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STAFF REPORT

BOARD MEETING DATE: July 26, 2016

DATE: July 7, 2016
TO: Board of County Commissioners
FROM: Alison A. Gordon, Internal Audit Manager
775-328-2064, agordon@washoecounty.us
THROUGH: John Slaughter, County Manager
SUBJECT: Acknowledge Receipt of the Inventory Controls Audit Report from the Internal Audit Division (All Commission Districts)

SUMMARY

The Board of County Commissioners approved a performance audit of the County Inventory Controls during the October 13, 2015 board meeting. The audit involved assessing current practices, including compliance with laws, regulations, County code and other requirements, and testing the practices in place for administering County inventory.

The results of the review indicated the administration of County Inventory Controls can be enhanced. For example:

County departments need to comply with County Code and Purchasing Division inventory policies and procedures. Various instances were found where the current inventory list from SAP was inaccurate including equipment no longer in existence, duplicate equipment records, and equipment that should have been recorded as inventory. Additionally, not all inventory that is sensitive or of a high risk of loss is recorded in SAP, such as the irreplaceable antiques in the historic Bower's Mansion house. By having incomplete inventory records in the official County recordkeeping system, County assets are not adequately safeguarded.

County smart phones and tablets should be recorded in SAP and the AirWatch security system should be in place to safeguard applications and content on these mobile devices as well as laptops. The County has about 280 mobile devices and only about 52% have had AirWatch installed. In addition to County devices, employees using their personal devices to access County data should have AirWatch installed. Currently, 119 employees have had AirWatch added to their personal devices, about 4% of all County employees. Additionally, many employees access County data from home through VPN using their

AGENDA ITEM # 5.L.2.

personal devices. The County Technology Services Department has security policies and procedures where the intent is to prohibit employees from using VPN to access County data using personal devices, such as a PC or laptop at home, to ensure malware or system vulnerabilities is not introduced to the County network . However, the security policies and procedures language pertaining to VPN use are not clear and a review should be conducted of the current policies. Also, Technology Services needs to explore further how to improve the County's overall network security from VPN access and monitoring to allow employees greater flexibility in performing their work duties.

County vehicles need to be recorded in SAP to maintain adequate controls to minimize the risk of loss or misuse. A comparison of vehicles was performed between SAP and the Community Services Department, CSD, Equipment Services Division Flagship system using the Internal Audit Division data analysis software. One hundred two of 997 vehicles in the County fleet were identified as unmatched. Further analysis was performed and vehicles were unmatched because of incorrect VIN numbers, vehicles that need to be added to SAP, and vehicles that need deletion from SAP. Once all vehicles are correctly recorded in SAP, CSD and the Internal Audit Division will perform annual comparisons using the Internal Audit Division's analytical software to ensure all vehicles are recorded as SAP inventory.

County equipment stored at vacant offsite locations needs to be evaluated and moved to a different location. County equipment is being stored at two vacant locations on Mill St. – the prior Cooperative Extension Service building and the Excel building, both of which are on Mill St. and owned by the Truckee Meadows Flood Authority. As the Truckee Meadows Flood Authority plans to demolish both these buildings later this year, the County needs to remove the equipment and determine whether it is still useful and can be placed in service or if it is surplus equipment that should go to auction.

The County Comptroller's Office needs to ensure the SAP report being used to account for vehicle depreciation is accurate. For example, a comparison performed between the SAP fixed asset report and vehicle inventory showed nineteen vehicles in the vehicle inventory from 2013, 2014, 2015 and 2016 that were not included in the fixed asset report. Depreciation would be computed for each of these vehicles. Three vehicles on the fixed asset report, where depreciation was being computed, had been sold at auction. If the SAP fixed asset report does not include all depreciable vehicles and includes vehicles that have been sold at auction, the likelihood exists that depreciation will be incorrectly reported in the Equipment Services Fund.

Division Strategic Objective supported by this item: To ensure County Operations are Administered Efficiently and Effectively

PREVIOUS ACTION

No previous action has been taken on this Board item.

