
City of Laredo, Texas
Internal Audit Division



Consolidated Audit Report (with Executive
Summary): Unannounced Cash and Inventory
Audits Completed with Department Responses
(January 2019 through June 2019)

July 24, 2019

City of Laredo
Internal Audit Division

**Consolidated Audit Report: Unannounced Cash and
Inventory Audits Completed with Department Responses
January 2019 through June 2019**

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City of Laredo
Internal Audit Division

**Consolidated Audit Report: Unannounced Cash and
Inventory Audits Completed with Department Responses
January 2019 through June 2019**

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I. Executive Summary

EXECUTIVE SUMMARY

In accordance with the Fiscal Year 2019 approved Audit Plan, enclosed is the **Consolidated Audit Report of Unannounced Cash and Inventory Audits** completed by the Internal Audit Division during the time period of January 2019 through June 2019. The enclosed report also contains any responses required from the affected departments on corrective action. The table below reflects the types of audits completed during this time period.

Type of Audits	# of Audits Conducted
Unannounced Cash & Petty Cash Audits	197
Unannounced Inventory Count Audits	16

To provide some background, when conducting unannounced (surprise) cash audits, Internal Audit staff conducts field audits at various departments scheduled for audit on a monthly basis. The purpose of these types of audits is to reconcile collections with receipts issued, as well as check for compliance with some of the provisions of the City of Laredo's Cash Handling Policy. In regards to unannounced inventory audits, Internal Audit staff conducts field audits of the various departmental warehouse facilities that maintain stock of materials and equipment. The purpose of these types of audits is to reconcile a sample of items selected with the reports generated from each respective department's inventory system, as well as assess the adequacy of the internal controls in place. In regards to the compliance audits conducted, Internal Audit staff conducts audits of various areas such as petty cash, travel, payroll, purchasing, just to name a few, to review for compliance with the terms of City policies, procedures, ordinances, contracts, etc. being reviewed.

Understanding that resolving all audit findings was the key to assuring future compliance and minimizing the City's traditional and emerging risks; a strong commitment was made to require the departments audited to analyze and implement proper measures to adequately resolve the issues identified. A brief summary of the audit results and recommendations follows below.

Results and Recommendations on Unannounced Cash Audits

Out of 197 unannounced cash audits conducted for the time period of January 2019 through June 2019, twenty-five (25) audits, or thirteen (13%) percent of the population had findings noted.

- Nine (9) audits noted where collections / cash funds had overages or shortages.
- Sixteen (16) audits noted with violations pertaining to the City's Cash Handling Policy and/or the City's Petty Cash Policy. For instance, some of the policy violations noted included the following:
 - Unauthorized collection of non-City funds.
 - Not collecting authorized fees when cash receipting systems went down; not utilizing manual backup receipting systems.
 - Not depositing collections daily when cash receipting systems went down.
 - The City of Laredo's "Receipt Policy" Notice to the Public was not posted at the time of the audit.
 - Collections were not properly secured in a safe, vault or similar secured locked area.

In regards to the collections variances noted, we recommended that the departments affected identify the cause of the variance and retrain and counsel cash handling staff on the City's Cash Handling Policy. *In all of the above mentioned instances where findings were noted, responses on corrective action were submitted by the corresponding departments to Internal Audit.*

Results and Recommendations on Unannounced Inventory Audits

- On the Fuel Inventory Audit conducted at Fleet Management, we noted a finding where the average percentage change variance across all fueling stations was eleven (11%) percent when attempting to reconcile the fuel tanks housed on Daugherty Street and the fuel tanks housed at the City Landfill. While we would continue to recommend that Fleet print WinCC receipts at the time of (or as close as possible to) fuel delivery from the vendor, it was also brought to our attention by the Fleet Management Department that during the time period audited, there was an issue with the DEF Pump at the Landfill Fueling Station.
- On the inventory audits conducted, there was one (1) instance with the Parks warehouse where the inventory reports generated from the current inventory software program were providing inaccurate and inconsistent data due to a lack of inventory software support. We have continued to recommend that Parks look at obtaining a replacement inventory software program that can better account for all material and equipment housed at the various Parks warehouse locations.
- Of the other fourteen (14) inventory audits conducted during this time period, there was one (1) other audit, at the Sames Auto Arena, where a variance was noted in reconciling selected asset items on hand with quantities reflected on their corresponding asset inventory system listings.

In all of the instances where variances were found with the inventory items tested, our recommendation was for the affected departments to determine the cause of the variance and, if necessary, make entries into the corresponding inventory systems once the cause of the variance had been determined. Additionally, in some instances we recommended that an evaluation of some of the affected departmental inventory systems be conducted to determine the adequacy of the internal control structure pertinent to inventory. *In all of the above mentioned instances where findings were noted, responses on corrective action were submitted by the corresponding departments to Internal Audit.* It should be noted that out of eighty-five (85) inventory items randomly selected during the time period of January 2019 through June 2019, one (1) item selected was noted with a finding for variances, which equates to one (1%) percent of the total population tested.

A more extensive report of all the quarterly audit results and recommendations can be found in the ensuing report along with any corresponding responses on corrective action from the affected departments.

II. Unannounced Cash & Petty Cash Audits

January 2019

CITY OF LAREDO
INTERNAL AUDIT DIVISION
SUMMARY OF SURPRISE CASH AUDITS
JANUARY 2019

Audit Form #	Dept./ Div. Audited	Auditor	Date of Audit	Amount Received	Amount Counted	(Short)/Over	Percentage Shortage / Overage	Change / Petty Cash Fund Audited	Response: Cash Violation	Response: Policy Violation	Comments	
												(A)
				(A)	(B)	(C)	(D)					
						(B-A)	(C/A)					
1	6824	Bridge III - Toll Booth Collections	EYR	1/10/2019	\$ 42.00	\$ 42.02	\$ 0.02	0.05%		NO	NO	
2	6825	Bridge III - Customer Svc	EYR	1/10/2019	\$ 50.00	\$ 50.00	\$ -	0.00%	Change Fund	NO	NO	No Collections Noted at Time of Audit
3	6826	Bridge IV - Customer Svc	EYR	1/10/2019	\$ 764.76	\$ 764.76	\$ -	0.00%		NO	NO	
4	6827	Bridge IV - Customer Svc	EYR	1/10/2019	\$ 1,581.50	\$ 1,581.50	\$ -	0.00%		NO	NO	
5	6828	Tax (City Hall Annex)	EYR	1/10/2019	\$ 718.76	\$ 718.76	\$ -	0.00%		NO	NO	
6	6829	Tax (City Hall Annex)	EYR	1/10/2019	\$ 84,118.64	\$ 84,119.69	\$ 1.05	0.00%		NO	NO	
7	6830	Tax (City Hall Annex)	EYR	1/10/2019	\$ 451,586.65	\$ 451,586.65	\$ -	0.00%		NO	NO	
8	6831	City Manager's Office	EYR	1/25/2019	\$ 100.00	\$ 100.00	\$ -	0.00%	Petty Cash	NO	NO	
9	6832	Tax (City Hall)	EYR	1/25/2019	\$ 9,639.80	\$ 9,639.85	\$ 0.05	0.00%		NO	NO	
10	6833	Tax (City Hall)	EYR	1/25/2019	\$ 15,481.18	\$ 15,481.18	\$ -	0.00%		NO	NO	
11	6834	Bridge II - Customer Svc	EYR	1/26/2019	\$ 5,469.20	\$ 5,469.20	\$ -	0.00%		NO	NO	
12	6835	Bridge II - Toll Booth Collections	EYR	1/26/2019	\$ 997.50	\$ 998.11	\$ 0.61	0.06%		NO	NO	
13	6836	Bridge II - Toll Booth Collections	EYR	1/26/2019	\$ 2,490.25	\$ 2,491.70	\$ 1.45	0.06%		NO	NO	
14	6837	Bridge II - Toll Booth Collections	EYR	1/26/2019	\$ 2,919.75	\$ 2,920.33	\$ 0.58	0.02%		NO	NO	
15	6838	Bridge I - Toll Booth Collections	EYR	1/26/2019	\$ 1,867.25	\$ 1,862.13	\$ (5.12)	-0.27%		NO	NO	
16	6839	Bridge I - Toll Booth Collections	EYR	1/26/2019	\$ 2,100.00	\$ 2,101.27	\$ 1.27	0.06%		NO	NO	
17	6840	Health - Lab	EYR	1/28/2019	\$ 838.78	\$ 833.78	\$ (5.00)	-0.60%		NO	NO	
18	6841	Health - WIC	EYR	1/28/2019	\$ 300.00	\$ 300.00	\$ -	0.00%	Petty Cash	NO	NO	
19	6842	Health - Ambulance Billing	EYR	1/28/2019	\$ 100.00	\$ 100.00	\$ -	0.00%	Change Fund	NO	NO	No Collections Noted at Time of Audit
20	6843	Utility Billing	EYR	1/28/2019	\$ 205.00	\$ 205.00	\$ -	0.00%		NO	NO	
21	6844	Parks - Administration	EYR	1/28/2019	\$ -	\$ -	\$ -	0.00%		NO	NO	No Collections at the Time of Audit
22	6845	Municipal Court	EYR	1/28/2019	\$ 8,121.10	\$ 8,067.00	\$ (54.10)	-0.67%		YES	YES	Cash & Policy Violation(s): Collections Shortage Noted; Checks Not Endorsed at Point of Receipt
23	6846	Parks - Fasken Recreation Center	EYR	1/28/2019	\$ 148.90	\$ 148.90	\$ -	0.00%		NO	NO	
24	6847	Parks - Hillside Recreation Center	EYR	1/28/2019	\$ 175.00	\$ 175.00	\$ -	0.00%		NO	NO	
25	6848	Parks - El Eden Recreation Center	EYR	1/28/2019	\$ 259.75	\$ 259.75	\$ -	0.00%		NO	NO	
26	6849	Parks - Cigarroa Recreation Center	EYR	1/28/2019	\$ 450.00	\$ 450.00	\$ -	0.00%		NO	NO	
27	6850	Parks - Haynes Recreation Center	EYR	1/28/2019	\$ 517.75	\$ 517.75	\$ -	0.00%		NO	NO	
28	6851	Transit - El Lift	EYR	1/29/2019	\$ 148.00	\$ 148.59	\$ 0.59	0.40%		NO	NO	
29	6852	Transit - Fixed Route	EYR	1/29/2019	\$ 12,351.76	\$ 12,361.78	\$ 10.02	0.08%		NO	NO	
30	6853	Library	EYR	1/29/2019	\$ 180.00	\$ 160.00	\$ (20.00)	-11.11%	Petty Cash	YES	YES	Cash & Policy Violation(s): Petty Cash Fund Shortage Noted
31	6854	Airport - Parking Pay Stations	EYR	1/30/2019	\$ 1,007.00	\$ 1,007.00	\$ -	0.00%		NO	NO	
32	6855	Airport - Security	EYR	1/30/2019	\$ 500.00	\$ 500.00	\$ -	0.00%	K-9 Fund	NO	NO	



LAREDO PUBLIC LIBRARY

1120 E. CALTON ROAD
LAREDO, TEXAS 78041
(956) 795-2400
(956) 795-2403 fax
lpl@laredolibrary.org

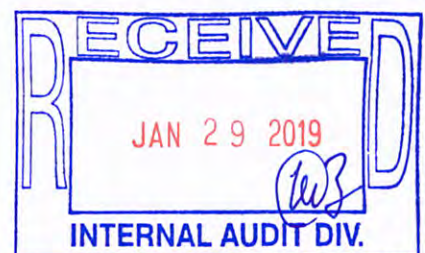


TO: Veronica Urbano-Baeza, Internal Auditor
FROM: Angelica Garza, Administrative Assistant I, (Patty Cash Custodian) *Angelica Garza*
THRU: Maria G. Soliz, Library Director *Maria G. Soliz*
DATE: 1/29/2019
CC: Elia Rodriguez, Auditor I,
RE: Response to Internal Audit Division Surprise Cash Audit No.6853

Audit Response:

Received a surprise cash audit on 1/29/19 and resulted to be \$20.00 short. After the audit concluded I proceeded to check again all my documentation and checked around my work area. Inside my desk, I notice an envelope that was all the way to the back and I remembered then that I had placed it there and it contained the \$20.00. In the future, I will make sure that I place any returned change inside the money box and count my money before I start doing anything else.

