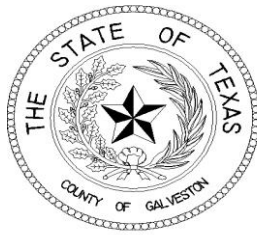


GALVESTON COUNTY



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

August 10, 2020

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 assets of the Department of Parks and Cultural Services. Also attached is the response letter from Julie Diaz, Director of Parks and Cultural Services.

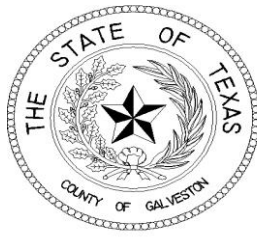
Sincerely,

Randall Rice CPA
County Auditor

cc: Julie Diaz, Director of Parks and Cultural Services

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

GALVESTON COUNTY



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722 Moody Ave 4th Floor, Galveston, TX 77550

July 16, 2020

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

From: Jessica Kozma
Internal Auditor

Re: Department of Parks and Cultural Services, Inventory of Assets Internal Audit 2020

An inventory of assets of the Department of Parks and Cultural Services was conducted from June 29, 2020 to July 15, 2020. The objective of the inventory was to provide reasonable assurance 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 small equipment purchased by the department have been accounted for at the time of the inventory.

Lost Fixed Assets

The Purchasing Agent Policies & Procedures Manual (March 7, 2018), 11.2(b) states, "Lost assets must be reported immediately to the Purchasing Agent by the Elected/Appointed Official, or the Department Head. Reports of lost assets must be immediately made on Form FA-03, Asset Disposal Report by the Elected or Appointed Official or Department Head and sent to the Purchasing asset coordinator who will update the fixed asset status to AD - awaiting disposal. In addition, the Elected Official or Appointed Official or the Department Head must report the theft to the proper law enforcement agency and submit a copy of the offense report to the Purchasing asset coordinator. It will be removed from the department's asset custody report by the Purchasing asset coordinator after the proper documentation is received and filed by Commissioners Court." No exceptions were noted.

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. No material exceptions were noted.

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 Department of Parks and Cultural Services performed an inventory of fixed assets May 2020. The Asset Custody Verification Forms were submitted to the Purchasing Asset Coordinator.

Finding: There were multiple fixed assets in which the unit number was unreadable or not affixed to the asset. In addition, there were numerous fixed assets in which the serial number wore off, thus could not be verified.

Recommendation PARKS-20-01: To ensure compliance with the Purchasing Agent Policies and Procedures Manual, the department should notify the Purchasing Asset Coordinator to replace all missing or unreadable unit numbers and/or serial numbers.

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 responsibility of the department to document and monitor all small equipment purchased.

Finding: There were numerous small equipment items with no unit number affixed to the piece of equipment. There were numerous small equipment items that were broken, disposed of, etc. without adequate support documentation.

Recommendation PARKS-20-02: To improve the efficiency of the small equipment inventory, the department should assign unit numbers to all small equipment. In addition, the department should implement a policy to provide adequate support documentation to all small equipment that is taken out of service.

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
4102 Main Street (FM 519) • La Marque, Texas 77568
Phone: (409) 934-8101 • Fax: (409) 621-7986

August 3rd, 2020

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

RE: Department of Parks and Cultural Services, Inventory of Assets – Internal Audit 2020

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 received on July 16th, 2020, which was conducted for June 29th, 2020 – July 15th, 2020.

Lost Fixed Assets

Finding: No exception were noted.

Fixed Asset Identification (FAID)

Finding: No material exceptions were noted.

Semi-Annual Fixed Asset Inventory

Finding: There were multiple fixed assets in which the unit number was unreadable or not affixed to the asset. In addition, there were numerous fixed assets in which the serial numbers were worn off, thus could not be verified.

Recommendation Parks-20-01: To ensure compliance with the Purchasing Agent Policies and Procedures Manual, the department should notify the Purchasing Asset Coordinator to replace all missing or unreadable unit numbers and/or serial numbers.

Response: The Parks Department just completed the inventory and replaced a good majority of unit numbers and serial numbers. We reached out to Jessica for the list of items there had issues and she provided them to us. We are in the process of getting them updated.

Small Tool Inventory

Finding: There were numerous small equipment items with no unit number affixed to the piece of equipment. There are numerous small equipment items that were broken, disposed of, etc...without adequate support documentation.

Recommendation PARKS-20-02: To improve efficiency of the small equipment inventory, the department should assign unit numbers to all small equipment. In addition, the department should implement a policy to provide adequate support documentation to all small equipment that is taken out of service.

Response: We have tried several different options for unit numbers to small tools/equipment. Most are cumbersome and get in the way of the use of the tool/equipment, fall off, or rub off with time. We are continuing to research the best way to assign unit numbers to these items. All small tools that are taken off the list have been provided to me and I give the approval to remove. We will be adding a policy to our policy and procedure manual that directly addresses what tools need to be inventoried (by dollar amount) and the process for removing from that list.

I would like to thank Jessica Kozma for her professionalism as she conducted her day to day visits and interactions with our staff and for her diligent work during this audit.

Thank you,

A handwritten signature in cursive script, appearing to read "Julie Diaz".

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