BACKGROUND

County Code Chapter 15.090 through 15.130 establishes the County Property Control Ordinance and assigns the administration of the County inventory controls to the Comptroller's Office, Purchasing Division. These code sections require each department to perform an annual inventory, which must be completed and submitted to the

Purchasing Division. Any transfers of inventory items from one department to another must be documented by the department and reported to the Purchasing Division. Likewise, any inventory item no longer useful to a department must be transferred to the Purchasing Division and the authorization must be obtained before the sale or other disposition of surplus personal property. Additionally, county code requires the Purchasing Division to maintain a computer-oriented system to account for property and issue reports.

SCOPE AND METHODOLOGY

The scope of this audit included evaluating the inventory controls used by the County for efficiency and effectiveness. It included assessing internal controls over recording and removing inventory in the County system, SAP; the performance of annual inventories; and safeguarding assets. It also included reviewing compliance with County policies, applicable NRS, and Purchasing Division inventory policies and procedures.

This audit was conducted in accordance with Generally Accepted Government Auditing Standards and covered periods through June 2016. Fieldwork was conducted between December 2015 and June 2016.

FISCAL IMPACT

This report has no fiscal impact. However, implementation of some recommendations may have fiscal impact and at this time, no funding source has been identified for any additional costs.

RECOMMENDATION

It is recommended the Board of County Commissioners acknowledge receipt of this audit report of Washoe County's Inventory Controls.

POSSIBLE MOTION

Should the Board of County Commissioners acknowledge receipt of this audit report, a possible motion would be:

Move to acknowledge receipt of the Washoe County Inventory Controls Audit Report from the Internal Audit Division.

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Attachments

WASHOE COUNTY



Washoe County Inventory Controls

June 23, 2016

Alison A. Gordon, CPA, CFE
Internal Audit Manager



Executive Summary

County departments need to comply with code and Purchasing inventory policies and procedures.

15 percent of the items tested from County inventory were not found and pertained to 5 departments. Also, four instances were noted where items were recorded as inventory two times, and not all sensitive or high risk of loss inventory is recorded in SAP. (Pages 3 - 5)

County smart phones and laptops need to be recorded in SAP, and the content on these devices needs safeguarding.

Many County departments and Technology Services do not have a complete inventory list of County mobile devices. At this time only about 52% of these devices have the County mobile security system protecting County data. (Pages 5 - 8)

County vehicles should be recorded in SAP.

An analysis was performed comparing vehicles in an ancillary system to SAP showed numerous instances where vehicle data need to be added and deleted in SAP. (Pages 8 and 9)

County equipment stored at vacant off site locations needs to be taken to auction and removed from SAP, if needed.

County equipment is being stored at two vacant locations on Mill St. – The prior Cooperative Extension Service building and the Excel building. The Truckee Meadows Flood Authority plans to demolish these buildings later this year. (Page 9 and 10)

The SAP fixed asset report used to account for vehicle depreciation should be accurate.

A review of this report in SAP showed various recent vehicle models from 2013, 2014, 2015 and 2016 were not included. Also, three vehicles where depreciation was still be computed had been totaled and sold at auction. (Page 10)

Observations and Recommendations

1. SAP Inventory

County departments need to comply with County Code and Purchasing Division inventory policies and procedures. These requirements include recording all capital items greater than \$5,000 to County inventory as well as those items identified as sensitive or a high risk of loss. Also, County departments are required to perform an annual inventory of the items recorded in SAP to certify their existence and report any unfound or surplus items to the Purchasing Division. During my review, it was found not all departments are following these requirements. By not performing an annual inventory and having correct inventory records, County equipment assets are not adequately safeguarded.

Test Items

A sample of 65 inventory items were selected for testing from the County-wide inventory from 10 of the county departments. Ten or 15% of the test items on the County inventory were not found and were applicable to five County departments. This included items such as a video scan converter, an electronic data storage unit, a telephone system, and a fax machine. In addition, while at one department inspecting other inventory, an equipment item with a cost exceeding \$5,000 was found that should be recorded as inventory.