If you have any questions, please do not hesitate to call Maria G. Soliz, Library Director at (956) 795-2400 ext.2501



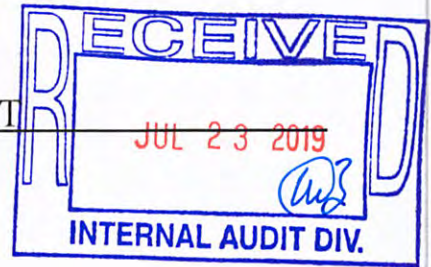
February 2019

CITY OF LAREDO
INTERNAL AUDIT DIVISION
SUMMARY OF SURPRISE CASH AUDITS
FEBRUARY 2019

Audit Form #	Dept./ Div. Audited	Auditor	Date of Audit	Amount Received	Amount Counted	(Short)/Over	Percentage Shortage / Coverage	Change / Petty Cash Fund Audited	Response: Cash Violation	Response: Policy Violation	Comments	
												(A)
1	6856	Tax (City Hall)	EYR	2/14/2019	\$ 2,852.52	\$ 2,852.52	\$ -	0.00%		NO	NO	
2	6857	Tax (City Hall)	EYR	2/14/2019	\$ 8,806.83	\$ 8,806.83	\$ -	0.00%		NO	NO	
3	6858	Tax (City Hall)	EYR	2/14/2019	\$ 7,322.77	\$ 7,322.77	\$ -	0.00%		NO	NO	
4	6859	Bridge - Toll Booth Collections	EYR	2/14/2019	\$ 28.00	\$ 28.00	\$ -	0.00%		NO	NO	
5	6860	Bridge III - Customer Svc	EYR	2/14/2019	\$ 6,154.75	\$ 6,154.75	\$ -	0.00%		NO	NO	
6	6861	Bridge IV - Customer Svc	EYR	2/14/2019	\$ 9,066.00	\$ 9,066.00	\$ -	0.00%		NO	NO	
7	6862	Bridge IV	EYR	2/14/2019	\$ 500.00	\$ 500.00	\$ -	0.00%	Change Fund	NO	NO	
8	6863	Tax (City Hall Annex)	EYR	2/21/2019	\$ 913.99	\$ 913.99	\$ -	0.00%		NO	NO	
9	6864	Tax (City Hall Annex)	EYR	2/21/2019	\$ 27,579.75	\$ 27,579.70	\$ (0.05)	0.00%		NO	NO	
10	6865	Tax (City Hall Annex)	EYR	2/21/2019	\$ 250.00	\$ 250.00	\$ -	0.00%	Petty Cash	NO	NO	
11	6866	Utility Billing	EYR	2/21/2019	\$ 923.00	\$ 923.00	\$ -	0.00%		NO	NO	
12	6867	Airport - Leases	EYR	2/21/2019	\$ 19,569.20	\$ 19,569.20	\$ -	0.00%		NO	NO	
13	6868	Municipal Court	EYR	2/21/2019	\$ 2,545.30	\$ 2,545.30	\$ -	0.00%		NO	NO	
14	6869	Convention & Visitors' Bureau (CVB)	EYR	2/22/2019	\$ 350.00	\$ 350.00	\$ -	0.00%	Change Fund	NO	NO	No Collections Noted at Time of Audit
15	6870	Information Services & Telecommunications (IST) - 911 Regional	EYR	2/22/2019	\$ 200.00	\$ 200.81	\$ 0.81	0.41%		NO	NO	
16	6871	Airport - Security	EYR	2/25/2019	\$ -	\$ 655.16	\$ 655.16	0.00%		YES	YES	Cash & Policy Violation(s): Part of Special Audit on Grey Santa Program
17	6872	Airport - Security	EYR	2/25/2019	\$ -	\$ 159.50	\$ 159.50	0.00%		YES	YES	Cash & Policy Violation(s): Lost & Found Monies Not Deposited
18	6873	Bridge I - Toll Booth Collections	EYR	2/27/2019	\$ 215.25	\$ 215.25	\$ -	0.00%		NO	NO	
19	6874	Bridge I - Toll Booth Collections	EYR	2/27/2019	\$ 451.50	\$ 451.05	\$ (0.45)	-0.10%		NO	NO	
20	6875	Building	EYR	2/27/2019	\$ 2,067.00	\$ 2,067.00	\$ -	0.00%		NO	YES	Policy Violation(s): Collections Maintained in Desk Overnight due to Safe / Vault Not Working Properly
21	6876	Parks - La Ladrillera Recreation Center	EYR	2/27/2019	\$ -	\$ -	\$ -	0.00%		NO	NO	No Collections Noted at Time of Audit
22	6877	Landfill	EYR	2/27/2019	\$ 250,880.32	\$ 3,531.40	\$ (247,348.92)	-98.59%		YES	YES	Policy Violation(s): Error Occurred When Teller #1 Inadvertently Issued Receipt from Teller #2's Batch
23	6878	Health - Ambulance Billing	EYR	2/27/2019	\$ 8,729.19	\$ 8,729.19	\$ -	0.00%		NO	NO	
24	6879	Parks - East Hachar Recreation Center	EYR	2/27/2019	\$ 15.00	\$ 15.00	\$ -	0.00%		NO	NO	
25	6880	Parks - East Hachar Recreation Center	EYR	2/27/2019	\$ 50.00	\$ 50.16	\$ 0.16	0.32%	Petty Cash	NO	NO	
26	6881	Bridge II - Toll Booth Collections	EYR	2/28/2019	\$ 337.75	\$ 337.60	\$ (0.15)	-0.04%		NO	NO	
27	6882	Bridge II - Toll Booth Collections	EYR	2/28/2019	\$ 73.50	\$ 73.75	\$ 0.25	0.34%		NO	NO	
28	6883	Bridge II - Customer Svc	EYR	2/28/2019	\$ 2,245.27	\$ 2,245.27	\$ -	0.00%		NO	NO	
29	6884	Bridge II - Customer Svc	EYR	2/28/2019	\$ 1,807.02	\$ 1,807.02	\$ -	0.00%		NO	NO	
30	6885	Police - Records	EYR	2/28/2019	\$ 565.20	\$ 565.20	\$ -	0.00%		NO	NO	
31	6886	Traffic	EYR	2/28/2019	\$ -	\$ -	\$ -	0.00%		NO	NO	No Collections Noted at Time of Audit



CITY OF LAREDO
LAREDO INTERNATIONAL AIRPORT



MEMO

Date: July 19, 2019
To: Veronica Urbano – Baeza, Internal Auditor
CC: Rosario Cabello, Co-Interim City Manager and Robert Eads, Co-Interim City Manager
From: Elsy D. Borgstedte, Assistant Airport Director *Elsy Borgstedte*
Thru: Jeffrey Miller, Airport Director *JM*
Re: Grey Santa Toy Drive Program Audit Report #6871

In response to Audit #6871 conducted on February 25, 2019 regarding Grey Santa toy drive program. Below are responses to the findings.

Finding #1

A total of \$655.16 in cash found with no accompanying documentation.

Funds in the total amount of \$655.16 along with toys have been transferred to Laredo Police Department Blue Santa Program. The Grey Santa Program at the airport is now closed. Former Airport Security Officer Supervisor informed Human Resources Department she would make arrangements with the help of Legal Department to dissolve the company with the State Comptroller's Office and IRS.

Findings #2

Violations of City of Laredo's Municipal Civil Service Rules and Regulations Specifically Section 6.4 Misconduct in the workplace, use of city property, time, equipment, materials or supplies for personal gain, for other activities not related to city business.

Airport Security Officer Supervisor was issued disciplinary action consistent with recommendation after PAC meeting. Employee was terminated on March 12, 2019. Case was later reviewed at Ethics Commission on May 8, 2019. The Commission upheld termination as disciplinary action by the City of Laredo. Subsequently, former Airport Security Officer Supervisor has dropped grievance against City of Laredo.

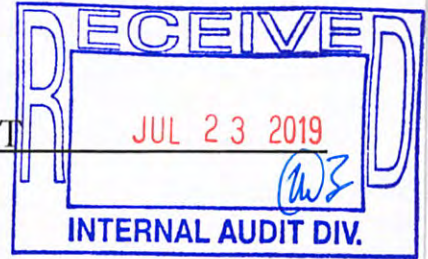
Findings #2, #3, #4

Acceptance of gifts from entities doing business with City and conflicts of interest

Following Internal Audit recommendation Airport will coordinate with Finance Department, Human Resources Department, and Legal Department to provide trainings on Cash Handling, Municipal Civil Services Rules & Regulations, and Ethics.



CITY OF LAREDO
LAREDO INTERNATIONAL AIRPORT



MEMO

Date: July 19, 2019
To: Veronica Urbano – Baeza, Internal Auditor
CC: Rosario Cabello, Co-Interim City Manager and Robert Eads, Co-Interim City Manager
From: Elsy D. Borgstedte, Assistant Airport Director *Elsy Borgstedte*
Thru: Jeffrey Miller, Airport Director *JM*
Re: Lost and Found Audit Report #6872

In response to Audit #6872 conducted on February 25, 2019 regarding lost and found. Below are responses to the findings.

Up on termination of Airport Security Manager, Airport Acting Director was informed that monies had been found in desk of former employee. Immediately Co-Interim City Manager Rosario Cabello was notified and requested assistance from Internal Audit to review items.

Finding #1

A total of \$159.50 in cash found with no accompanying documentation.

Funds in the total amount of \$159.50 was found in the office desk of former, Airport Security Manager.

Funds have been deposited in City of Laredo account in accordance with Cash Handling Policy. Following Internal Audit recommendation all airport personnel are to turn in any found currency to airport teller to process funds immediately. An internal Lost and Found Policy was submitted to Legal Department, Finance Department, and Internal Audit for review and is being adhered to.

Airport will coordinate with Finance Department, Human Resources Department, and Legal Department to provide trainings on Cash Handling, Municipal Civil Services Rules & Regulations, and Ethics.

City of Laredo
Laredo International Airport

Lost and Found Property Policy

I. STATEMENT OF POLICY

This policy outlines the procedures for recording, storing and disposing of items turned in as lost and found or recovered after the property was found abandoned. This policy applies to all Airport Officers and Supervisors responsible for managing lost and found items.

The Airport Police Division dispatch area is the central area for lost and found items.

II. ADMINISTRATION AND ENFORCEMENT

The Airport Security Manager or his designated authorized representative has the responsibility and the authority to ensure that all lost and found procedures are followed.

III. DEFENITIONS

Property-means something of value, including personal possessions (e.g. watches, mobile phones, keys, iPads, laptops)

Items of value

- A. Purses/Wallets
- B. Cash
- C. Checkbooks and checks
- D. Computer equipment
- E. Electronic equipment
- F. Jewelry
- G. Keys
- H. Passports /Government issued documents
- I. Cell Phones
- J. Credit/Debit Cards and Gift Cards

Items of non-value

- A. Clothing

- B. Empty luggage
- C. Cell Phone Chargers
- D. Pillows/Blankets
- E. Cold Outerwear gear
- F. Stuffed Animals
- G. Sunglasses
- H. Keys/Key chains
- I. Hygiene products/toiletries

Laredo International Airport premises-means all buildings, grounds in control, and operation to include passenger terminal.

