



*Cobb County...Expect the Best!*

***INTERNAL AUDIT DEPARTMENT***

***Report Number 2013-013***

***Fifth Follow-up Report: Review of Cobb County  
Street Light District Program***

***November 7, 2013***

***Latona Thomas, CPA, Director  
Steven Harper, Staff Auditor I  
Barry Huff, Staff Auditor I***



## COBB COUNTY INTERNAL AUDIT

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Director

November 7, 2013

### MEMORANDUM

TO: David Hankerson, County Manager

FROM: Latona Thomas, CPA, Director 

SUBJECT: **Fifth Follow-up Report** - Review of Cobb County Street Light District Program

We completed our fifth follow-up review of the original subject report dated October 7, 2010. Our objective was to determine, as of October 16, 2013, what actions have been taken to implement the six remaining recommendations not implemented as of the date of our fourth follow-up review, presented in Audit Report 2012-007, dated 7/31/2012. This follow-up report should be read in conjunction with the original and four subsequent follow-up reports and does not represent a complete reexamination of the activities of the Street Light District (SLD) Program. The auditor's role in follow-up reviews is to compile corrective actions taken by the auditee, assess whether those actions are adequate to correct the reported deficiencies, and relay those results to County management.

Three of the remaining six recommendations have been fully implemented which involved calculating the total anticipated costs and adjusting the street light fee accordingly and the proper classification of energy costs. The recommendation to build a street light database is essentially complete except for assigning a few remaining lights to a SLD and validating the accuracy of the database after completion of the energy audits.

Two recommendations are still in process which requires the completion of energy audits and written guidelines for creating a SLD within the boundaries of a city's utility service area. The table on the next page shows the completion status of the energy audits and results to date.

### ***Audits to Validate Street Light Billing***

<b><i>Energy Company/Department</i></b>	<b><i>Percent Completion</i></b>	<b><i>Estimate Savings/Increase Revenue</i></b>
Georgia Power	100%	Under dispute <sup>1</sup>
Cobb EMC	40%	-\$107,851 (net)
Marietta Power	85%	None
Acworth Power	100%	None
Greystone Power	85%	\$1,833.71
Cobb County Water	Ongoing	\$63,126 <sup>2</sup>

Source: SLD Coordinator.<sup>3</sup>

Providing written guidelines for creating a SLD within the boundaries of a city's utility service area is in process. Additional discussions are needed to resolve this pending issue.

We appreciate the cooperation extended to us by officials of the Department of Transportation and the Property Management Department during our fifth follow-up review. Internal Audit will perform a final follow-up in six months and determine the final resolution of the remaining recommendations. Should you wish to discuss any aspect of this report, please contact me at extension 2559 or Barry Huff, Auditor-in-Charge, at extension 2558.

#### **Distribution:**

Faye DiMassimo, Transportation Agency Director  
Jeff Burns, Transportation Agency Street Light Coordinator  
James Pehrson, CPA, Comptroller/Finance Director  
Willie Hopkins, Support Services Agency Director  
John A. Reida, Property Management Director  
Chuck Hunt, Energy Analyst, Property Management  
Deborah Dance, County Attorney  
Internal Audit Department File

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<sup>1</sup> According to the Energy Analyst and SLD Coordinator the Georgia Power audit found that Cobb County was underpaying for street lights. The results are disputed because they erroneously included lighting in numerous apartment complexes and condominiums, as well as private and public streets within Fulton County and city limits.

<sup>2</sup> Represents 1,503 unbilled accounts identified.

<sup>3</sup> Internal Audit did not perform any validation testing of this information, and thus provides no assurance as to the accuracy.