Seven of the 10 departments identified issues regarding the disposal of surplus or items that could not be located. Current County Code and Purchasing Division policies and procedures require County departments to report items for disposal to County Purchasing. However, each of the seven departments stated they had reported disposal items to County Purchasing year after year that were never removed from their inventory in SAP. When reported inventory disposals are not removed from inventory, County employees feel this is a message that inventory is not important, and results in an inventory system that is incorrect. Due to frustration with this situation, two of these departments recently reported their dispositions to the Technology Services Department, where staff was very helpful by importing and removing the items from SAP inventory. Though understandable, this practice circumvents County Code and policies and procedures. This practice also adds additional workload to the Technology Services Department, which may not always be convenient.

Duplicate Records

An analysis was performed to determine if any duplicate inventory records exist. Four instances were noted where items were recorded as inventory two times. For the first two items in Exhibit I below, the duplicate recording was a result of recording the additional equipment costs of making the vehicle ready for service separate from the vehicle cost. For the third and fourth items, it is unclear how the duplicate recording occurred. If County staff were performing annual inventory review, three of the four items would have been identified and removed from inventory prior to this audit. The fourth item was a purchase in FY16 and this year's inventory has not occurred yet.

Exhibit I

Equipment Description	Duplicate Value
White Chevy Silverado	\$10,712.80
Model H76 Food Service Body	\$22,776.00
Glantz & Jensen Platewriter 2000	\$27,650.00
Laserjet Pro 400 Color Printer	\$ 332.42

As of the date of this report, the Comptroller's Office Purchasing Division has scheduled a training to occur in August 2016 to assist departments in performing an annual inventory inspection to ensure items are correctly recorded in SAP. This training will also address the redistribution, sale and disposal of excess property and how to avoid recording duplicate items in SAP.

Fire Services Inventory

The County Fire Services consists of two volunteer fire departments – the Gerlach Volunteer Fire Department and the Red Rock Volunteer Fire Department. Inventory practices at these two stations needs improvement. A complete physical inventory was taken earlier this year, when the Truckee Meadows Fire Protection District began temporarily staffing the Gerlach Volunteer Fire Department. Of the equipment items selected in SAP being tested, it was determined that SAP included items that no longer exist and need to be removed from SAP inventory. An additional equipment item was identified that should be reported and disposed of as surplus. Also, while at the Gerlach Volunteer Fire Department station, it was noted that a large storage container was on the north side of the fire station that appeared to have old, unusable equipment inside. The equipment items in the storage container need to be identified and evaluated as to whether they are usable or surplus.

A complete physical inventory needs to be conducted at the Red Rock Volunteer Fire Department. Several equipment items were selected for testing. As there was no one available with fire equipment experience during the site visit, we were unable to locate three of the 10 equipment items shown as inventory. Also noted were various portable radios and other equipment that were not on the inventory. As it was not clear if this was County inventory, no additional work was performed. However, we found one equipment item, a new swamp cooler, had been purchased and installed. As this piece of equipment is located on the outside of the building, in an isolated area, it should be added to inventory for tracking. Subsequent conversations with Truckee Meadows Fire Protection District staff and Manager's Office staff revealed that all of the equipment at the Red Rock station belongs to the County. Therefore, a full physical inventory should be performed in conjunction with someone with fire equipment experience, and Red Rock volunteer staff so all County equipment can be identified and accounted for. Once this inventory is completed, SAP should be updated as necessary.

As of the date of this report, Fire Services has updated SAP for the Gerlach Volunteer Fire Station equipment items not located, and added the Red Rock Volunteer Fire Station swamp cooler to SAP inventory.

Bowers Mansion Inventory

Not all inventory that is sensitive or a high risk of loss is recorded in SAP. For example, the Community Services Regional Parks Division Bower's Mansion house, which is an historical site, includes a significant number of priceless, historical antiques that are irreplaceable. These antiques were recorded in SAP, but in FY15, the Comptroller's Office made a decision to remove them. Instead, the Regional Parks Division has recorded the antiques in a separate system, Past Perfect. County Code 15.110 requires that adequate property and equipment records are maintained and Section 15.130 requires the Purchasing Division to maintain a computer system to account for property and to issue reports. Community Services Department staff stated they had been working with the Purchasing Division and received direction via phone conversations to remove the SAP inventory and that inventory maintained in ancillary software systems such as Past Perfect were acceptable in lieu of SAP. While Past Perfect is museum

collection management software, very useful for handling of the Bowers collection and backed up on the County server, SAP is the County's official record keeping system. Re-recording the Bowers Mansion antique collection in SAP could include recording a total by room or by floor and attaching the catalog pages showing the specific antiques in that room or floor.

