COLLIN COUNTY

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Date: October 28, 2009

To: Jon Kleinheksel, Director of Public Works

From: Jeff May, County Auditor

Subject: Public Works Stockpile Physical Inventory – Final

Internal Audit met with Mike McClatchy at the Service Center on September 29, 2009 to observe the inventory of stockpiles and culverts. The audit objectives were to ensure county property is properly accounted for, accurately recorded and adequately safeguarded.

During the inventory count, we identified certain practices and procedures that we believe could be enhanced to strengthen internal controls and increase efficiencies. The inventory count and review were not intended to be a comprehensive examination of every procedure or activity. Accordingly, the findings and recommendations presented in this report should not be considered as all-inclusive of areas where improvements may be needed.

The Public Works personnel were extremely helpful and courteous in assisting with the annual inventory of stockpiles and culverts.

Please feel free to contact us with any questions or requests for assistance.

Stockpiles

The auditor observed the taking of the annual physical inventory of the stockpiles on September 29-30, 2009, located at the Justice Center, Farmersville, Weston, and Copeville. The inventory measurements were taken by an outside vendor, Bohannan Houston, Inc. The vendor took measurements by preparing separate topographic survey drawings using laser and GPS technology and the Micro Station Version 8 software to calculate the total inventory of the stockpiles. We compared the stockpile survey report prepared by Bohannan Houston with inventory balances reports prepared by Public Works and Purchasing.

Findings:
The Auditor found that a regularly updated record of the stockpile inventory was not available. In other words, a material physical inventory record that was regularly updated with items received and used was not available.

Note: We identified this as a finding in the audit report for the last fiscal year.

Recommendation:
The physical inventory should be regularly updated with items received and used, and documented in the quarterly reports.

Response:
Preliminary findings, Public Works will implement daily logging of stockpile material received and used into AS 400 starting fiscal year 2010. This information has and will continue to be documented in the quarterly reports.

Culverts

Findings:
The Auditor found that a regularly updated record of the culvert inventory was not available. As with the stockpiles, a material physical inventory record that was regularly updated with items received and used was not available.

Note: We identified this as a finding in the audit report for the last fiscal year.

Recommendations:
The physical inventory should be regularly updated with items received and used, and documented in the quarterly reports.

Response:
Preliminary findings, Public Works will implement daily logging of culverts received and used into AS 400 starting fiscal year 2010. This information has and will continue to be documented in the quarterly reports.