IV. PROCEDURES

All lost and found items may be claimed Monday through Friday between the hours of 8:00 AM and 4:00 PM Central Standard time. Passengers travelling long distances to recover lost item(s) must make proper arrangements past the allowable times. Personnel must inform passengers as needed of the hours to claim lost items.

Airport Officers and Supervisors will accurately record the receipt of all found/abandoned items. Non-valuable items will be stored and retained for a period of 14 calendar days. Valuable items other than currency will be stored and retained for 30 calendar days.

Collection Non-Valuable- The Officer collecting the lost items will record the time and date, description of the recovered item, location where the item was located in the "Lost and Found Form" all forms *shall* include a case number,

Collection Valuable items- Items of value will be given directly to the Airport Police Supervisor after they have been entered into the Lost and Found form and placed in the safe located in the Airport Police dispatch. If a Supervisor is not working that particular shift, then the next in-coming supervisor will take custody of the item

Collection Currency- The officer collecting the lost currency will notify the dispatcher immediately upon discovery. The recovering officer after properly accounting for the currency will drop the money in the "chute" of the safe.

Collection Other- All Airport Access cards will be collected and hand delivered to Access Control Personnel or given to a designated ASC (Airport Security Coordinator) these IDs are not part of the Lost and Found inventory.

When recovering a Access Media Airport Police personnel are required to:

1. Submit an incident report of the location, date and time of recovery
2. Deactivate the ID from the Access control system immediately

3. Issue notification notes on the Access Control System

All lost plastic ware, soiled clothing, torn/abandoned luggage, and perishable items such as food/fruits must be disposed of immediately these items will not be entered in the database.

Collection at Checkpoint-The Officer working checkpoint collecting recovered lost items will make all possible attempts to return the item to its appropriate owner before the flight leaves by questioning awaiting passengers. Items not recovered shall be handled according to the procedures of this policy. Additionally, Items (not allowed by TSA) and surrendered by a travelling passenger will automatically become property of the of the Laredo International Airport for proper disposal. A notation of this transaction must be noted on the dispatcher log and a recovery form needs to read "SURRENDERED" in the description box.

The Laredo International Airport shall not be held responsible for the collection of items (not allowed by TSA) belonging to passengers to include traveling Law Enforcement personnel and make all attempts not to hold items for safekeeping. Passenger requesting to pay for postage to have items shipped is strictly prohibited.

Airport Police personnel shall not accept surrendered items as gifts or as gestures of gratuity from any travelling passenger regardless of the circumstance or the services provided by the officer.

All Airport Access cards will be collected and hand delivered to Access Control Personnel or given to a designated ASC (Airport Security Coordinator) these IDs are not part of the Lost and Found inventory, a quick narrative of where the ID was found must be included.

Lost and found inquiries can be made at Airport Police as an inquiry by completing an Inquiry form. Airport Police offices.

Claimants of lost items are required to produce a current government type ID, contact information and sign the lost and found form to indicate they have recovered the item(s). Lost and Found forms shall be retained for one (1) year from the created date.

Monetary items (cash) may be claimed at the Airport Police office Monday through Friday from 8:00am to 5:00pm, individuals will be issued a check in accordance with City of Laredo policies and procedures.

It is required from all supervisors assigned to the morning shift to check the safe daily. It is the responsibility of the morning shift supervisor to recover all currency from the currency safe and turn it over to the Airport Cashier clerk Monday through Friday. The receipt acquired from the Cashier must be stapled to the recovery form and properly filed.

V. DISPOSAL PROCEDURES

Unclaimed items personal property shall be disposed or donate to charity under procedures described herein. Lost currency shall be processed in accordance with cash handling policy procedures through Airport Administration.

Items disposed of/destroyed shall be done under recorded video in the Airport Police dispatch room. A list of all disposed of/destroyed items database shall be maintained for one (1) year alongside the lost and found forms pertaining to those items disposed of/destroyed.

VI. RESPONSIBILITIES

The Airport Police will coordinate the Lost and Found and copies of this policy will be kept with the Airport Police
Airport Police Supervisors shall insure procedures are adhered to by all personnel in accordance to this policy.

V. SANCTIONS

Violation of this policy may result in appropriate disciplinary action, up to and including termination of employment or expulsion from the City of Laredo/ Laredo International Airport Police division.

VII. EXCLUSIONS

N/A

VIII. INTERPRETATION

The authority to interpret this policy rests with the Airport Director.

Approved:  Date 7/19/19
Jeffery Miller
Airport Director

Index Terms

- Lost and Found form
- Disposal Database Form



CITY OF LAREDO

BUILDING DEVELOPMENT SERVICES DEPARTMENT

1120 San Bernardo Ave, Laredo, Texas, 78040 • Phone: 956.794.1625 • Fax: 956.795.2998



Memo

To: Veronica Urbano, Internal Auditor

Date: March 8, 2019

From: Victor J. Linares, P.E., Acting Building Development Services Director

Re: Internal Audit Division Surprise Audit 2/27/2019

As per finding on 2/27/2019; items have been corrected. Safe is working properly and funds are been kept in safe for overnight.

Xc: File









CITY OF LAREDO
SOLID WASTE SERVICES DEPARTMENT
P.O. BOX 1965
LAREDO, TEXAS 78044
(956) 795-2510

M e m o r a n d u m

To: Veronica Urbano, Internal Auditor
From: Stephen R. Geiss, Solid Waste Director
Date: March 1, 2019
Re: Surprise Cash Audit No. 6877

On Wednesday February 27, 2019, the City's Internal Audit Staff conducted a surprise cash audit at Solid Waste Landfill Scale House on a Teller that was in Lane 2.

At the end of the audit, Teller in Lane 2 was short \$247,348.92. The supervisor verified her cash and reviewed her duty report. The reason for her shortage was that Teller 1 stepped out of the office and Teller in Lane 2 had to be using both lanes. When Teller in Lane 1 came back to continue her work duties she forgot to close out Lane 2 tellers username. The total collection that the teller was short was never missing it was just under another teller's account. Teller's are fully aware that they need to check once getting back to work that they are under their own username account.

Department Director

03-01-2019

Date



March 2019

**CITY OF LAREDO
INTERNAL AUDIT DIVISION
SUMMARY OF SURPRISE CASH AUDITS
MARCH 2019**

Audit Form #	Dept./ Div. Audited	Auditor	Date of Audit	Amount Received	Amount Counted	(Short)/Over	Percentage Shortage / Overage	Change / Petty Cash Fund Audited	Response: Cash Violation	Response: Policy Violation	Comments
				(A)	(B)	(C) (B-A)	(D) (C/A)				
1	6887 Library (Bruni Branch)	EYR	3/15/2019	\$ 11.60	\$ 11.70	\$ 0.10	0.86%		NO	NO	
2	6888 Library (McKendrick Ochoa Salinas Branch)	EYR	3/15/2019	\$ 30.00	\$ 30.00	\$ -	0.00%	Change Fund	NO	NO	No Collections Noted at Time of Audit
3	6889 Library (Fasken Branch)	EYR	3/15/2019	\$ 12.40	\$ 12.40	\$ -	0.00%		NO	NO	
4	6890 Bridge III - Customer Svc	EYR	3/22/2019	\$ 7,650.00	\$ 7,650.00	\$ -	0.00%		NO	NO	
5	6891 Bridge III - Toll Booth Collections	EYR	3/22/2019	\$ 75.25	\$ 75.25	\$ -	0.00%		NO	NO	
6	6892 Bridge IV - Customer Svc	EYR	3/22/2019	\$ 12,532.25	\$ 12,602.00	\$ 69.75	0.56%		YES	YES	Cash & Policy Violation(s): Collections Overage Noted
7	6893 Bridge IV - Customer Svc	EYR	3/22/2019	\$ 11,709.50	\$ 11,709.50	\$ -	0.00%		NO	NO	
8	6894 Transit - Parking Pay Station	EYR	3/25/2019	\$ 1,652.00	\$ 1,652.25	\$ 0.25	0.02%		NO	NO	
9	6895 Tax (City Hall Annex)	EYR	3/25/2019	\$ 20,241.01	\$ 20,241.01	\$ -	0.00%		NO	YES	Policy Violation(s): Voided Receipt Did Not Contain Supervisor's Authorization Signature
10	6896 Tax (City Hall Annex)	EYR	3/25/2019	\$ 56,579.49	\$ 56,579.49	\$ -	0.00%		NO	YES	Policy Violation(s): Credit Card and Cash Transactions Did Not Reconcile
11	6897 Tax (City Hall Annex)	EYR	3/25/2019	\$ 3,957.92	\$ 3,957.92	\$ -	0.00%		NO	NO	
12	6898 Tax (City Hall)	EYR	3/26/2019	\$ 2,542.60	\$ 2,542.59	\$ (0.01)	0.00%		NO	NO	
13	6899 Tax (City Hall)	EYR	3/26/2019	\$ 10,410.42	\$ 10,410.42	\$ -	0.00%		NO	NO	
14	6900 Building	EYR	3/26/2019	\$ 2,878.50	\$ 2,878.50	\$ -	0.00%		NO	NO	
15	6901 Public Access Channel (PAC)	EYR	3/26/2019	\$ -	\$ -	\$ -	0.00%		NO	NO	No Collections Noted at Time of Audit
16	6902 Municipal Housing	EYR	3/26/2019	\$ 535.00	\$ 535.00	\$ -	0.00%		NO	NO	
17	6903 Utility Billing	EYR	3/26/2019	\$ 1,342.00	\$ 1,342.00	\$ -	0.00%		NO	NO	
18	6904 Solid Waste - Landfill	EYR	3/26/2019	\$ 1,560.20	\$ 1,560.20	\$ -	0.00%		NO	NO	
19	6905 Parks - Haynes Recreation Center	EYR	3/26/2019	\$ -	\$ -	\$ -	0.00%	Petty Cash	NO	NO	Unable to Audit: Petty Cash Custodian Unavailable
20	6906 Health - Ambulance Billing	EYR	3/26/2019	\$ 13,648.03	\$ 13,648.03	\$ -	0.00%		NO	NO	
21	6907 Parks - Haynes Recreation Center	EYR	3/27/2019	\$ 100.00	\$ 100.00	\$ -	0.00%	Petty Cash	NO	NO	
22	6908 Bridge II - Toll Booth Collections	EYR	3/28/2019	\$ 423.50	\$ 423.60	\$ 0.10	0.02%		NO	NO	
23	6909 Bridge II - Toll Booth Collections	EYR	3/28/2019	\$ 661.50	\$ 663.25	\$ 1.75	0.26%		NO	NO	
24	6910 Bridge II - Customer Svc	EYR	3/28/2019	\$ 850.50	\$ 850.50	\$ -	0.00%		NO	NO	
25	6911 Bridge II - Customer Svc	EYR	3/28/2019	\$ 1,372.10	\$ 1,372.10	\$ -	0.00%		NO	NO	
26	6912 Animal Care Services	EYR	3/28/2019	\$ 100.00	\$ 100.00	\$ -	0.00%	Change Fund	NO	NO	No Collections Noted at Time of Audit
27	6913 Bridge I - Toll Booth Collections	EYR	3/28/2019	\$ 957.25	\$ 942.25	\$ (15.00)	-1.57%		YES	YES	Cash & Policy Violation(s): Collections Shortage Noted
28	6914 Bridge I - Toll Booth Collections	EYR	3/28/2019	\$ 364.00	\$ 364.00	\$ -	0.00%		NO	NO	
29	6915 Bridge I	EYR	3/28/2019	\$ 500.00	\$ 500.00	\$ -	0.00%	Petty Cash	NO	NO	
30	6916 Police - Financial Task Force	EYR	3/29/2019	\$ 5,000.00	\$ 5,000.00	\$ -	0.00%	Confidentiality Fund	NO	NO	

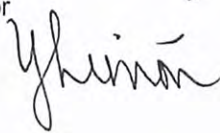
Memo

To: Veronica Urbano, Internal Auditor

From: Yvette Limon, Bridge Director

Date: March 22, 2019

Re: Audit # 6892



On March 22, 2019, the City's Internal Audit Staff conducted a surprise cash audit at Bridge IV on a CSR located in the front office; noted below is the response to the audit observation.

