



COLLIN COUNTY

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Date: November 2, 2009
To: Dan C. James, Facilities Director
From: Jeff May, County Auditor 
Subject: Annual Facilities Inventory FY09 - Final

Internal Audit personnel met with the Parts Specialist and Building Maintenance Technician to observe and perform a review of the physical inventory at Building Facilities on September 24, 2009. The audit objectives were to ensure county property is properly accounted for, accurately recorded, and adequately safeguarded.

The methodology used for the test count was pre-determined by the auditor prior to the arrival on site. The inventory would be a sample of at least 30% of the 659 total items listed on the inventory valued at \$125,837.82 and 100% of the 11 total items listed on the janitorial inventory valued at \$12,656.74. All counting was observed and recorded by the auditor and 50% of the items were also counted by the auditor. The count and review was not intended to be a comprehensive examination of every part, procedure or activity. Accordingly, the findings presented in this report should not be considered as all-inclusive of areas where differences may have occurred.

The building facilities personnel were extremely helpful and courteous in assisting with questions and the inventory was maintained in a professional manner. The procedures used to maintain the inventory were efficient. All the inventory items were well organized.

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

Findings:

The actual value based on the report prepared September 24, 2009 was \$125,837.82 for the regular inventory and \$12,656.74 for the janitorial inventory. A sample of 50% of the regular inventory and 100% of the janitorial inventory was taken with no exceptions found. Due to the variances in the exception report, the physical inventory total was (\$163.72) (.13%) less than perpetual inventory total. The overall inventory exception report received from Purchasing identified variances on 43 items. The Auditor's office was given the exception reports from the Purchasing office and was present at the recount.

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. An explanation for the variances should be documented in the audit response. The inventory was in excellent order and variances were very low.

Response:

In regards to the annual inventory audit performed this past September, 2009, the exception report was previously provided by the Purchasing Department. As per your recommendation to correct the inventory, Michael Mosier has met with the Purchasing Department and reconciled the small differences.

We believe the small differences are attributed to human error. Facilities does not have a Parts Specialist on duty for off-shift and continue to direct the off-shift personnel to write down inventory issued since Facilities does not have a scanned inventory system.