As of the date of this report, Community Services is working with Technology Services, Risk Management and the Comptroller's Office to get the Bowers Mansion antiques re-recorded in SAP.

Recommendations:

- 1.1 County management needs to emphasize the importance of accounting for inventory,*
- 1.2 Departments need to perform an annual inspection to ensure inventory items are recorded correctly in SAP,*
- 1.3 The Purchasing Division should follow its procedures requiring it to efficiently manage all county property, including redistribution, sale and disposal of excess property,*
- 1.4 Duplicate items identified as part of the audit should be removed from SAP,*
- 1.5 Fire Services needs to perform an inventory of the storage container at the Gerlach Volunteer Fire Station and evaluate equipment items for usefulness,*
- 1.6 Fire Services needs to add the new swamp cooler at the Red Rock Volunteer Fire Station to SAP Inventory,*
- 1.7 Fire Services should perform a full inventory at the Red Rock Volunteer Fire Station and involve fire staff and Red Rock volunteer staff to properly identify pieces of equipment, and,*
- 1.8 Bowers Mansion antiques should be recorded in SAP.*

2. Wireless Devices

County smart phones and tablets need to be recorded in SAP, and a security system should be in place to safeguard applications and content on these mobile devices, as well as laptops. County Code, Chapter 15 as well as County Purchasing policies and procedures require all items with a sensitive or risk of high loss be accounted for in SAP inventory. This would include smart phones and tablets purchased by the County. According to the Technology Services Division, there are more than 750 County phones and tablets, including approximately 500 regular cell phones, and 278 smart phones and tablets. County departments should maintain a list of all regular cell phones and their assignment so they can be tracked. Additionally, because County smart phones and tablets contain County data, these devices should be recorded in the SAP inventory records showing the item and the employee the device is assigned to. Currently, many County departments and Technology Services do not have a complete inventory list of employees with smart phones and/or tablets.

To safeguard the applications and content on County smart phones, tablets and laptops, the County has a mobile device security system in place, AirWatch. AirWatch ensures mobile devices are protected with security extending to users, specific devices, applications, content, data, email and networks. AirWatch provides real-time device details and continuous compliance monitoring to ensure devices and data are secure. For example, if an employee loses possession of a County smart phone, tablet, or laptop, AirWatch can contact the device and remove County content. The County Technology Services department implemented AirWatch in January 2015. During summer 2015, Technology Services held several training sessions for all

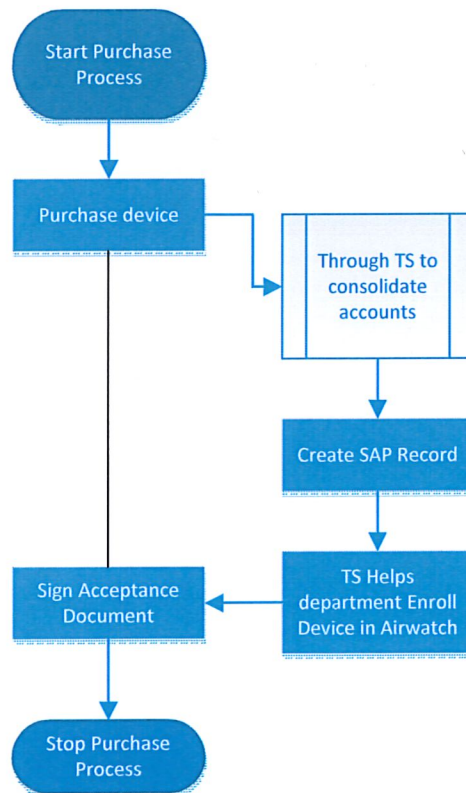
department technology staff and employees with smart phones and/or tablets. According to Technology Services staff, while many department technology staff attended the training, the attendance by non-technology employees was minimal.