Audit # 6892

At the end of the audit, CSR was over \$69.75. The supervisor verified his cash and reviewed his tour of duty report. The reason for the overage was that Mr. did not change the settings on the glory machine and he gave the auditor total count of \$5.00's and \$10.00's together instead of them separately. He also miscounted the quarters in his till. Mr. counted 7 and they were a total of 8.

Laredo Bridge System Shortage/Overage policy was followed. Both discrepancies were pin pointed to the city auditor after completion of audit, but she suggested for department to provide a written response and advised form #6892 would remain as an overage. Therefore, as per the Laredo Bridge System Shortage/Overage Policy, no further disciplinary action is necessary.





CITY OF LAREDO
TAX DEPARTMENT
1102 Bob Bullock Loop
LAREDO, TX 78043
(956) 727-6402

Memorandum

To: Veronica Urbano Baeza, Internal Audit
From: Sandra M. Aleman, Asst. Tax Assessor Collector
Thru: Dora A. Maldonado, Tax Assessor Collector
Date: April 11, 2019
Subject: Surprise Audit # 6895

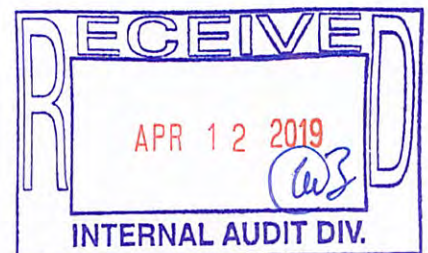
On March 25, 2019, a surprise audit was performed at City Hall Annex. Audit # 6895 had a receipt that was voided but was not signed by the supervisor.

Please know that the tellers do not have access to void transactions. All void access is restricted to supervisors. Voids are done immediately when requested by the tellers and when the transaction has been assessed by supervisor. The AS400 Cash Receipting software tracks the user that performed the void and the reason why the receipt is voided.

In this particular incident, I was the supervisor that voided the transaction for Ms. Attached is a copy of the voided receipts from the AS400 for this day. I will be more careful to sign the voids immediately after processing.

Let me know if there are any additional questions on this incident.

Thank you,





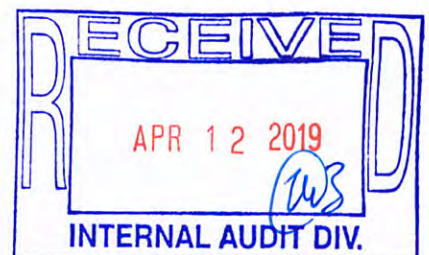
CITY OF LAREDO
TAX DEPARTMENT
1102 Bob Bullock Loop
LAREDO, TX 78043
(956) 727-6402

Memorandum

To: Veronica Urbano Baeza, Internal Audit
From: Sandra M. Aleman, Asst. Tax Assessor Collector
Thru: Dora A. Maldonado, Tax Assessor Collector
Date: April 11, 2019
Subject: Surprise Audit # 6896

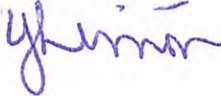
On March 25, 2019, a surprise audit was performed at City Hall Annex. Audit # 6896 had a transaction where the teller entered the tender type credit card (CC) and it should have been cash (CA). The one keystroke difference from CC to CA changes the tender type. This error was an oversight of the teller because of the one keystroke difference. The issue would have been resolved at the time of balancing if the audit had not been performed. The balancing at the end of day ensures that tellers balance their cash, checks and credit cards. Again, please know that we have emphasized caution when entering transactions to all our staff but this type of mistake is inevitable. Please contact me if you need additional information on this incident.

Thank you,



Memo

To: Veronica Urbano, Internal Auditor

From: Yvette Limon, Bridge Director 

Date: March 28, 2019

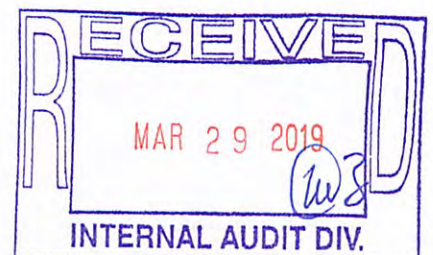
Re: Audit # 6913

On March 28, 2019, the City's Internal Audit staff conducted a surprise cash audit at Bridge I on the collector located in Lane 2; noted below is the response to the audit observation.

Audit # 6913

At the end of the audit, Collector _____ was found to be short \$15.00. The supervisor verified her cash, reviewed her tour of duty report, unusual occurrences report, detailed audit report and exception report. No reason could be found for this variance.

Laredo Bridge System Shortage/ Overage policy was followed. A shortage report was prepared, signed by the collector and placed in her employee file. A warning (Disciplinary Action Form) was not prepared on Ms. _____ because she was within her 2 weeks grace period of new employee training. Therefore, as per the Laredo Bridge System Shortage/Overage Policy, no further disciplinary action is necessary.



April 2019

CITY OF LAREDO
INTERNAL AUDIT DIVISION
SUMMARY OF SURPRISE CASH AUDITS
APRIL 2019

Audit Form #	Dept./ Div. Audited	Auditor	Date of Audit	Amount Received	Amount Counted	(Short)Over	Percentage Shortage / Overage	Change / Petty Cash Fund Audited	Response: Cash Violation	Response: Policy Violation	Comments	
				(A)	(B)	(C) (B-A)	(D) (C/A)					
1	6917	Bridge III - Toll Booth Collections	EYR	4/25/2019	\$ 75.25	\$ 75.25	\$ -	0.00%		NO	NO	
2	6918	Bridge III - Customer Svc	EYR	4/25/2019	\$ 7,200.00	\$ 7,200.00	\$ -	0.00%		NO	NO	
3	6919	Bridge IV - Customer Svc	EYR	4/25/2019	\$ 2,582.00	\$ 2,582.00	\$ -	0.00%		NO	NO	
4	6920	Bridge IV - Customer Svc	EYR	4/25/2019	\$ 88.75	\$ 88.75	\$ -	0.00%		NO	NO	
5	6921	Bridge II - Toll Booth Collections	EYR	4/25/2019	\$ 1,706.25	\$ 1,706.26	\$ 0.01	0.00%		NO	NO	
6	6922	Bridge II - Toll Booth Collections	EYR	4/25/2019	\$ 1,130.75	\$ 1,130.37	\$ (0.38)	-0.03%		NO	NO	
7	6923	Bridge II - Customer Svc	EYR	4/25/2019	\$ 17,736.60	\$ 17,736.60	\$ -	0.00%		NO	NO	
8	6924	Bridge II - Customer Svc	EYR	4/25/2019	\$ 6,564.10	\$ 6,564.10	\$ -	0.00%		NO	NO	
9	6925	Tax (City Hall)	EYR	4/26/2019	\$ 4,711.37	\$ 4,711.37	\$ -	0.00%		NO	NO	
10	6926	Tax (City Hall)	EYR	4/26/2019	\$ 5,967.38	\$ 5,967.38	\$ -	0.00%		NO	NO	
11	6927	Tax (City Hall)	EYR	4/26/2019	\$ 6,319.66	\$ 6,320.71	\$ 1.05	0.02%		NO	NO	
12	6928	Traffic - Parking	EYR	4/26/2019	\$ 92.50	\$ 92.50	\$ -	0.00%		NO	NO	
13	6929	Solid Waste - Landfill	EYR	4/26/2019	\$ 1,825.00	\$ 1,824.90	\$ (0.10)	-0.01%		NO	NO	
14	6930	Tax (City Hall Annex)	EYR	4/26/2019	\$ 604.41	\$ 604.41	\$ -	0.00%		NO	NO	
15	6931	Tax (City Hall Annex)	EYR	4/26/2019	\$ 28,527.64	\$ 28,527.64	\$ -	0.00%		NO	NO	
16	6932	Utility Billing	EYR	4/26/2019	\$ 240.00	\$ 240.00	\$ -	0.00%		NO	NO	
17	6933	Fleet	EYR	4/26/2019	\$ 400.00	\$ 400.00	\$ -	0.00%	Petty Cash	NO	NO	
18	6934	Health - Environmental	EYR	4/29/2019	\$ 425.00	\$ 425.00	\$ -	0.00%		NO	NO	
19	6935	Parks - Cemetery	EYR	4/29/2019	\$ -	\$ -	\$ -	0.00%		NO	NO	No Collections Noted at Time of Audit
20	6936	Municipal Court	EYR	4/29/2019	\$ 1,240.00	\$ 1,240.00	\$ -	0.00%		NO	YES	Policy Violation(s): Check and Cash Transactions Did Not Reconcile; Miscoded Payment Type Received
21	6937	Police - Records	EYR	4/29/2019	\$ 58.00	\$ 58.00	\$ -	0.00%		NO	NO	
22	6938	Bridge I - Toll Booth Collections	EYR	4/30/2019	\$ 199.50	\$ 199.50	\$ -	0.00%		NO	NO	
23	6939	Bridge I - Toll Booth Collections	EYR	4/30/2019	\$ 236.50	\$ 239.50	\$ 3.00	1.27%		YES	YES	Cash & Policy Violation(s): Collections Overage Noted
24	6940	Transit - Lobby Tellers	EYR	4/30/2019	\$ 72.00	\$ 72.00	\$ -	0.00%		NO	NO	
25	6941	Community Development - Housing Rehab	EYR	4/30/2019	\$ -	\$ -	\$ -	0.00%		NO	NO	No Collections Noted at Time of Audit
26	6942	Environmental Svcs	EYR	4/30/2019	\$ -	\$ -	\$ -	0.00%		NO	NO	No Collections Noted at Time of Audit
27	6943	Utilities - Sewer	EYR	4/30/2019	\$ 300.00	\$ 301.00	\$ 1.00	0.33%	Petty Cash	NO	NO	
28	6944	Utilities - Water	EYR	4/30/2019	\$ -	\$ -	\$ -	0.00%	Petty Cash	NO	NO	Unable to Audit: Petty Cash Custodian Unavailable
29	6945	Parks - Marcos Aranda Recreation Center	EYR	4/30/2019	\$ 70.00	\$ 70.00	\$ -	0.00%		NO	YES	Policy Violation(s): Receipt Policy Notice Not Posted



City of Laredo
MUNICIPAL COURT OF RECORD

JESUS M. DOMINGUEZ
Municipal Court Judge
956-794-1680

MEMO

To: Veronica Urbano- Baeza, Internal Auditor

Cc: Elia Rodriguez, Auditor II

From: Ana L. Rodriguez, Municipal Court Clerk *ARL*

Date: July 10, 2019

Re: Response to Audit - No. 6936

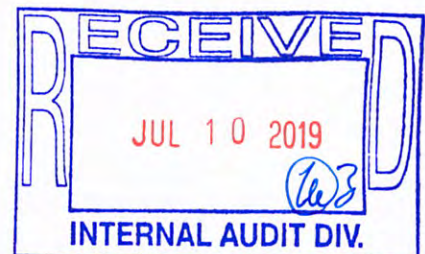
A surprise cash audit was conducted on April 29, 2019. Below are the responses to the findings.

Finding #1

Clerk recorded payment as a check instead of cash.

Response #1

Although the clerk was not out of balance in her collections, she mistakenly coded a payment as a check instead of cash as the payment method. All clerks have been reminded of the importance of properly recording the payment method for each transaction.



