

FOLLOW-UP REVIEW

CITY AUDITOR

Report Date:	December 6, 2017
Department:	Communications
Subject:	Inventory
Lead Auditor:	Kate Witek

OBJECTIVE

The objective of this follow-up review was to determine whether the Communications Department has effectively implemented the corrective action plans (CAPs) presented in their response to our November 16, 2016 audit recommendations.

SCOPE & METHODOLOGY

To accomplish our objective we reviewed departmental procedures; interviewed staff; toured the Communications warehouse; and analyzed systems data.

BACKGROUND

The objective of our 2016 audit was to evaluate the effectiveness of internal controls related to procurement and inventory management processes in the Communications Department (which has since merged with the Information Technology Department). The report included several recommendations, which we have summarized as follows:

1. Identify and dispose of obsolete items in the warehouse.
2. Review and update written policies and procedures.
3. Develop a process to document a chain of custody for equipment moving in and out of the warehouse.
4. Implement a more effective process for maintaining the accuracy of system status and location information for assets.
5. Implement a process to maintain compliance with records retention policies.

CONCLUSION








All corrective action plans associated with the audit have been successfully implemented. Additional details are presented in the attached Appendix.

APPENDIX

✓ = Implemented

◆ = In Progress

✗ = Not Implemented

 = Implemented	 = In Progress	 = Not Implemented
<u>Corrective Action</u>		<u>Implementation Status</u>
CAP#1:		
Recommendation 1-1: The Communications department should identify and appropriately dispose of obsolete items being stored in the warehouse. Management Response: Will review and identify obsolete equipment and dispose of it according to applicable City Management policies.	Implemented	
Recommendation 1-2: Management should periodically review and update written policies and procedures to ensure they remain consistent with City policies, management directives, and operational processes; and to provide effective guidance to staff. Management Response : Will review and update written policies and procedures and establish new procedures as necessary.	Implemented	
CAP#2:		
Recommendation 2-1: The Communications department should revise its procedures for issuing consumable items to be consistent with actual practices and operational needs. Management Response: Will review and update written policies and procedures and establish new procedures as necessary.	Implemented	
Recommendation 2-2: Communications staff should consistently document the transfer of custody of equipment moving in and out of the warehouse. Management Response: Reinforce with Department personnel to follow existing policies and procedures to ensure there is a documented chain of custody. We will also review and update existing procedures and establish new procedures as necessary.	Implemented	

APPENDIX

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<u>Corrective Action</u>	<u>Implementation Status</u>	
<p>Recommendation 2-3: Management should implement a more effective process for continuously maintaining accurate status and location information for assets in the Mainsaver system.</p> <p>Management Response: Reinforce with Department personnel to follow existing policies and procedures. We will also review and update existing procedures and establish new procedures as necessary.</p>	Implemented	✓
CAP#3:		
<p>Recommendation 3-1: Communications should dispose of documents as required by City and State records retention policies; and implement a process to ensure compliance is maintained in the future.</p> <p>Management Response: Will review and identify records that need to be disposed of according to applicable City and State record retention policies. We will establish a procedure for regular review of records for disposal.</p>	Implemented	✓