



COLLIN COUNTY

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Date: June 13, 2012
To: Collin County Commissioners Court
From: Jeff May, County Auditor 
Subject: Annual Asset Review FY11 – Final

A County wide asset review began on October 3, 2011. The audit objectives were to ensure county assets are accounted for, accurately recorded, and adequately safeguarded.

This review covered all County assets assigned to agencies recorded in the AS400 system and subject to the Collin County Capitalization Policy approved by court order no. 2008-826-09-23.

Review procedures include verification of all County assets meeting the parameters under Appendix C of the Collin County Capitalization Policy. The review is to ensure assets did in fact exist and were at the location specified in Fixed Assets.

During the asset review, certain practices and procedures were identified that could be enhanced to strengthen internal controls and increase efficiencies. The asset review was 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.

County employees from each agency, the Information Technology Department, and the Purchasing Department assisted in locating and identifying the assets.

Please feel free to contact this office with any questions.

Cc: Terry Box, Sheriff

A comprehensive review of all County assets that fell within the guidelines of Appendix C of the Collin County Capitalization Policy was conducted. The policy states that assets having a purchase price over \$5,000 or, if within the category of Highly Attractive, over the price of \$200, should be properly tagged and documented in Fixed Assets.

Sheriff's Office

At the beginning of the fieldwork, the Sheriff's Office had 528 County assets assigned to them in Fixed Assets. During the review, the following was identified:

Finding(s):

1. Asset #40280, a Winchester Defender Shotgun, could not be located. Two identical shotguns were donated to the Sheriff's Office in 2004. According to the Armory, the missing shotgun may have been cannibalized for parts and combined with the other shotgun that was donated at the same time. The other shotgun was verified.
2. Four assets assigned to the Sheriff's Office were not located. These items may have been put into surplus or salvaged.
 - a. Asset #43454, a Dash Hound – Model DH1 In-Car HI8MM Police Video: This item was purchased in 2004. According to the Sheriff's Office, this equipment is no longer in use, as it uses 8MM film.
 - b. Asset #35354, a PIX 520 128 Session: This computer equipment was purchased in 2000. According to IT, this category of firewall is no longer in service and has been replaced since the support for the hardware and software is no longer available.
 - c. Asset #36052, a Token Ring Router FRO CDPD and Frame Relay: This is computer equipment acquired in 2001. According to IT, this type of technology is no longer in use and the equipment was replaced.
 - d. Asset #28199, an Intoxilyzer 5000 #68002012: This item was acquired in 1996. According to the Sheriff's Office, they have only one Intoxilizer and this item was replaced by a new Intoxilyzer that was verified during the review.
3. Seventeen assets were discovered on Sheriff's Office premises that were not on the asset inventory. Although the exact value of these items is not known, they all fall under the category of Highly Attractive assets according to and belong to one of the following categories:
 - a. VCRs,
 - b. DVD/DVR Players,
 - c. TVs, or
 - d. Firearms

Recommendation(s):

1. The Sheriff's Office should track the disposition of all firearms assigned to them. A set of procedures should be developed for the use of firearm parts in the repair or upgrade of other firearms. This procedure should be approved by Commissioner's Court.

The details of this process should be properly documented and approved by management. This process should also include the notification and participation of the Purchasing department so that updates to the disposition of these assets can be made to the system.

2. The Sheriff's Office should work with the Purchasing Department, the Information Technology Department, and the Service Center to accurately track and document the status of assets assigned to them. All assets to be put into surplus or otherwise disposed of should first go through Purchasing to ensure the disposition of the asset is properly documented in accordance with County policy.
3. All assets acquired by the Sheriff's Office and falling within the parameters of the Collin County Capitalization Policy should be properly tagged and documented in Fixed Assets.

The Sheriff's Office should work with Purchasing to ensure all required assets are tagged and recorded in the system. If an asset is donated or acquired in a similar manner, the Purchasing department should be informed so that they may update the system and attach a County tag to the asset.

Note: As a result of this audit, the Sheriff's Office has taken steps to document and track assets that should be recorded in the system and also worked with the Purchasing department to update the system with current asset information.

The effectiveness of the new procedures to safeguard County assets will be reviewed during the next asset review.

Response by Terry Box, Sheriff

1. We agree, and in fact, follow that procedure now. The shotgun in question was donated as a used item by the city of Blue Ridge years ago and its parts were used to repair another one of the same model.
- 2-3 We agree, and again, this is our policy and will watch more closely to see that the items we receive have been tagged by purchasing or IT when we receive them.

The Auditor's office personnel were very helpful during this audit and confirmed the status of the items mentioned with IT and Purchasing