Memo

To: Veronica Urbano, Internal Auditor

From: Yvette Limon, Bridge Director *Ylimon*

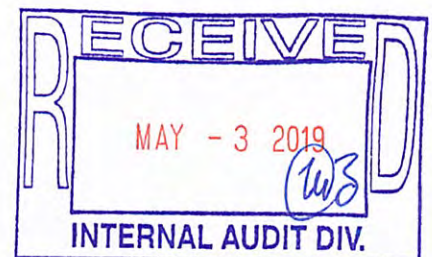
Date: May 2, 2019

Re: Audit # 6939

On April 30, 2019, the City's Internal Audit Staff conducted a surprise cash audit at Bridge I on the Collector located in Lane 3; noted below is the response to the audit observation.

Audit # 6939

At the end of the audit, Collector _____ was over \$3.25. The supervisor verified her cash, reviewed her tour of duty report, unusual occurrences report, detailed audit report and exception sheet. After further review of this incident, it was determined that the collector had a vehicle at 9:21am that was not registered by the system. After this transaction was adjusted at the end of her shift, the collector had an actual shortage of \$.25. Therefore, as per the Laredo Bridge System Shortage/Overage Policy, no further disciplinary action is necessary.





CITY OF LAREDO
PARKS AND RECREATION
DEPARTMENT

MEMORANDUM

TO: Veronica Urbano, Internal Auditor

FROM: Anita Stanley, Assistant Director, Parks and Recreation Department

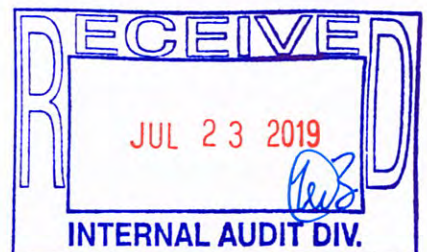
RE: Surprise Audits 6945

DATE: July 15, 2019

A handwritten signature in black ink, appearing to read "Anita Stanley", is written over the "FROM:" line.

This memo serves as a response to the audit mentioned above for Marcos Aranda Recreation Center. Receipt Policy had been temporarily removed to post flyers on a special event.

Staff has been advised that at no time may the receipt policy be removed from the area where payments are taken.



May 2019

CITY OF LAREDO
INTERNAL AUDIT DIVISION
SUMMARY OF SURPRISE CASH AUDITS
MAY 2019

Audit Form #	Dept./ Div. Audited	Auditor	Date of Audit	Amount Received	Amount Counted	(Short)/Over	Percentage Shortage / Overage	Change / Petty Cash Fund Audited	Response: Cash Violation	Response: Policy Violation	Comments	
				(A)	(B)	(C)	(D)					
						(B-A)	(C/A)					
1	6946	Bridge III - Toll Booth Collections	EYR	5/29/2019	\$ 26.25	\$ 26.25	\$ -	0.00%		NO	NO	
2	6947	Bridge III - Customer Svc	EYR	5/29/2019	\$ 1,043.00	\$ 1,043.00	\$ -	0.00%		NO	NO	
3	6948	Bridge IV - Customer Svc	EYR	5/29/2019	\$ 12,087.75	\$ 12,087.75	\$ -	0.00%		NO	NO	
4	6949	Bridge IV - Customer Svc	EYR	5/29/2019	\$ 1,569.48	\$ 1,569.48	\$ -	0.00%		NO	NO	
5	6950	Bridge IV	EYR	5/29/2019	\$ 400.00	\$ 400.00	\$ -	0.00%	Petty Cash	NO	NO	
6	6951	Bridge II - Customer Svc	EYR	5/29/2019	\$ 15,548.00	\$ 15,548.00	\$ -	0.00%		NO	NO	
7	6952	Bridge II - Customer Svc	EYR	5/29/2019	\$ 7,015.25	\$ 7,015.25	\$ -	0.00%		NO	NO	
8	6953	Bridge II - Customer Svc	EYR	5/29/2019	\$ 3,260.00	\$ 3,260.00	\$ -	0.00%		NO	NO	
9	6954	Bridge II - Toll Booth Collections	EYR	5/29/2019	\$ 2,135.00	\$ 2,135.66	\$ 0.66	0.03%		NO	NO	
10	6955	Bridge II - Toll Booth Collections	EYR	5/29/2019	\$ 2,506.00	\$ 2,509.65	\$ 3.65	0.15%		NO	NO	
11	6956	Environmental Svcs	EYR	5/29/2019	\$ 350.00	\$ 350.00	\$ -	0.00%	Petty Cash	NO	NO	
12	6957	Health - Ambulance Billing	EYR	5/29/2019	\$ 10,536.58	\$ 10,536.58	\$ -	0.00%		NO	NO	
13	6958	Parks - Fasken Recreation Center	EYR	5/29/2019	\$ -	\$ -	\$ -	0.00%		NO	YES	Policy Violation(s): Automated Receipt System Down, No Manual Receipts Issued; Staff Not Collecting as per Parks Mgmt
14	6959	Parks - Hillside Recreation Center	EYR	5/29/2019	\$ -	\$ -	\$ -	0.00%		NO	NO	No Collections Noted at Time of Audit; Staff Did Have a Manual Receipt Book on Hand
15	6960	Parks - El Eden Recreation Center	EYR	5/29/2019	\$ -	\$ -	\$ -	0.00%		NO	YES	Policy Violation(s): Automated Receipt System Down, No Manual Receipts Issued; Staff Not Collecting as per Parks Mgmt
16	6961	Parks - Cigarroa Recreation Center	EYR	5/29/2019	\$ -	\$ -	\$ -	0.00%		NO	YES	Policy Violation(s): Automated Receipt System Down, No Manual Receipts Issued; Staff Not Collecting as per Parks Mgmt
17	6962	Parks - Haynes Recreation Center	EYR	5/29/2019	\$ -	\$ -	\$ -	0.00%		NO	YES	Policy Violation(s): Automated Receipt System Down, No Manual Receipts Issued; Staff Not Collecting as per Parks Mgmt
18	6963	Tax (City Hall)	EYR	5/30/2019	\$ 2,543.66	\$ 2,543.66	\$ -	0.00%		NO	NO	
19	6964	Tax (City Hall)	EYR	5/30/2019	\$ 2,645.77	\$ 2,645.77	\$ -	0.00%		NO	NO	
20	6965	Bridge I - Customer Svc	EYR	5/30/2019	\$ 13,000.00	\$ 12,999.75	\$ (0.25)	0.00%	Change Fund	NO	NO	
21	6966	Bridge I	EYR	5/30/2019	\$ 500.00	\$ 500.00	\$ -	0.00%	Petty Cash	NO	NO	
22	6967	Tax (City Hall Annex)	EYR	5/30/2019	\$ 33,006.29	\$ 33,006.29	\$ -	0.00%		NO	NO	
23	6968	Tax (City Hall Annex)	EYR	5/30/2019	\$ 20,869.30	\$ 20,869.30	\$ -	0.00%		NO	NO	
24	6969	Tax (City Hall Annex)	EYR	5/30/2019	\$ 24,050.04	\$ 24,050.04	\$ -	0.00%		NO	NO	
25	6970	VOIDED CASH FORM									Audit Form # 6970 Not Printed	
26	6971	Utility Billing	EYR	5/30/2019	\$ 703.83	\$ 703.83	\$ -	0.00%		NO	NO	
27	6972	Building	EYR	5/31/2019	\$ 95.00	\$ 95.00	\$ -	0.00%		NO	YES	Policy Violation(s): Voided Receipt Did Not Contain Supervisor's Authorization Signature
28	6973	Building	EYR	5/31/2019	\$ 100.00	\$ 99.90	\$ (0.10)	-0.10%	Petty Cash	NO	NO	

**CITY OF LAREDO
INTERNAL AUDIT DIVISION
SUMMARY OF SURPRISE CASH AUDITS
MAY 2019**

Audit Form #	Dept./ Div. Audited	Auditor	Date of Audit	Amount Received	Amount Counted	(Short)/Over	Percentage Shortage / Overage	Change / Petty Cash Fund Audited	Response: Cash Violation	Response: Policy Violation	Comments	
				(A)	(B)	(C)	(D)					
						(B-A)	(C/A)					
29	6974	Planning	EYR	5/31/2019	\$ -	\$ -	\$ -	0.00%	Petty Cash	NO	NO	Unable to Audit: Petty Cash Custodian Unavailable
30	6975	Solid Waste - Landfill	EYR	5/31/2019	\$ 726.40	\$ 728.40	\$ 2.00	0.28%		NO	NO	
31	6976	Municipal Housing	EYR	5/31/2019	\$ 16,822.00	\$ 16,822.00	\$ -	0.00%		NO	YES	Policy Violation(s): Collections Received Not Deposited Daily when the Automated Receipting System was Down



CITY OF LAREDO
PARKS AND RECREATION
DEPARTMENT

MEMORANDUM

TO: Veronica Urbano, Internal Auditor

FROM: Anita Stanley, Assistant Director, Parks and Recreation Department

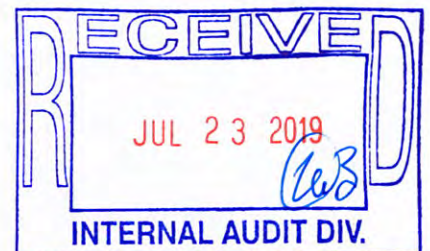
RE: Surprise Audits 6958, 6960, 6961, 6962

DATE: July 15, 2019

A handwritten signature in black ink, appearing to read 'Anita Stanley', is written over the 'FROM:' line of the memorandum.

This memo serves as a response to the audits mentioned above for Fasken, El Eden, Cigarroa and Haynes Recreation Centers. At the time of the audit, it was the week before the start of our summer camp program and we were preparing for registration for over 500 children. This was a few days after our computer crashes, and we had minimal receipt books for all centers so they could manually take payments. We checked with accounts payable and they had three books left, which we borrowed. Our focus was on the summer program so I directed staff to halt payments for recreation center membership and classes to ensure we could cover the summer program registrations. Requisition was processed to procure additional receipt books and payments were again initiated as soon as they arrived. All payments were subsequently collected.

The option to use the computers to do manual receipts was not there due to the fact we were advised not to turn on any computers.





CITY OF LAREDO

BUILDING DEVELOPMENT SERVICES DEPARTMENT

1120 San Bernardo Ave, Laredo, Texas, 78040 • Phone: 956.794.1625 • Fax: 956.795.2998



Memo

To: Veronica Urbano
Internal Audit Division

Date: July 16, 2019

From: Victor J. Linares, P.E., Acting Building Director

Re: **Response – Surprise Cash Audit No. 6972**



This memo is to respond to Surprise Cash Audit No. 6972. We have three cash receipts and credit card swipe machines to service customers. On the day of 05-30-19 and one of the three clerks, serving at these stations was out on leave. We do receive a large amount of customers especially on the later end of the week and the afternoons, as noted on the audit we have 494 receipts processed, and that is an overwhelming amount for two clerks to service. One of our experienced Clerks helping on the administrative took the initiative to assist and provide customer service and help process the respective permit payment and/or requests. Please let it be known, this period the entire City has issues with the network and other applications, and IT was limited in assisting small requests.

We have requested for upgraded and an additional cash receipt printer and credit card swipe machine to making it four units, which our receiving area (facility) can only allow. The request has been made and payed for since April 10, but we have not received the merchandise of any feedback from Finance. We have made numerous follow-ups and have been unsuccessful in obtaining these upgrades and the additional unit.

We have made adjustments in which a new Clerk is to service the station, a call is made to IT departments to reroute the printer under the Clerk's name. We wish to reiterate that our goal is to provide customer service, we do receive a large volume of customers and our facility, and equipment is limited. Our team member just made the effort at the immediate moment to assist, and I have no issue with her actions. Should you have any questions, Please feel free to contact me.