Using report data obtained from ATT and Verizon, the County has 278 mobile devices consisting of smart phones and tablets that are County owned. Of these, 144 or 52% have had AirWatch installed with 134 County devices without AirWatch. A policy should be developed and implemented requiring personal and County mobile devices to have AirWatch installed in order to access the County network. In addition to County owned mobile devices, County employees use their personal mobile devices to access County email. Currently, 119 employees have had AirWatch added to their personal mobile devices. This equates to about 4 percent of all County employees. County employees using their personal smart phones and tablets to access the County network should be required to have AirWatch installed.

By having County mobile devices, such as smart phones and tablets in SAP, Technology Services can download the list and compare it to the equipment recorded as having AirWatch. Technology Services can then analyze whether items have been removed in SAP but not AirWatch or items added to SAP that do not have AirWatch.

Exhibit II shows the process flow for purchasing, adding smart phones and tablets to SAP and installing AirWatch.

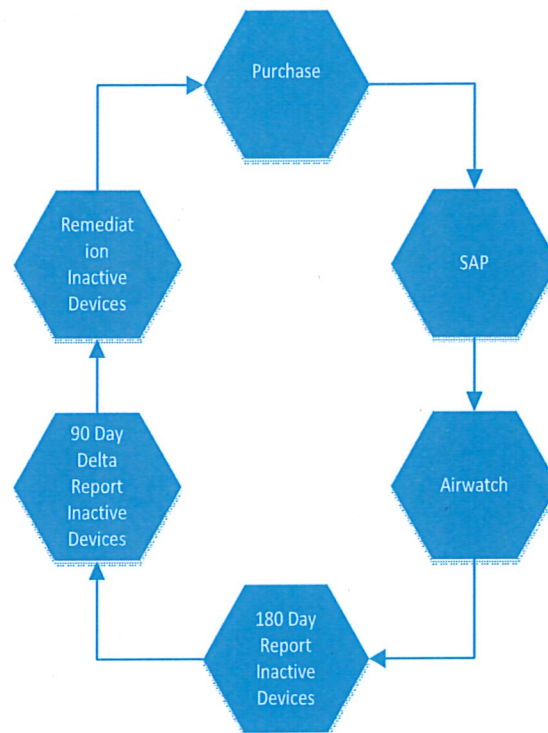
Exhibit II – Mobile Device Purchase



Currently, County departments can purchase mobile devices such as smart phones and tablets using a County procurement card. Using a procurement card allows departments to bypass the purchase process outlined in Exhibit II, thereby circumventing the purchase of mobile devices of going through Technology Services. Management should consider implementing a policy that prohibits purchasing such mobile devices using a PCard.

Exhibit III shows the Mobile Device and Laptop Lifecycle including the process for addressing inactive devices:

Exhibit III – Mobile Device and Laptop Lifecycle



For existing smart phones and tablets, the process would be as follows:

- County departments develop a list of smart phones and tablets, who they are assigned to, with the model and serial numbers. Departments could submit this list to Technology Services who could then imported the list into SAP.
- The next step would be to load Airwatch on all devices needing it.
- The same process as outlined in the flowchart above would be followed for inactive devices.

Without having a record of mobile devices in SAP and implementing AirWatch, the risk increases for loss from casualty, theft, misplacement or improper use, and County content could be inappropriately safeguarded.

County departments also need to comply with technology security policies and procedures over accessing County data from remote locations via personal devices using VPN, such as a PC or laptop. According to Technology Services staff, Information Technology Security Policies prohibits County employees from using personal devices to access County data through VPN. A review was performed of the policies governing VPN and these could be revised for clarification.

Current, Information Technology Security policies and procedures dated April 2005 state, “Only Washoe County owned or approved devices shall be allowed to connect to the Washoe County Information Infrastructure”. However, the wording “or approved devices” could be interpreted to mean an employee’s personal device that was approved by their supervisor. Technology Services and County management should conduct a review of the County’s policies regarding VPN access and update these policies as necessary.

