

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

February 25, 2019

Honorable Mark A. Henry, County Judge, and
Members of the Commissioners Court
722 Moody Ave, Suite 200
Galveston, TX 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 Fleet Department. Also attached is the response letter from Fleet Administrative Manager, Elizabeth Bryant.

Sincerely,

Randall Rice
CPA

Digitally signed by Randall Rice CPA
DN: cn=Randall Rice CPA, o=Galveston
County, ou=County Auditor,
email=randallrice@co.galveston.tx.us,
c=US
Date: 2019.02.19 13:13:20 -06'00'

Randall Rice CPA
County Auditor

cc: Elizabeth Bryant, Fleet Administrative Manager
Lee Crowder, Director of Road & Bridge

Attachment: Fleet Inventory of Fixed Assets Audit Report
Response Letter, Elizabeth Bryant, Fleet Administrative Manager

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722 Moody Ave 4th Floor, Galveston, TX 77550

January 25, 2019

To: Elizabeth Bryant
Fleet Administration - Manager

From: Michaelyn Dunaway
Internal Auditor

Re: Fleet Department, Inventory of Fixed Assets

An inventory of fixed assets of the Fleet Department was conducted from December 26, 2018 to January 17, 2019. 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 (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: Several assets are missing Fixed Asset Identification (FAID) decals. This includes FAID 32170, 32054 and 30490 and excludes assets noted as flagged for auction.

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 Fleet Department performed an inventory of fixed assets December 2018. The Asset Custody Verification Form, dated December 12, 2018 was submitted to the Purchasing Asset Coordinator. No material exceptions were noted.

Fixed Asset Transfer

The Purchasing Agent Policies & Procedures Manual (March 7, 2018) 11.3(a) states "Fixed asset transports from location to location require the notification of the Purchasing Asset Coordinator who will perform the update of location in the financial system. Custodial transfers from one department/division to another must be documented with Purchasing form FA-02, Transfer which must be sent to the Purchasing Asset Coordinator. The transfer will be completed and filed with the asset record within 5 business days."

Finding: There are several fixed assets in the custody of the Fleet Department in anticipation of disposal but remain assigned to other departments in ONESolution. This includes FAID 31603, 27139, 30103, 31773 and 29976 (2008 Diamond Coach model VIP 3201).

Recommendation FD-19-02: Form FA-02 should be completed for each custodial transfer and forwarded to the Purchasing Asset Coordinator for update within 5 business days.

We wish to thank Elizabeth Bryant and her staff for their cooperation and assistance.

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



The County of Galveston
Road and Bridge Department
Seawall Maintenance Department
Bolivar Peninsula Beach Maintenance
Fleet Maintenance

Lee Crowder, Director of Road and Bridge Office 281-534-5152

Date: February 14, 2019

To: Randall Rice CPA
County Auditor

From: Elizabeth Bryant
Fleet Administrative Manager

A handwritten signature in black ink, appearing to read "Elizabeth Bryant", written over a horizontal line.

Re: **Response to the Fleet Department, Inventory of Fixed Assets**

The following is the corrective action plan for each finding included in the FY19 Fleet Department's Inventory of Fixed Assets.

Recommendation FD-19-01: The department should notify the Purchasing Department to replace all missing or unreadable FAID decals.

- The Fleet Department has requested replacement FAID stickers from the Purchasing Department. Purchasing has mentioned replacing the FAID stickers with an imprinted metal tag in the near future. The new implementation will provide a more permanent solution to fading and missing stickers.

Recommendation FD-19-02: Form FA-02 should be completed for each custodial transfer and forwarded to the Purchasing Asset Coordinator for update within 5 business days.

- According to the Purchasing Policy for fixed assets; individual departments are responsible for initiating and submitting form FA-02, with an authorized department signature, to the Purchasing Department to complete the fixed asset transfer process.

Thank you for your guidance throughout the internal audit, the recommendations and Department's corrections will ensure accuracy and full compliance with current policies and expectations.