Sincerely,

Victor J. Linares, P.E.
Acting Building Director

Memo

To: Ms. Veronica Urbano-Baeza, Internal Auditor

Thru: Mr. Arturo Garcia, CD Director

From: Ms. Elsa Hinojosa, LMH Executive Director

Date: June 5, 2019

Re: Collections not deposited daily



Please be advised that I received a copy of the amended Internal Cash Audit Division Surprise Cash Audit No. 6976 dated May 31, 2019 and the daily collections were found to be out of compliance.

The finding noted that the Department of Community Development's Municipal Housing Division did not comply by failing to deposit daily checks received for May 24th, May 28th, May 29th, May 30th, and May 31st, 2019. Please understand that due to the recent internet/email scam event all digital documents were lost, scanning, and payment in-take of checks and/money orders were affected and staff did not understand what requirements should have been followed with deposits after directive was given. Staff has been disciplined to acknowledge the error after directive was given by management. We will keep a close eye in order to prevent any future incidents and apologize for the inconvenience.

Rest assured that I will try to avoid any future violations and all deposits will be processed daily.



June 2019

CITY OF LAREDO
INTERNAL AUDIT DIVISION
SUMMARY OF SURPRISE CASH AUDITS
JUNE 2019

Audit Form #	Dept./ Div. Audited	Auditor	Date of Audit	Amount Received	Amount Counted	(Short)/Over	Percentage Shortage / Overage	Change / Petty Cash Fund Audited	Response: Cash Violation	Response: Policy Violation	Comments
1	6977 Bridge III	EYR	6/13/2019	\$ 50.00	\$ 50.00	\$ -	0.00%	Change Fund	NO	NO	No Collections Noted at Time of Audit
2	6978 Utilities - Engineering	EYR	6/13/2019	\$ 250.00	\$ 250.00	\$ -	0.00%		NO	NO	
3	6979 Utilities	EYR	6/13/2019	\$ 200.00	\$ 200.00	\$ -	0.00%	Petty Cash	NO	NO	
4	6980 Tax (City Hall)	EYR	6/13/2019	\$ 16,130.22	\$ 16,130.22	\$ -	0.00%		NO	NO	
5	6981 Tax (City Hall)	EYR	6/13/2019	\$ 19,164.13	\$ 19,164.04	\$ (0.09)	0.00%		NO	NO	
6	6982 Engineering	EYR	6/13/2019	\$ 400.00	\$ 400.00	\$ -	0.00%	Petty Cash	NO	NO	
7	6983 Planning	EYR	6/13/2019	\$ 100.00	\$ 100.25	\$ 0.25	0.25%	Petty Cash	NO	NO	
8	6984 Public Access Channel	EYR	6/13/2019	\$ 150.00	\$ 150.00	\$ -	0.00%	Petty Cash	NO	NO	
9	6985 Tax (City Hall Annex)	EYR	6/14/2019	\$ 30,772.09	\$ 30,772.09	\$ -	0.00%		NO	NO	
10	6986 Tax (City Hall Annex)	EYR	6/14/2019	\$ 227,666.49	\$ 227,666.34	\$ (0.15)	0.00%		NO	NO	
11	6987 Tax (City Hall Annex)	EYR	6/14/2019	\$ 930.50	\$ 930.50	\$ -	0.00%		NO	NO	
12	6988 Bridge IV - Customer Svc	EYR	6/18/2019	\$ 2,476.50	\$ 2,476.50	\$ -	0.00%		NO	NO	
13	6989 Bridge IV - Customer Svc	EYR	6/18/2019	\$ 2,008.77	\$ 2,008.77	\$ -	0.00%		NO	NO	
14	6990 Bridge II - Customer Svc	EYR	6/18/2019	\$ 1,120.00	\$ 1,120.00	\$ -	0.00%		NO	NO	
15	6991 Bridge II - Customer Svc	EYR	6/18/2019	\$ 30,202.50	\$ 30,202.50	\$ -	0.00%		NO	NO	
16	6992 Bridge II - Toll Booth Collections	EYR	6/18/2019	\$ 59.50	\$ 59.50	\$ -	0.00%		NO	NO	
17	6993 Bridge II - Toll Booth Collections	EYR	6/18/2019	\$ 294.00	\$ 294.10	\$ 0.10	0.03%		NO	NO	
18	6994 Bridge II - Toll Booth Collections	EYR	6/18/2019	\$ 812.00	\$ 811.72	\$ (0.28)	-0.03%		NO	NO	
19	6995 Bridge I - Toll Booth Collections	EYR	6/18/2019	\$ 1,167.25	\$ 1,167.50	\$ 0.25	0.02%		NO	NO	
20	6996 Bridge I - Toll Booth Collections	EYR	6/18/2019	\$ 1,533.00	\$ 1,533.20	\$ 0.20	0.01%		NO	NO	
21	6997 Health - Vital Statistics	EYR	6/18/2019	\$ 757.00	\$ 757.00	\$ -	0.00%		NO	NO	
22	6998 Health - Ambulance Billing	EYR	6/18/2019	\$ 47,749.30	\$ 47,749.30	\$ -	0.00%		NO	NO	
23	6999 Parks - Cemetery	EYR	6/18/2019	\$ 100.00	\$ 120.05	\$ 20.05	20.05%	Petty Cash	YES	YES	Cash & Policy Violation(s): Fund Overage Noted
24	7000 Parks - El Eden Pool	EYR	6/18/2019	\$ 25.00	\$ 22.00	\$ (3.00)	-12.00%		YES	YES	Cash & Policy Violation(s): Collections Shortage Noted
25	7001 Parks - Sisters of Mercy Water Park	EYR	6/18/2019	\$ 159.50	\$ 228.90	\$ 69.40	43.51%		YES	YES	Cash & Policy Violation(s): Collections Overage Noted
26	7002 Parks - Three Points Pool	EYR	6/18/2019	\$ 103.00	\$ 103.00	\$ -	0.00%		NO	YES	Policy Violation(s): Collector Left Collections Box Unattended
27	7003 Parks - Del Mar Pool	EYR	6/18/2019	\$ 46.00	\$ 47.00	\$ 1.00	2.17%		YES	YES	Cash & Policy Violation(s): Collections Overage Noted
28	7004 Parks - Bartlett Pool	EYR	6/18/2019	\$ 206.00	\$ 206.00	\$ -	0.00%		NO	NO	
29	7005 Traffic - Parking Meter No. GR907	EYR	6/19/2019	\$ 6.85	\$ 6.85	\$ -	0.00%		NO	NO	
30	7006 Traffic - Parking Meter No. SA403	EYR	6/19/2019	\$ 12.65	\$ 12.77	\$ 0.12	0.95%		NO	NO	
31	7007 Traffic - Parking Meter No. FL614	EYR	6/19/2019	\$ 4.00	\$ 4.00	\$ -	0.00%		NO	NO	
32	7008 Traffic - Parking Meter No. VI1017	EYR	6/19/2019	\$ 3.80	\$ 3.80	\$ -	0.00%		NO	NO	
33	7009 Traffic - Parking Meter No. GR1460	EYR	6/19/2019	\$ 4.66	\$ 4.65	\$ (0.01)	-0.21%		NO	NO	
34	7010 Traffic - Zaragoza Parking Lot	EYR	6/19/2019	\$ 3,230.00	\$ 3,241.00	\$ 11.00	0.34%		NO	NO	
35	7011 Parks - Inner City Pool	EYR	6/19/2019	\$ 355.00	\$ 355.00	\$ -	0.00%		NO	NO	
36	7012 Library - Inner City Branch	EYR	6/19/2019	\$ 30.00	\$ 30.00	\$ -	0.00%	Change Fund	NO	NO	

**CITY OF LAREDO
INTERNAL AUDIT DIVISION
SUMMARY OF SURPRISE CASH AUDITS
JUNE 2019**

Audit Form #	Dept./ Div. Audited	Auditor	Date of Audit	Amount Received	Amount Counted	(Short)/Over	Percentage Shortage / Overage	Change / Petty Cash Fund Audited	Response: Cash Violation	Response: Policy Violation	Comments
				(A)	(B)	(C) (B-A)	(D) (C/A)				
37	7013 Parks - Independence Pool	EYR	6/19/2019	\$ -	\$ -	\$ -	0.00%		NO	NO	No Collections Noted at Time of Audit
38	7014 Parks - Haynes Pool	EYR	6/19/2019	\$ 44.00	\$ 44.00	\$ -	0.00%		NO	NO	
39	7015 Parks - North Central Pool	EYR	6/19/2019	\$ 9.00	\$ 9.00	\$ -	0.00%		NO	NO	
40	7016 Library - Main Branch	EYR	6/20/2019	\$ 44.15	\$ 44.15	\$ -	0.00%		NO	YES	Policy Violation(s): Instances Noted where Receipts Not Being Issued to Customers
41	7017 Airport - Federal Inspection Station (FIS)	EYR	6/20/2019	\$ 37.60	\$ 37.60	\$ -	0.00%		NO	NO	
42	7018 Airport	EYR	6/20/2019	\$ -	\$ -	\$ -	0.00%		NO	NO	No Collections Noted at Time of Audit
43	7019 Traffic	EYR	6/20/2019	\$ 200.00	\$ 200.00	\$ -	0.00%	Petty Cash	NO	NO	
44	7020 Health - Lab	EYR	6/21/2019	\$ 1,950.98	\$ 1,951.02	\$ 0.04	0.00%		NO	NO	



City of Laredo Parks & Recreation Department

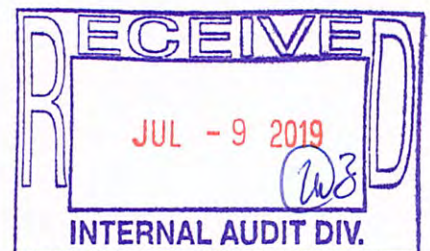


TO: Veronica Urbano, Internal Auditor
FROM: Graciela S. Briones, Assistant Director
DATE: June 19, 2019
SUBJECT: Internal Division Audit on Petty Cash

On June 18, 2019, Ms. Elia Rodriguez from Internal Audit Division (#6999) conducted an audit for our Cemetery Division. Upon completion, we were \$20.00 dollars over. The doorknob on the men's restroom was broken which needed to be repaired immediately. Cemetery staff had not yet obtained their petty cash, therefore, Mr. _____, Supervisor, purchased the item and he has to be reimbursed.

Staff has been advised of the petty cash policy procedure.

Thank you.





Parks & Recreation Department

Memo

To: Veronica Urbano, Internal Auditor

From: Anita O. Stanley, Parks and Recreation Department Director

Date: June 19, 2019

Re: Violations of the Cash Receipt Policy

In response to the violation No.7003 No.7002, No.7001, and No.7000 received, regarding the surprise cash audit that occurred on June 18, 2019.

Violation No.7000 for El Eden Pool was short \$3.00 when audit check the deposit and custodian was not able to identify why there was a shortage of money.

Violation No.7001 for Sisters of Mercy Water Park the custodian had \$19.00 dollars more inside the cash box at that time and a petty cash fund of \$50.00 that was left behind by the previous custodian during the time that audit was checking deposits .Which made the balance of the cash box over \$ 69.00 when audit check the deposit balance.

Violation No.7002-The Three Points Pool Custodian left the money box open with the money unattended to pick up lunch during the lifeguard break.

Violation No.7003 for Del Mar Pool was over a \$1.00 when audit check the deposit and custodian was not able to identify why there was an overage of money.

Employees will be reprimanded and we will provide additional training for the cash handling procedures on June 24, 2019 in order to avoid future mistakes. We will also give the custodian a change fund to have during hours of operation. We apologize for the inconvenience if you have any questions please feel free to call me at 956-794-1765.