The number of employees accessing County data using a personal device is unknown at this time, but this auditor is aware of various instances within the County where employees use VPN to access their County computers when weekend work is required or at other times when they are away from work. The use of personal devices is not without risk from introducing malware or system vulnerabilities to the County network. When an employee uses these personal devices to access County data, they are typically the home network and remoted into the County network. To get to the County network remotely, employees use VPN from County owned or personal devices. Technology Services has software that verifies the version of Microsoft Windows operating system and antivirus software installed on the computer prior to the user logging into the County network but at this time the Technology Services screening software doesn’t confirm if the employee’s PC antivirus software is properly configured to County security standards, thus leaving the County system at risk. However, the screening software can be configured to check for additional components to provide greater network security as needed. Technology Services plans to explore further how to improve the County’s overall network security from VPN access and monitoring to allow employees greater flexibility in performing their work duties.

Recommendations:

County management should:

- 2.1 Develop and implement a policy requiring personal and County mobile devices to have AirWatch installed in order to access the County network,*
- 2.2 Require County departments to follow the mobile device purchase process shown in Exhibit II, which requires all mobile devices be purchased in coordination with Technology Services,*
- 2.3 Consider prohibiting the purchase of mobile devices using a procurement card,*
- 2.4 Require County departments to develop a list of existing County smart phones and tablets and submit it to Technology Services for input to SAP inventory,*
- 2.4 Require County employees using their personal smart phones to access County email to have AirWatch added,*
- 2.5 Perform analysis to identify how to fully protect County data during times when VPN is used and still maintain productivity, and,*
- 2.6 Update information Technology Security policies and procedures with specific direction regarding which types of devices are allowable for VPN.*

3. Vehicle Inventory

County vehicles need to be recorded as SAP inventory. The Community Services Department, Equipment Services Division conducted a full vehicle inventory during fall 2014. The Flagship system, which is used by the Equipment Services Division, was validated to the physical inventory to ensure the vehicles are recorded in the Flagship Fleet Management system. As previously discussed, Community Services Department staff stated they had been working with the Purchasing Division and received direction via phone conversations to discontinue using the

SAP inventory and that inventory maintained in ancillary software systems such as Flagship were acceptable in lieu of SAP.

SAP is the County's official financial system and all vehicles should be recorded and updated in SAP inventory. As part of the inventory controls audit and to identify the vehicles that needed to be added and removed from SAP, we obtained a list of 997 vehicles from the County Equipment Services Division's Flagship system as well as a list of vehicles recorded as inventory in SAP. These lists were imported into the Internal Audit Division's data analysis software to perform a matching process using vehicle VIN numbers. The results of this matching showed there were a number of vehicles in Flagship that were not recorded in SAP, as well as vehicles in SAP that did not match Flagship. In analyzing these unmatched vehicles, the following was noted:

- For 68 of the unmatched vehicles, we found VIN numbers were different by one or two alphabetic letters or digits. For example, various instances were found where "O" was used in one system with "0" used in the other system. Each of these items will require looking up the vehicle title to see which VIN number is correct.
- For 15 of the vehicles recorded in Flagship, it was determined that these vehicles should be added to SAP.
- For 17 of the vehicles recorded in SAP, it was determined these vehicles were no longer in County possession and need to be deleted from SAP.
- For two of the vehicles identified in SAP, it was determined that these vehicles should be added to Flagship. One of these vehicles serves as a backup for food services at Senior Services and the other is a vehicle used seasonally by Regional Parks.

To maintain adequate controls over vehicle inventory to minimize the risk of loss or misuse, all vehicles should be recorded in SAP. In addition, with all vehicles being correctly recorded in SAP, future comparisons can be performed between SAP and the Flagship system to verify both systems are correct. Once the above adjustments to Flagship and SAP have been made, SAP's vehicle inventory should be correctly recorded.

As of the date of this report, Community Services plans to work with the Comptroller's Office Purchasing Division and Technology Services Division staff to make the above-identified corrections to SAP, and Community Services staff has already made corrections to the Flagship system. Community Services has also resolved the differences identified in serial numbers. Lastly, Community Services and the Internal Audit Division will perform an annual comparison between the vehicle data reported in SAP and the vehicle data in Flagship using the Internal Audit Division's analytical software to ensure that all vehicles are captured in the SAP system as inventory and the data is correctly recorded in Flagship.

