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Title: Recommendation to receive and file the Technology Services Inventory Controls Audit Report.

Sponsors: City Auditor

Indexes: Report

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Attachments: 1. 020910-R-8sr&att.pdf

Date	Ver.	Action By	Action	Result
2/9/2010	1	City Council	approve recommendation	Pass

Recommendation to receive and file the Technology Services Inventory Controls Audit Report.

We recently concluded our Technology Services Inventory Controls Audit. Attached for your consideration is our audit report that highlights areas of improvement and recommendations for Management.

Internal controls are policies, procedures, and practices established to safeguard an. organization's assets, check the accuracy and reliability of accounting data, promote operational efficiencies, and ensure adherence to prescribed management policies. Computer and related equipment expenditures on behalf of departments supported by the Technology Services Department (TSD) totaled more than $3 million over a two year period (fiscal years 2007 and 2008). Proper controls and accountability are critical to safeguard these City assets.

Our audit identified several needed improvements to the existing asset database used to track computers. Specifically, we recommend that TSD update records in a timely manner, restrict database access for employees with incompatible duties, and develop a plan to properly record or remove salvaged or missing items from the database. Our audit also identified the need for updated policies and procedures to incorporate critical functions, such as accountability for assets that are deployed to departments, maintenance of accurate inventory records, and proper safeguarding of asset inventory. Finally, we found that controls over small computer components and accessories susceptible to loss or theft, such as hard drives and memory cards, need to be improved. A detailed discussion of all issues examined in our audit is contained in the attached report.

The Technology Services Department concurs with our report in its attached response and agrees to implement the recommendations. We would like to thank the Technology Services Department for their cooperation with the audit, and for implementing the changes as outlined in their response.

Action by the City Council is not time sensitive.

Proper internal controls protect city resources by ensuring that valuable City assets are appropriately

tracked and safeguarded.

Approve recommendation.

LAURA L. DOUD, CPA   APPROVED:
CITY AUDITOR

                                             _____
                                             PATRICK H. WEST
                                             CITY MANAGER