Thank you,



JOE A. GUERRA LAREDO PUBLIC
LIBRARY

06/25/2019

TO: VERONICA URBANO-BAEZA, INTERNAL AUDITOR

FROM: MONICA DUNCAN, CIRCULATION SUPERVISOR

SUBJECT: AUDIT 7016

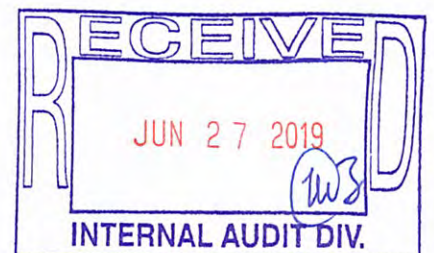
THRU: MARIA G. SOLIZ, LIBRARY DIRECTOR



On June 20, 2019 an audit was conducted by Ms. Elia Rodriguez, Auditor, on the library's cashier for the day, Ms. Ms. Rodriguez observed that some receipts were written out, but were not given to the patrons.

Circulation staff asks library patrons to wait for a receipt and they decline. A receipt is written, but it will remain in the receipt book. The majority of receipts rejected by patrons are for printouts not exceeding \$2 to \$3. Receipts for fines are definitely given.

Staff have been reminded to inform patrons that a receipt for all monies transactions must be issued because of City Policy.



III. Unannounced Inventory Count Audits

January 2019

**Fleet Maintenance Division
Surprise Inventory Count Audit
January 28, 2019**

STATEMENT OF SCOPE & METHODOLOGY

On January 28, 2019, a Surprise Inventory Count Audit was conducted on the Fleet Maintenance Division. Four (4) different items were randomly selected from the parts inventory on hand. Division currently uses "Fleet Management Software" in order to keep a database of the division's inventory and to serve as a measure of control of assets.

Our audit is limited to the physical count of randomly selected items in order to determine if results coincide with quantity showing on manual journal. The following steps were taken to analyze all the data collected.

- 1.) A tire/parts inventory listing was requested.
- 2.) Random selection of part(s).
- 3.) Site visit to Fleet Management-Maintenance Division.
- 4.) Fleet Maintenance staff interviews.
- 5.) Physical count of selected items.

AUDIT FINDINGS AND/OR OBSERVATIONS

Based upon the physical count performed and as shown in the table below, the following finding(s)/observation(s) were noted.

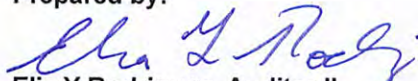
PART NAME	PART NUMBER	AVG. UNIT PRICE	QTY SHOWING IN SYSTEM	PHYSICALLY COUNTED	VARIANCE	REF. FINDING / OBSERVATION NO.
Dodge, Mount Strut	4895412AC	\$50.95	2	2	0	N/A
Arm Asy. For Expl (Right)	GB5Z3078D	\$101.35	5	5	0	N/A
Arm Asy. For Expl (Left)	GB5Z3079G	\$101.36	5	5	0	N/A
Tire	12 X 16.5	\$175.25	4	4	0	N/A

AUDIT FINDINGS, OBSERVATIONS & RECOMMENDATIONS

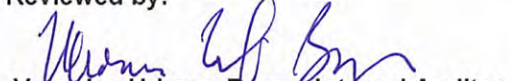
Internal Audit found no significant audit findings. Items inventoried were in balance.

No written response is required on this report.

Prepared by:


Elia Y Rodriguez, Auditor II
Date: 01-31-2019

Reviewed by:


Veronica Urbano-Baeza, Internal Auditor
Date: 2-8-2019

To: Ronald W. Miller, Acting Fleet Management Director
Cc: Rosario C. Cabello, Co- Interim City Manager
Robert A. Eads, Co – Interim City Manager

**Public Works – Warehouse Division
Surprise Inventory Count Audit
January 29, 2019**

STATEMENT OF SCOPE & METHODOLOGY

On January 29, 2019, a Surprise Inventory Count Audit was conducted on the Public Works - Warehouse Division. Four (4) different inventory items were randomly selected from the inventory reports on hand. Division currently uses "Excel worksheet based system" in order to keep a database of the division's inventory and to serve as a measure of control of assets.

Our audit is limited to the physical count of randomly selected items in order to determine if results coincide with quantity showing on system. The following steps were taken to analyze all the data collected.

- 1.) An inventory listing was requested.
- 2.) Random selection of inventory items.
- 3.) Site visit to Public Works - Warehouse Division.
- 4.) Public Works – Warehouse staff interviews.
- 5.) Physical count of selected items.

AUDIT FINDINGS, OBSERVATIONS & RECOMMENDATIONS

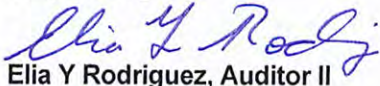
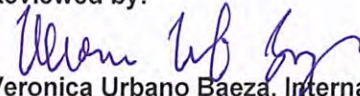
Based upon the physical count performed and as shown in the table below, the following finding(s)/observation(s) were noted.

PART NAME	PART NUMBER	AVG. UNIT PRICE	QTY SHOWING IN SYSTEM	PHYSICALLY COUNTED	VARIANCE	REF. FINDING NO.
Stihl Concrete Chain Saw	180384794	\$1,845.00	1	1	0	N/A
Core Drill TS	4032609	\$2,300.00	1	1	0	N/A
Wacker Vibroplate	10574952	\$1,935.00	1	1	0	N/A
Multiquip Water Pump	3TH22859	\$1,575.00	1	1	0	N/A

Internal Audit found no significant audit findings. Items inventoried were in balance.

As stated in the "Statement of Scope & Methodology" above, the Public Works Warehouse Division currently uses an "Excel Database System" in order to account for most of the material and equipment housed at the warehouse; however, receiving and issuing out of items must be done manually with Excel. We would recommend that Public Works assess and consider the acquisition, funding permitting, of the most suitable Automated Inventory System in order to better account for all material and equipment received and issued out.

No written response is required on this report.

<p>Prepared by:  Elia Y Rodriguez, Auditor II Date: 01-31-2019</p>	<p>Reviewed by:  Veronica Urbano Baeza, Internal Auditor Date: 2-8-2019</p>
<p>To: John Orfila, Public Works Director</p>	
<p>Cc: Rosario C. Cabello, Co- Interim City Manager Robert A. Eads, Co – Interim City Manager</p>	

**Utilities Service Center
Surprise Inventory Count Audit
January 29, 2019**

STATEMENT OF SCOPE & METHODOLOGY

On January 29, 2019, a Surprise Inventory Count Audit was conducted on the Utilities Service Center Warehouse. Four (4) different items were randomly selected from the inventory on hand. Department currently uses "Sungard, HTE Select Version 4.0", in order to keep a database of the department's inventory and to serve as a measure of control of assets.

Our audit is limited to the physical count of randomly selected items in order to determine if results coincide with quantity showing on system. The following steps were taken to analyze all the data collected.

- 1.) An inventory items listing was requested.
- 2.) Random selection of items.
- 3.) Site visit to the Utilities Service Center Warehouse.
- 4.) Utilities Service Center staff interviews.
- 5.) Physical count of selected items.

AUDIT FINDINGS AND/OR OBSERVATIONS


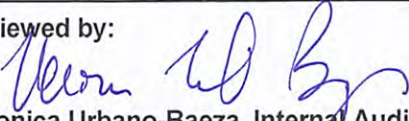
Based upon the physical count performed and as shown in the table below, the following finding(s)/observation(s) were noted.

PART NAME	PART NUMBER	AVG. UNIT PRICE	QTY SHOWING IN SYSTEM	PHYSICALLY COUNTED	VARIANCE	REF. FINDING/OBSERVATION NO.
Fire Hydrant Mueller 4'	8900708087	\$ 1,337.57	17	17	0	N/A
Fire Hydrant Mueller 5'	8900708088	\$ 1,392.56	2	2	0	N/A
Full Circle Clamp 18 x 15	89007000296	\$ 593.80	6	6	0	N/A
Saddles Brass 16 x 1 1/2	8900703103	\$ 267.46	25	25	0	N/A

AUDIT FINDINGS, OBSERVATIONS & RECOMMENDATIONS

Internal Audit found no significant audit findings. Items inventoried were in balance.

No written response is required on this report.

<p>Prepared by:  Elia Y Rodriguez, Auditor II Date: 01-31-2019</p>	<p>Reviewed by:  Veronica Urbano-Baeza, Internal Auditor Date: 2-13-2019</p>
<p>To: Riazul Mia, Utilities Director Cc: Rosario C. Cabello, Co - Interim City Manager Robert A. Eads, Co - Interim City Manager Humberto Delgado, Financial Services</p>	

February 2019

**Bridge System
Automated Vehicle Identification System (AVI) Tags
Surprise Inventory Count Audit
February 27, 2019**

STATEMENT OF SCOPE & METHODOLOGY

On February 27, 2019, a Surprise Inventory Count Audit was conducted on the Bridge System's Automated Vehicle Identification System (AVI) Inventory Tags. Two (2) inventory tag classifications (with their respective locations) were randomly selected from the AVI Inventory Listings. Department currently uses the new "CAMS System", in order to keep a database of the department's inventory and to serve as a measure of control of assets.

Our audit is limited to the physical count of randomly selected items in order to determine if results coincide with quantity showing on system. The following steps were taken to analyze all the data collected.

- 1.) An AVI tag inventory totals summary was requested (document on file)
- 2.) Random selection of tag classification and respective location.
- 3.) Site visit to the Bridge System Warehouse (Bridge I)
- 4.) Bridge System staff interviews.
- 5.) Physical count of selected items.

AUDIT FINDINGS AND/OR OBSERVATIONS

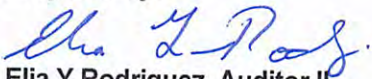

Based upon the physical count performed on the randomly selected inventory tags and as shown in the table below, the following findings and/or observations were noted.

TAG CLASSIFICATION/LOCATION	QTY SHOWING IN SYSTEM	PHYSICALLY COUNTED	AVG. UNIT COST	VARIANCE	REF. FINDING/OBSERVATION NO.
Regular Tags- Warehouse/Bridge I	7040	7040	\$12.50	0	N/A
Bumper Sticker Warehouse/Bridge I	5	5	\$27.00	0	N/A

AUDIT FINDINGS, OBSERVATIONS & RECOMMENDATIONS

Internal Audit found no significant audit findings. Items inventoried were in balance.

No written response is required on this report.

<p>Prepared by:  Elia Y Rodriguez, Auditor II Date: 02-28-2019</p>	<p>Reviewed by:  Veronica Urbano-Baeza, Internal Auditor Date: 3-6-2019</p>
<p>To: Yvette Limon, Bridge Director</p>	
<p>Cc: Rosario C. Cabello, Co - Interim City Manager Robert A. Eads, Co - Interim City Manager</p>	

Transit Maintenance Division Surprise Inventory Count Audit February 28, 2019

STATEMENT OF SCOPE & METHODOLOGY

On February 28, 2019, a Surprise Inventory Count Audit was conducted on the Transit Department (Transit Maintenance Division). Four (4) different parts were randomly selected from the parts inventory on hand. Department currently uses "Transit Management Software", in order to keep a database of the department's inventory and to serve as a measure of control of assets.

Our audit is limited to the physical count of randomly selected items in order to determine if results coincide with quantity showing on system. The following steps were taken to analyze all the data collected.

- 1.) A parts inventory listing of items over \$50 was requested.
- 2.) Random selection of part(s).
- 3.) Site visit to Transit Management-Maintenance Division.
- 4.) Transit Maintenance staff interviews.
- 5.) Physical count of selected items.

AUDIT OBSERVATIONS AND/OR OBSERVATIONS

Based upon the physical count performed and as shown in the table below, the following finding(s)/observation(s) were noted.

