact me with any questions.

Sincerely,

Gregory P. Hawkins
Salt Lake County Auditor

By James Fire MBA/Acc
Deputy Auditor

cc: Kevyn Smeltzer, Director
Lynn Erickson, Fiscal Manager



Objectives

Pursuant to § 17-19a-204, we analyzed the financial records and internal controls of Street Lighting. Our purpose was to verify the accuracy and completeness of selected financial records and to assess compliance with certain internal controls that are key to good financial management. We also sought to identify areas of material risk.

Conclusion

Street Lighting, Organization 4250, is one of three organizations under Public Works Operations. Street Lighting's primary objectives are the installation and maintenance of street lighting throughout Salt Lake County. Street Lighting is involved with an ongoing upgrade to more energy efficient street lighting throughout Salt Lake County. The energy savings for the upgrade has been substantial, nearly 50% so far.

Key controls for capital assets, purchasing card use, and accounts receivable were reviewed. We have no material findings.

Background

Street Lighting maintains over 3,800 street lights in unincorporated Salt Lake County. A project to upgrade street lights to more energy efficient fixtures began in 2009. These include solar power lights, LED lights and induction lighting, which use half the power yet provide the same amount of light. County street lighting maintenance crews are all trained linemen and are authorized to work on Rocky Mountain Power poles to repair County-owned street lights.

Scope

Our work included a formal examination of financial records related to the following key internal controls, to the degree applicable:

- Change fund
- Petty Cash and Imprest Accounts
- Cash Receipting
- Cash Depositing
- Credit / Debit Card
- Capital and Controlled Assets and Software Inventory
- Financial Computer Controls
- Purchasing Card Use
- Payroll Practices

Our examination period covered up to twelve months ending February 28, 2013. In addition to reviewing financial records, we reviewed and examined current practices through observation. Sampling of daily cash deposits, where applicable, was performed to assess compliance with Countywide policy and standard business and internal control practices.