

# 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 4<sup>th</sup> Floor, Galveston, TX 77550

---

October 10, 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 Fleet Department.  
Also attached is the response letter from Fleet Director, John Fesler.

Sincerely,

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

Randall Rice CPA  
County Auditor

cc: David Delac, Chief Financial Officer

Attachment: Fleet Inventory of Fixed Assets Audit Report  
Response Letter, John Fesler, Fleet Director

# GALVESTON COUNTY



## Office of County Auditor

Randall Rice CPA CISA CIO, County Auditor  
Jeff Modzelewski CPA, First Assistant Accounting  
Kristin Bulanek CIA, First Assistant Auditing

P.O. Box 1418, Galveston, Texas 77553

(409) 770-5304

722 Moody Ave 4<sup>th</sup> Floor, Galveston, TX 77550

---

September 8, 2016

**To:** David Delac  
Chief Financial Officer

**From:** Lauren Ramsey  
Compliance and Procedures Analyst

**Re:** Fleet Department, Inventory of Fixed Assets

---

An inventory of fixed assets of the Fleet Department was conducted from August 31, 2016 to September 6, 2016. The objective of the inventory was to provide reasonable assurance that Galveston County fixed assets assigned to the Fleet 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 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 FLEET-16-01:** 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 (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 Fleet Department performed an inventory of fixed assets April 2016. The Asset Custody Verification Form, dated April 4, 2016, was submitted to the Fixed Asset Property Manager.

# GALVESTON COUNTY



## Office of County Auditor

Randall Rice CPA CISA CIO, County Auditor  
Jeff Modzelewski CPA, First Assistant Accounting  
Kristin Bulanek CIA, First Assistant Auditing

P.O. Box 1418, Galveston, Texas 77553

(409) 770-5304

722 Moody Ave 4<sup>th</sup> Floor, Galveston, TX 77550

---

**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 do not have a unit number affixed to the asset or have a different unit number than what is listed in ONESolution.

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

**Finding:** There are multiple fixed assets that have an incorrect license plate number recorded in ONESolution.

**Recommendation FLEET-16-02:** 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 (May 11, 2010) 11.4(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 Fixed Asset Property Manager."

**Finding:** FAID 29230, Ford Pickup Truck, and FAID 29261, Ford 4 Door Sedan, are currently in the custody of two Sheriff Officers but are assigned to the Fleet Department.

**Recommendation FLEET-16-03:** The Fleet Department should submit form FA-02 to the Purchasing Department to transfer custody of FAID 29230 and 29261.

We wish to thank David Delac and his staff for their cooperation and assistance.

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



**COUNTY OF GALVESTON**  
**Professional Services Department**

**DAVID M. DELAC, CHIEF FINANCIAL OFFICER**

CDBG Housing Department  
CDBG Non-Housing  
Child Welfare  
Fleet  
Grants/FEMA

Budget  
Financial Assistance  
Guardianship Program  
Indigent Burials  
Indigent Health Care

October 3, 2016

To: Mr. Randall Rice CPA  
County Auditor

From: John Fesler  
Fleet Director

Re: Fleet Department, Inventory of Fixed Assets Response

In response to the Fleet Department Inventory of Fixed Assets, I am submitting the following to each of the findings as listed:

The Fleet Department is actively working to ensure that an FAID decal is on all fixed assets by notifying the Purchasing Department for replacements.

I have inquired with the Purchasing Asset Coordinator to correct the following in OneSolution: FAID decals, serial numbers, license plates, and locations.

The two units that are in the custody of the Sheriff's Department and in the Fleet inventory are being investigated at this time. The best solution may be the transfer of custody.

Some of the assets had license plates removed before they were designated to be auctioned. The rest of the auction vehicles will follow suit. I am actively working to auction the surplus vehicles that have been replaced with new units and are not deemed to be fit for County use.

In closing, I would like to thank the Auditors Office and Lauren Ramsey for making this experience easy and straight forward. I am a new employee to the County and was advised only a couple of weeks into my position that my department was due for an audit. I am grateful to the Auditors Office for working with me and helping me along the way.