

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



An Audit of the Key Controls of
Environmental Health Division

December 26, 2014

GREGORY P. HAWKINS

SALT LAKE COUNTY AUDITOR

Audit reports are available at
<http://www.saltlakecountyauditor.org/site/audit/>



GREGORY P. HAWKINS
Salt Lake County Auditor

LONN LITCHFIELD, JD, LLM
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

December 26, 2014

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 Environmental Health Division

Dear Mayor McAdams:

We recently completed an analysis of the financial records of Environmental Health Division 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 Environmental Health Division and the cooperation from Royal DeLegge, Eric Peterson, Ashley Hall, Jeannine Maxfield, and other assigned staff members for answering our questions, gathering the necessary documents and records, and allowing us access to Environmental Health Division 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 Roger Larsen
Sr. Deputy Auditor

cc: Gary Edwards, Health Department Executive Director
Matthew Ferguson, Fiscal Manager
Royal DeLegge, Division Director



Objectives

Pursuant to § 17-19a-204, we analyzed the financial records and internal controls of Environmental Health Division. 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

Environmental Health Management has implemented significant internal controls to protect County Assets. Our tests of financial procedures relating to cash receipts and deposits, proprietary cards, controlled assets, purchasing and accounts payable, and contract services resulted in no material findings or recommendations. Audit findings in our previous report dated 13 November 2013 were satisfactorily resolved with no repeat findings.

Background

The Environmental Health Division is divided into four separate bureaus, 1) Bureau of Food Protection, 2) Bureau of Air Pollution Control, 3) Bureau of Water Quality and Hazardous Waste, and 4) Bureau of Sanitation and Safety. Citizens and businesses pay for various permits and inspections provided by these bureaus. For example, Food Protection issues food permits to restaurants. The Bureau of Sanitation and Safety issues permits to hotels, cosmetology, body art, and massage establishments. All four bureaus accept collections from the public at the Environmental Health building, located in Murray. Management of customer accounts, contracts, and administrative services is performed by the Health Administration Division at the County Government Center. With 80 employees, the Division has a 2014 budget of \$7,775,479.

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 September 30, 2014. 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.