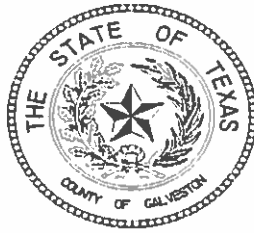


GALVESTON COUNTY



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

January 14, 2019

Honorable Mark A. Henry, County Judge, and
Members of the Commissioners Court
722 Moody Ave
Galveston, Texas 77550

Honorable Mark A. Henry and Members of the Court:

Attached to be received and filed is the internal audit report of the inventory of fixed assets of the Facilities Department. Also attached is the response letter from Assistant Facilities Director, William Riordan dated December 18, 2018.

Sincerely,

A handwritten signature in black ink that reads "Rice CPA".

Randall Rice CPA
County Auditor

cc: William Riordan, Assistant Facilities Director

Attachment: Facilities Inventory of Fixed Assets Audit Report
Response Letter, William Riordan, Assistant Facilities Director

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 19, 2018

To: Stephen Markiewicz
Risk Manager

From: Lillian Arredondo
Internal Auditor

Re: Facilities Department, Inventory of Fixed Assets

An inventory of fixed assets of the Facilities Department was conducted from November 15, 2018 through November 19, 2018. The objective of the inventory was to provide reasonable assurance that Galveston County fixed assets assigned to the Facilities Department have been accounted for at the time of the inventory and the information in ONESolution is complete and accurate. All fixed assets were accounted for during the inventory.

Fixed Asset Identification (FAID)

The Galveston County Purchasing Policies and Procedures Manual (March 7, 2018) requires the custodial department to properly tag and document receipt of each fixed asset. The Purchasing Asset Coordinator 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 FD-19-01: 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 (March 7, 2018) 12.4(c) states an online process, using the Asset Custody Verification Form, is initiated semi-annually with all departments. The Asset Verification Form 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 Purchasing Asset Coordinator.

The Facilities Department performed an inventory of fixed assets October 2018. The Asset Custody Verification Forms, dated October 4, 2018, were submitted to the Purchasing Asset Coordinator.

November 19, 2018

Page 2

Finding: There are multiple fixed assets that have a different unit number than what is listed in ONESolution.

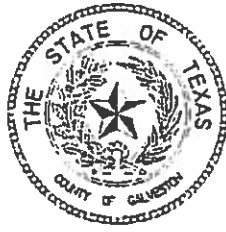
Recommendation FD-19-02: When performing the semi-annual inventory of fixed assets, the department should document any missing or incorrect information from ONESolution and notify the Purchasing Department of the corrections needed.

Fixed Asset Transfer

The Purchasing Agent Policies & Procedures Manual (March 7, 2018) 12.4(d) states, "The transfer of all other fixed property equipment from one department to another shall be documented on Form FA-02, Asset Transfer Report for Fixed Assets Other Than Information Technology Equipment. This form must be signed by both the transferring Department's Asset Custodian and the Purchasing Asset Coordinator." Form FA-02 was properly submitted to the Purchasing Department for all transferred assets.

We wish to thank Stephen Markiewicz and his 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
Facilities Dept.
722 Moody, 6th Floor
Galveston, Texas 77550
Phone (409) 765-2643 FAX (409) 621-7971
William "Will" Riordan
Assistant Facilities Director

Steve Markiewicz
Risk Manager

Debra J. Belany
Administrative Coordinator

December 18, 2018

To: Lillian Arredondo

From: William Riordan

Re: Facilities Fixed Asset Audit

Ms. Lillian Arredondo

The following is my response to the Audit conducted November 15th – November 19th of the assets in the Facilities Dept.

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

Response: We are working with the Fixed Asset Property Manager to get decals for the assets.

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

Response: We are working with the Fixed Asset Property Manager to get information into ONESolution.

Thank you.

A handwritten signature in black ink, appearing to read "Will Riordan".

William "Will" Riordan
409-765-2643