

GALVESTON COUNTY



Office of County Auditor

Randall Rice CPA CISA CIO, County Auditor
Kristin Bulanek CIA, First Assistant County Auditor

P.O. Box 1418, Galveston, Texas 77553

(409) 770-5304

722 Moody Ave 4th Floor, Galveston, TX 77550

November 22, 2016

Honorable Mark A. Henry, County Judge, and
Members of the Commissioners Court

Honorable Mark A. Henry and Members of the Court:

Attached for your consideration is the internal audit report of the inventory of fixed assets of the Department of Parks and Cultural Services. Also attached is the response letter from Julie Diaz, Director of Parks and Cultural Services.

Sincerely,

A handwritten signature in blue ink that reads "R. Rice CPA".

Randall Rice CPA
County Auditor

cc: Julie Diaz, Director of Parks and Cultural Services

Attachment: Department of Parks and Cultural Services Fixed Assets Audit Report
Response Letter, Julie Diaz, Director of Parks and Cultural Services

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October 28, 2016

To: Julie Diaz
Director, Department of Parks and Cultural Services

From: Madeline Walker
Compliance Audit Team Lead

Re: Department of Parks and Cultural Services, Inventory of Assets

An inventory of fixed assets of the Department of Parks and Cultural Services was conducted from September 6, 2016 to October 28, 2016. The objective of the inventory was to provide reasonable assurance that Galveston County fixed assets assigned to the Department of Parks and Cultural Services have been accounted for at the time of the inventory and the information in ONESolution is complete and accurate. Additionally, an inventory of small equipment was conducted to provide reasonable assurance that small equipment purchased by the department have been accounted for at the time of the inventory.

Fixed Asset Identification (FAID)

The Purchasing Agent Policies & Procedures Manual (May 11, 2010) requires the Fixed Asset Property Manager (FAPM) to properly tag and document receipt of each fixed asset. The FAPM assigns a unique FAID number to each fixed asset. The FAID is recorded in ONESolution and a decal reflecting the number is affixed to the vehicle or piece of equipment.

Finding: There are multiple fixed assets that are missing the Fixed Asset Identification (FAID) decal.

Recommendation PARKS-16-02: The department should notify the Purchasing Department to replace all missing or unreadable FAID decals.

Semi-Annual Fixed Asset Inventory

The Purchasing Agent Policies & Procedures Manual (May 11, 2010) 11.4(c) states, "Form FA-04, Verification of Asset Custody Report by Department, is distributed semi-annually to all departments. It includes all inventoried fixed assets charged to the protective custody of each department. The department's asset custodian shall examine the form for accuracy, execute it and return it to the Fixed Asset Property Manager."

The Department of Parks and Cultural Services performed an inventory of fixed assets March 2016. The Asset Custody Verification Forms were submitted to the Fixed Asset Property Manager.

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Finding: There are fixed assets in ONESolution that do not have a serial number or have an incorrect serial number listed.

Finding: There are fixed assets that are at a location different than what is listed in ONESolution.

Finding: There are fixed assets in ONESolution with no unit number listed or an incorrect unit number listed.

Recommendation PARKS-16-03: When performing the semi-annual inventory of fixed assets, the department should document any missing or incorrect information from ONESolution and notify the Purchasing Department of the corrections needed.

Small Equipment Inventory

Equipment purchased by the Department of Parks and Cultural Services which costs less than \$5,000.00 is not recorded in ONESolution and does not meet the guidelines set by the Purchasing Agent Policies & Procedures Manual for fixed assets. Therefore, it is the sole responsibility of the director to document and monitor all small equipment purchased.

Finding: Several small equipment items were unable to be located or verified.

Finding: There are small equipment items with no unit number affixed to the piece of equipment.

Recommendation PARKS-16-04: Create a current list of small assets and update this list concurrently with the fixed asset verification on a bi-annual basis.

We wish to thank Ms. Diaz and her staff for their cooperation and assistance.

cc: Randall Rice CPA, County Auditor
Kristin Bulanek CIA, First Assistant County Auditor
Rufus Crowder CPPO, CPPB, Purchasing Agent



COUNTY of GALVESTON
Department of Parks & Cultural Services

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November 14th, 2016

Randall Rice CPA County Auditor
The County of Galveston
County Auditor's Office
P. O. Box 1418
Galveston, Texas 77553

RE: Internal Audit

Dear: Mr. Rice,

The purpose of this letter is to present the Department of Parks and Cultural Services response to your office's internal audit of Inventory of Assets, received on November 7th, 2016, which was conducted for the period of September 6th, 2016 through October 28th, 2016.

Per the report received, the Parks and Cultural Service Department was found to have a discrepancy with the following items:

- **Fixed Asset Identification (FAID)**
 - Finding: There are multiple fixed assets that are missing the Fixed Asset Identification (FAID) decal.
 - Recommendations PARKS-16-02: The department should notify the Purchasing Department to replace all missing or unreadable FAID decals.
 - Response: The Parks Department will get with the Purchasing Department to get FAID decals for the items that are missing the required decals. We would like to request a copy of the items that were either missing or are unreadable from the Auditor's office so we can provide the list to Purchasing. Once the list is received, we will have the new FAID's in place by December 31st, 2016
- **Semi-Annual Fixed Asset Inventory**
 - Finding: There are fixed assets in ONESolution that do not have a serial number or have an incorrect serial number listed.
 - Finding: There are fixed assets that are at a location different than what is listed in ONESolution.
 - Finding: There are fixed assets in ONESolution with no unit number listed or an incorrect unit number listed.
 - Recommendations PARKS-16-03: When performing the semi-annual inventory of fixed assets, the department should document any missing or incorrect information from ONESolution and notify the Purchasing Department of the corrections needed.
 - Response: We had another semi-annual inventory of fixed assets in October/November and we addressed and change the locations of items, added unit numbers to those items that didn't have one, and added/corrected serial number for items in the ONESolution and also emailed Edward Nolan, Fixed Asset Property Manager, of the needed changes.
- **Small Equipment Inventory**
 - Finding: Several Small equipment items were unable to be located or verified.
 - Finding: There are small equipment items with no unit number affixed to the piece of equipment.
 - Recommendation PARKS-16-04: Create a current list of small assets and updated this list concurrently with the fixed asset verification on a bi-annual basis.
 - Response: The Parks Operations Manager will create a master list for small tool inventory by December 31st, 2016 that listed all small tools. He and staff will then create/update with unit numbers for each piece of equipment. Once the master list is created and labeled correctly, we will begin doing the small tool inventory bi-annually, in conjunction with the fixed asset inventory.

We appreciate the work done on this audit and would like to thank Madeline Walker from the Auditor's office for her professionalism, patience, and guidance through the process.

Thank you,

A handwritten signature in black ink, appearing to read "Julie Diaz".

Julie Diaz
Director
Galveston County Parks & Cultural Services
409-934-8114
Julie.diaz@co.galveston.tx.us

Our Core Purpose: "We offer exceptional life experiences!"