



COMMISSIONERS COURT
COMMUNICATION

REFERENCE NUMBER CO#127366

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DATE: 04/03/2018

SUBJECT: **RECEIVE AND FILE THE AUDITOR'S REPORT OF THE INVENTORY OF
COMPUTER-RELATED ASSETS**

COMMISSIONERS COURT ACTION REQUESTED:

It is requested that the Commissioners Court receive and file the Auditor's Report of the Inventory of Computer-Related Assets.

BACKGROUND:

According to Local Government Code, Section 262.011(i), "The county auditor shall carefully examine the inventory and make an accounting for all property purchased or previously inventoried and not appearing in the inventory." The Auditor's Office cannot fulfill this statutory requirement since the Information Technologies Department did not complete a 2017 inventory of computer-related assets.

FISCAL IMPACT:

There is no direct fiscal impact associated with this item.

SUBMITTED BY: Auditor's Office

PREPARED BY: S. Renee Tidwell
APPROVED BY:



TARRANT COUNTY

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March 21, 2018

The Honorable Commissioners Court
The Honorable District Judges

Re: Auditor's Report – Inventory of Computer-Related Assets


The Auditor's Office began a review to evaluate the Information Technology Department's (ITD) inventory process of computer-related assets. Although our review is not complete, it was brought to our attention that ITD did not perform the annual inventory of computer assets as required by County policy. ITD provided a SAP report to the Purchasing Department in late June 2017 representing an inventory of computer assets. However, ITD staff had not verified the existence of those assets. After discussing this issue, ITD management stated that a physical inventory would be completed by January 31, 2018.

Although the Auditor's Office received an inventory on February 1, 2018, ITD staff did not physically verify the existence of approximately 1,300 computer assets. According to Local Government Code, Section 262.011(i), "*The county auditor shall carefully examine the inventory and make an accounting for all property purchased or previously inventoried and not appearing in the inventory.*" The Auditor's Office cannot fulfill this statutory requirement since the 2017 inventory was not complete. ITD staff stated that they would complete a more comprehensive inventory during 2018 and would begin by verifying the existence of the 1,300 computer assets that were not verified during the 2017 inventory. Upon receipt of the 2018 physical inventory, the Auditor's Office will perform a full reconciliation to the County's asset management system.

ITD is responsible for the annual inventory of approximately 16,000 computer-related assets. The Auditor's Office expressed concern about the *physical* inventory of computer assets performed in prior years. ITD management stated that the employee responsible for inventory told her managers and the Criminal District Attorney's Office, under oath, that the 2015 and 2016 inventories were fully completed. ITD management was able to provide us with very little documentation supporting this assertion since the employee is no longer employed by Tarrant County. Along with emails referencing activities and status reports, ITD provided documentation supporting the 2015 physical inventory of 397 and 153 computer assets located in the Public Health Department and ITD, respectively. No computer assets were removed from the County's asset management systems as a result of the 2015 inventory. ITD also provided documentation supporting the 2016 physical inventory of 95 computer assets located in the County Judge's office, the Commissioners' offices, and the County Administrator's office. Based on the 2016 inventory provided to the Purchasing Agent, there were 21 computer-related assets removed from the County's asset management system.

If you have any questions regarding the contents of this report, please don't hesitate to contact me.

Sincerely,



S. Renee Tidwell, CPA
County Auditor

Distribution:

G.K. Maenius, County Administrator
Jack Beacham, Purchasing Agent
Chris Nchopa-Ayafor, Chief Information Officer
William Allen, ITD Resource Manager