

Salt Lake County Auditor's Office

Craig B. Sorensen, *AUDITOR*



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Dear Romney:

The Audit Division recently completed a review of fixed and controlled assets at the Solid Waste Transfer Station. No cash is kept on the premises. All transactions are on account from government and business entities that dump waste at the facility.

The results are mostly positive in that with the aid of the division property manager we were able to locate everything on the fixed and controlled assets lists maintained by the manager. He also provided us with evidence that asset inventories are conducted semiannually. Each asset had been tagged with the agency identification labels or painted with the agency equipment identification number. We were impressed with the cleanliness and obvious care given to the tipping facility, the grounds and exterior buildings.

Our purpose of this audit was to determine if the controls over County fixed and controlled assets were in compliance with Countywide Policy #1125 "Safeguarding Property/Assets." By definition a controlled asset is a personal item, which is sensitive to conversion to personal use, having a cost of \$100 or greater, but less than the current capitalization threshold.

In addition, Section 1.2, states in part, "... *due to the difficulty associated with centralized control of personal communication equipment—pagers, car/cellular phones, portable radios, mobile radios installed in vehicles, walkie/talkies, etc.—this category of property is considered to be "controlled assets" regardless of the cost of the individual items and is therefore subject to the controlled asset procedures...*" We found that:

- ! Portable radios have not been accounted for as controlled assets.**
- ! Cellular phones have not been accounted for as controlled assets, nor controlled as individually assigned assets, as required by Countywide Policy.**

Portable radios have not been accounted for as controlled assets. The division has portable radios, that while not individually assigned, have not been accounted for as required by Countywide policy in that they are to be listed as controlled assets and inventoried annually.

RECOMMENDATION:

We recommend that all fixed and controlled assets including communication equipment be accounted for and controlled as required by Countywide Policy.

Cellular phones have not been accounted for as controlled assets, nor controlled as individually assigned assets, as required by Countywide Policy. The division has cellular phones qualifying as controlled assets and assigned to individuals, but this equipment is not listed on the agency controlled assets lists and controlled as required. Countywide Policy #1125, Section 2.3.4 states, “...*at least annually, employees assigned fixed or controlled assets shall review the list of assigned assets and provide verification by his/her signature to the Property Manager as to the accuracy and completeness of the list.*” Such verification should be in the form as provided by Section 4.3.1, Exhibit 3 of the policy, or a form that contains substantially the same information.

RECOMMENDATION:

We recommend that all employees having individually assigned assets complete the appropriate forms and review them at least annually as required by Countywide Policy.

In closing, we would like to express appreciation to the staff at the Waste Transfer Station for the cooperation and timely assistance which they gave our auditors. We trust that our work will be of benefit to you as you endeavor to make changes that will strengthen internal controls over these processes. If we can be of further assistance to you in this regard please feel free to call.

Sincerely,

James B. Wightman CPA
Director, Internal Audit Division

cc: Stuart Palmer