

RE: FY24 Inventory / Fixed Asset Audit Letter Draft

Lance Anderson <landerson@johnsoncountytexas.org>

Thu 29-Aug-24 9:08 AM

To: Audit-Letters <audit-letters@johnsoncountytexas.org>

Cc: Kristi Shaw <kshaw@johnsoncountytexas.org>

1 attachments (36 KB)

Inventory Audit Letter Draft.docx

Good Morning, I concur with the Inventory Audit findings.

Thank You,



Lance Anderson
Purchasing Agent
Johnson County Texas
411 Marti Drive
Cleburne, TX 76033
P 817.556.6382 Ext.1457
landerson@johnsoncountytexas.org



From: Audit-Letters <audit-letters@johnsoncountytexas.org>
Sent: Tuesday, August 27, 2024 4:06 PM
To: Lance Anderson <landerson@johnsoncountytexas.org>
Cc: Donna White <dwhite@johnsoncountytexas.org>
Subject: FY24 Inventory / Fixed Asset Audit Letter Draft

Mr. Anderson,

In doing our due diligence for the preparation of the implementation of new software, we reviewed the inventory / fixed assets processes.

Please review the attached draft letter for this audit.

If you agree with this letter, Reply with your Approval.

Once approved, this will be submitted to Commissioners Court.

8/29/24, 9:28 AM

Mail - Kathy Rice - Outlook

Thank you,

sw

Steve Watson

Johnson County Auditor

P: 817-556-6305

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Steven E. Watson
County Auditor

Jennifer R. Lyon
First Assistant County Auditor

August 23rd, 2024

Lance Anderson
Purchasing Agent
Johnson County
411 Marti Drive,
Cleburne TX 76033

RE: Auditor's Report – Inventory-Fixed Asset Audit

Dear Mr. Anderson,

Summary

In accordance with Chapter 115 of the Local Government Code, the Auditors Office performed a review of the Inventory processes and procedures for the Purchasing Office. To accomplish the audit, the Auditors Office judgmentally selected items from the inventory list extracted from Innoprise.

Background

The Johnson County Purchasing Department provides procurement services to all county departments. The Purchasing Agent is charged with the responsibility of purchasing all supplies, materials, and equipment required or used. The Purchasing Agent is also responsible for contracts for all repairs to property used by the county and supervises all purchases made on competitive bid. Allowable purchases are specified in Local Government Code 262.

The Purchasing Agent maintains surplus inventory and disposes of all excess, obsolete or unserviceable equipment through bid sales or auctions as provided by law. Johnson County currently uses an online auction service to sell all surplus property. Auctions are the most frequent method for disposing of surplus and salvage property in Johnson County. In preparing items for sale, a list of items to be declared as surplus and salvage is presented to the commissioner's court for approval.

Scope

Our review was limited to the examination of the Innoprise system scanned backup reports, the Johnson County Inventory / Fixed Asset Policy and Procedures Manual, and purchasing's fixed asset numbering worksheet used for this process.

Objective

We reviewed a random sampling of Fixed Assets. Proper documentation and asset recording procedures were verified for new purchases, retired and disposed assets. We ensured that items entered into the Fixed Asset module of Innoprise were correct and that the appropriate approvals were received. We also verified the systems calculations for depreciation were accurate.

Findings

There were no exceptions that would lead us to conclude that the items purchased, transferred, retired or disposed, for this period were not, in all material respects, appropriately remitted and reported.

Recommendations

We recommend that once the physical inventory is complete, a detailed list of the inventory with any exceptions or notes, is sent to each department head for their approval, in which they return a signed copy, for auditing purposes.

We also recommend that the policy manual be updated to reflect the new process and any changes the new software implementation will entail.

Thank you and your staff for your courtesy and cooperation shown during this audit.

Sincerely,



Steven Watson
Johnson County Auditor

cc: Kathy Rice, Audit Manager