Recommendations:

The Community Services Department should ensure:

- 3.1 Vehicles purchases are recorded in SAP as inventory,*
- 3.2 Vehicle VIN numbers are corrected in SAP as needed,*
- 3.3 Vehicles that have been disposed of are removed from SAP,*
- 3.4 Existing vehicles that were not found in SAP, are added to the SAP system,*
- 3.5 Existing vehicles found in SAP but not the Flagship software are added to Flagship, and,*
- 3.6 Work with the Internal Audit Division to perform an annual comparison between the data reported in SAP and the vehicle data in Flagship.*

4. Equipment at 5205 and 5305 Mill St.

SAP inventory incorrectly includes equipment for an agency that is no longer part of the County. Specifically, SAP inventory included 19 equipment items attributed to the Cooperative Extension Service, which was previously located at 5305 Mill St. The Cooperative Extension Service ceased to be a County entity and moved to become part of the University system in 2008. According to Cooperative Extension Service staff, two truckloads of equipment items were moved to the Armory at 9th & Wells during the fall of 2010 and spring of 2011, prior to their move to the new location on Energy Way. Two of the larger inventory items, including a Tabtrac Moveable Filing System and Tennesco Adjustable Shelving, were left behind at the vacant 5305 Mill St. location. These items were visually inspected during the audit with staff from the Truckee Meadows Flood Management Authority (site owner). Therefore, 17 of the 19 equipment items in SAP need to be removed from SAP. The two items inspected should have been moved from the Mill St. site and from SAP if found to be surplus when the Cooperative Extension Service ceased to be a County function.

Also, various items of County Equipment are stored in the vacant Excel Building at 5205 Mill St. location. This equipment could not be identified as to whether it was included in SAP inventory or not. Nevertheless, dusty un-kept rooms are filled with County equipment, including a metal detector, medical equipment, desks, partitions, chairs etc. The staff from the Truckee Meadows Flood Management Authority (site owner) stated they are planning to demolish this building as well as the building at 5305 Mill St later this year, so the County needs to remove its equipment from these sites. It is unclear why this property was not identified as surplus and instead was left in vacant buildings.

As of the date of this report, Community Services and the Comptroller's Office Purchasing Division plan to work together to determine the status of the equipment at both Mill St. locations and take appropriate action.

Recommendations:

- 4.1 The County Purchasing Division needs to remove the 17 items of equipment in SAP showing assigned to the Cooperative Extension Service,*
- 4.2 The County Purchasing Division and Community Services need to work together to remove County equipment from 5305 Mill St and 5205 Mill St., and,*
- 4.3 The County Purchasing Division and Community Services should perform analysis to verify whether this equipment is surplus or not, and update SAP as necessary.*

5. SAP Fixed Assets

The County Comptroller's Office needs to ensure the SAP report being used to account for vehicle depreciation is accurate. To ensure the fixed asset report in SAP included the vehicles identified in the vehicle inventory report, a comparison was performed using vehicle and VIN numbers. The following was noted:

- Nineteen of the vehicles verified as active in the vehicle inventory report were not included on fixed asset report. These included 2013, 2014, 2015 and 2016 vehicle models. Depreciation would be computed for each of these 19 vehicles.

- Three of the vehicles on the fixed asset report, where depreciation was being computed, were sold at auction.
- Three instances were noted where the vehicle number shown in the fixed asset report did not match the vehicle inventory report. Further analysis showed the vehicle number in the fixed asset report was incorrect.

If the vehicle fixed asset SAP report does not include all depreciable vehicles and includes vehicles that have been sold at auction, the likelihood exists that depreciation will be incorrectly reported in the Equipment Services Fund.

As of the date of this report, the above noted items were provided to the Comptroller's Office for review and updates to the data recorded in the vehicle fixed asset report. The Comptroller's Office reports they are currently working on updating the items that should be reflected in the fixed asset report.

Recommendation:

- 5.1 *The Comptroller's Office should ensure the SAP fixed asset report for vehicle depreciation includes all depreciable vehicles and is accurate.*