



# COLLIN COUNTY

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Date: October 28, 2009  
To: Frank Ybarbo, Purchasing Agent  
From: Jeff May, County Auditor *JM*  
Subject: Computer Parts Warehouse Inventory FY09 - Final

On September 29, 2009, Internal Audit personnel met with Purchasing Department and Computer Parts Warehouse Personnel to participate in the physical inventory of the Computer Warehouse. The audit objectives were to ensure county property is properly accounted for, accurately recorded, and adequately safeguarded.

The count and review was not intended to be a comprehensive examination of every item, 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 computer storeroom personnel were extremely helpful and courteous in assisting with questions and with the annual inventory review. The inventory was maintained in a professional manner and the procedures used to maintain the inventory were efficient. The computer storeroom personnel are doing a great job of organizing, controlling and safeguarding the inventory in the warehouse.

If you have any questions or need additional assistance, please call the Auditor's Office.

**Findings:**

An inventory count was conducted on the Computer Storeroom inventory items. The inventory list contained ninety-seven items; only one exception was identified. The exception item number is 484 054 00019, a Cisco 3524 Switch. The inventory register showed two items in stock; however three were on hand and counted.

**Recommendation:**

Differences between the physical and the perpetual inventory totals should be reconciled and adjustments made to correct the beginning FY10 inventory. The procedures used to maintain the inventory should be reviewed and documented on the response.

**Response:**

Typo by warehouse personnel, count corrected during audit.

**Notes:**

We observed stored items in the computer storeroom that were not part of the computer storeroom inventory.

1. The stored items were identified as items that have been acquired through Purchase Orders (P.O.) by the Telecommunications Department. The items are stored and marked with the corresponding P.O. numbers. An email is attached to each item(s) to show that the computer storeroom received the merchandise and notified the department that the items have been received.

A record is maintained by computer storeroom personnel to reflect the item and quantity of the item(s) received. An equipment tracking form is filled out by the department and signed by the department and the storeroom personnel to release the items. As the items are released the records are updated to show number of items released. When all of the items under the P.O. have been issued, the item is then removed from the list. These stored items, which have not been picked up by the Telecommunications Department, have P.O. dates that range from 2004 through 2009.

We traced 35% of the P.O. items from the list to items on hand in the storeroom. A variance was identified on one (1) of the sampled items. P.O. number 504955: Phone Transformer, showed a quantity of 19 and only 18 were counted.

**Response:** All computer equipment is delivered to CPW and released to IT personnel upon request of authorized IT personnel for installation. All computer equipment is not part of the inventory. Per Bryan, the variance was simply an oversight and count was not changed when equipment was issued, count has been corrected now.

2. Computer storeroom experienced a water leak during the year due to a pipe leak that occurred on the third floor of the building. None of the computer storeroom or stored items were damaged by this leak according to computer storeroom personnel.

Computer storeroom personnel maintain the inventory listing and P.O. items under the following link: <http://mycollincounty/IT%20Inventory/default.aspx>. The list is updated as items are received and released. In order to view the report you will need to be added as a user by computer storeroom personnel.