PART NAME	PART NUMBER	AVG. UNIT PRICE	QTY SHOWING IN SYSTEM	PHYSICALLY COUNTED	VARIANCE	REF. FINDING NO.
Module Particulate Filter 09 GLG	45-791	\$ 1,743.17	1	1	0	N/A
Compressor Air 09 GLG	41-530	\$ 1,850.00	1	1	0	N/A
Module Power 5 AMP 09/11 GLG	34-413	\$ 1,265.66	1	1	0	N/A
Alternator 2015 GLG	32-803	\$ 3,175.00	2	2	0	N/A

AUDIT FINDINGS, OBSERVATIONS & RECOMMENDATIONS

Internal Audit found no significant audit findings. Items inventoried were in balance.

No written response is required on this report.

Prepared by:

Elia Y Rodriguez

Elia Y Rodriguez, Auditor II

Date: 02-28-2019

Reviewed by:

Veronica Urbano Baeza

Veronica Urbano Baeza, Internal Auditor

Date: 3-6-2019

To: Claudia San Miguel, Acting Transit General Manager

Cc: Rosario C. Cabello, Co – Interim City Manager
Robert A. Eads, Co – Interim City Manager

**Parks & Leisure Services – Central Warehouse
Surprise Inventory Count Audit
February 28, 2019**

STATEMENT OF SCOPE & METHODOLOGY

On February 28, 2019, a Surprise Inventory Count Audit was conducted on the Parks & Leisure Services Department – Central Warehouse. Four (4) different items were randomly selected from the inventory on hand. Department currently uses an access based system in order to keep a database of the department's inventory and to serve as a measure of control of assets.

Our audit is limited to the physical count of randomly selected items in order to determine if results coincide with quantity showing on system. The following steps were taken to analyze all the data collected.

- 1.) A material and equipment inventory listing was requested.
- 2.) Random selection of material (s) or equipment.
- 3.) Site visit to Parks & Recreation – Central Warehouse.
- 4.) Parks & Recreation staff interviews.
- 5.) Physical count of selected items.

AUDIT FINDINGS, OBSERVATIONS & RECOMMENDATIONS

Based upon the physical count performed and as shown in the Table 1 below, the following finding(s)/observation(s) were noted.

PART NAME	PART NUMBER	AVG. UNIT PRICE	QTY SHOWING IN SYSTEM	PHYSICALLY COUNTED	VARIANCE	REF. FINDING / OBSERVATION NO.
AC Scale Platform Yellow Jacket	PR-AC-0025	\$ 326.24	1	1	0	F1
Drain Cleaner Super Vee Power	PR-EQ-0318	\$ 404.30	1	1	0	F1
AC Recovery Pump Refrigerant Yellow Jacket	PR-AC-3885	\$ 1,089.40	1	1	0	F1
Nailer Air Gun Framing Bostitch Sec	PR-WH-0019	\$ 198.55	1	1	0	F1

Finding 1

Internal Audit found items inventoried in balance; however, we did note the following finding:

Of four items selected, all four reflected a variance between the quantities on hand and the inventory report generated from the Parks inventory program.

The Internal Audit Division confirmed that the quantities counted on the above items reconciled to what has been entered in the Parks inventory program with print screens of the individual items tested from the Parks inventory system. (Attachment 1 - 4).

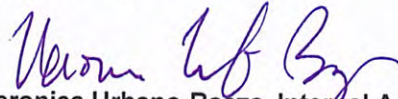
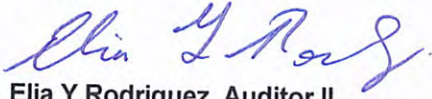
Recommendation

Internal Audit continues to recommend that the Parks & Leisure Services Department acquire a new inventory software program that will better reflect the inventory counts of materials and equipment housed at the Parks' warehouse facilities. Additionally, we would strongly recommend that a full inventory of items housed at the Parks warehouses be conducted in conjunction with the acquisition of the new inventory software in order to ensure that the most accurate information is entered into the new inventory program.

A written response is required on this report for finding(s)/observation(s) no later than ten (10) days after receipt of this report. Response should indicate how findings would be corrected, by whom and by when. If you have any questions, feel free to contact me at the Internal Audit Office (956) 790-1809.

Prepared by:

Reviewed by:



Elia Y Rodriguez, Auditor II

Veronica Urbano-Baeza, Internal Auditor

Date: 02-28-2019

Date: 3-8-2019

To: Graciela S. Briones, Assistant Parks Director
Anita O. Stanley, Assistant Parks Director

Cc: Rosario C. Cabello, Co – Interim City Manager
Robert A. Eads, Co – Interim City Manager

#1

Equipment

Unit Id	PR-AC-0025	Type	Hand Tools				
Description	AC Scale Platform Yellow Jacket	Model No.	Yellow Jacket #68802				
Division	3118	Vendor ID	0000153	Vendor Name	R & M REFRIGERATION SUPPLY INC		
Unit Cost	326.240	Qty. on Hand	1	Date Last Received	9/15/2016	UDM	EA
Re-Order Point	0	Date Last Ordered	9/15/2016	Qty. On Order	0	Qty. Assigned	1

Transfers

To Div From Div To Dept From Dept No

Disposals

Dispose No

Approve

Now Later

Clear

Transfer

[Add Equipment](#) [Get Equipment](#) [Reports](#) [Next Equipment](#) [Previous Equipment](#)

[Delete Equipment](#) [Update Equipment](#) [Clear Equipment Form](#) [Return to Main Menu](#)

#2

Equipment

Unit Id	PR-EQ-0318	Type	Equipment				
Description	Drain Cleaner Super Vee Power #DSV7F0318	Model No.	YAG11				
Division	3115	Vendor ID	0000825	Vendor Name	CLARK HARDWARE, INC.		
Unit Cost	404.300	Qty. on Hand	1	Date Last Received	3/7/2018	UOM	EA
Re-Order Point	0	Date Last Ordered	3/7/2018	Qty. On Order	0	Qty. Assigned	0

Level of Inventory before Reordering

<input type="radio"/> To Div	<input type="radio"/> From Div	<input type="radio"/> To Dept.	<input type="radio"/> From Dept.	<input checked="" type="radio"/> No
Disposals				
<input type="radio"/> Dispose	<input checked="" type="radio"/> No	Approve		
		<input type="radio"/> Now	<input type="radio"/> Later	Clear
				<input type="radio"/> Transfer

Add Equipment	Get Equipment	Reports	Next Equipment	Previous Equipment
Delete Equipment	Update Equipment	Clear Equipment Form	Return to Main Menu	

#3

Equipment

Unit Id	PR-AC-3885	Type	Machinery/Equipment				
Description	AC Recovery Pump Refrigerant YellowJacket S#173085 [W.H.]	Model No.	Yellow Jacket XLT 95760				
Division	3118	Vendor ID	0000153	Vendor Name	R & M REFRIGERATION SUPPLY INC		
Unit Cost	1,089.400	Qty. on Hand	1	Date Last Received	10/4/2016	UOM	EA
Re-Order Point	0	Date Last Ordered	10/4/2016	Qty. On Order	0	Qty. Assigned	1

Transfers	Disposals	Approve	Clear
<input type="radio"/> To Div <input type="radio"/> From Div <input type="radio"/> To Dept <input type="radio"/> From Dept <input type="radio"/> No	<input type="radio"/> Dispose <input type="radio"/> No	<input type="radio"/> Now <input type="radio"/> Later	<input type="radio"/> Transfer

Add Equipment	Get Equipment	Reports	Next Equipment	Previous Equipment
Delete Equipment	Update Equipment	Clear Equipment Form	Return to Main Menu	

#4

Equipment

Unit Id	PR-WH-0019	Type	Hand Tools
Description	Nailer Air Gun Framing Bostitch Sec. H11	Model No.	Bostitch Stanley LPF28WW
Division	3118	Vendor ID	0029354
Unit Cost	198.550	Vendor Name	LOWE'S HOME CENTERS INC.
Qty. on Hand	1	Date Last Received	7/14/2015
Re-Order Point	0	Date Last Ordered	7/6/2015
		UOM	EA
		Qty. On Order	0
		Qty. Assigned	1

Transfers <input type="radio"/> To Div <input type="radio"/> From Div <input type="radio"/> To Dept. <input type="radio"/> From Dept. <input checked="" type="radio"/> No		Disposals <input type="radio"/> Dispose <input checked="" type="radio"/> No		Approve <input type="radio"/> Now <input checked="" type="radio"/> Later		Clear <input type="radio"/> Transfer	
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Add Equipment	Get Equipment	Reports	Next Equipment	Previous Equipment
Delete Equipment	Update Equipment	Clear Equipment Form	Return to Main Menu	

PARKS AND LEISURE SERVICES DEPARTMENT

Memo



To: Veronica Urbano-Baeza, Internal Auditor, CPM

From: Graciela Sosa-Briones, Asst. Director

Date: April 2, 2019

Re: Internal Surprise Inventory Count Audit

The following Surprise Inventory Count Audit was done on February 28, 2019.

Findings 1: *Internal Audit found that four items selected, all four reflected a variance between the quantities on hand and the inventory report generated from the Parks inventory program.*

The four items selected, had a variance between the quantities on hand and the inventory report generated from the Parks inventory program.

- *Part Name (1) AC scale platform yellow jacket*
- *Part Name (1) Drain cleaner supervee power*
- *Part Name (1) AC recovery pump refrigerant yellow jacket*
- *Part Name (1) Nailer air gun framing bostitch sec*

Response: Due to the version that the department has on the inventory software program, certain errors are encountered. At the time of printing the inventory listing, the items above show different unit price variances; however, in the screen they emerge.

We will inquire about a new inventory system program to reflect better accountability of materials and/or equipment.

If you have any questions, please call me at 795-2350.

Thank you.



March 2019

**Utilities Service Center
Surprise Inventory Count Audit
March 29, 2019**

STATEMENT OF SCOPE & METHODOLOGY

On March 29, 2019, a Surprise Inventory Count Audit was conducted on the Utilities Service Center Warehouse. Four (4) different items were randomly selected from the inventory on hand. Department currently uses "Sungard, HTE Select Version 4.0", in order to keep a database of the department's inventory and to serve as a measure of control of assets.

Our audit is limited to the physical count of randomly selected items in order to determine if results coincide with quantity showing on system. The following steps were taken to analyze all the data collected.

- 1.) An inventory items listing was requested.
- 2.) Random selection of items.
- 3.) Site visit to the Utilities Service Center Warehouse.
- 4.) Utilities Service Center staff interviews.
- 5.) Physical count of selected items.

AUDIT FINDINGS AND/OR OBSERVATIONS



Based upon the physical count performed and as shown in the table below, the following finding(s)/observation(s) were noted.

PART NAME	PART NUMBER	AVG. UNIT PRICE	QTY SHOWING IN SYSTEM	PHYSICALLY COUNTED	VARIANCE	REF. FINDING/ OBSERVATION NO.
ELL M.J. 90 30"	89007000210	\$ 3,875.00	2	2	0	N/A
ELL M.J. 22 1/2 36"	89007000201	\$ 4,001.00	3	3	0	N/A
ELL M.J. 90 36"	89007000211	\$ 6,040.00	2	2	0	N/A
ELL M.J. 22 1/2 30"	89007000200	\$ 2,626.00	3	3	0	N/A

AUDIT FINDINGS, OBSERVATIONS & RECOMMENDATIONS

Internal Audit found no significant audit findings. Items inventoried were in balance.

No written response is required on this report.

<p>Prepared by:  Elia Y Rodriguez, Auditor II Date: 03-29-2019</p>	<p>Reviewed by:  Veronica Urbano-Baeza, Internal Auditor Date: 4-5-2019</p>
<p>To: Riazul Mia, Utilities Director Cc: Rosario C. Cabello, Co - Interim City Manager Robert A. Eads, Co - Interim City Manager Humberto Delgado, Financial Services</p>	

April 2019

**Public Works – Warehouse Division
Surprise Inventory Count Audit**

April 30, 2019

STATEMENT OF SCOPE & METHODOLOGY

On April 30, 2019, a Surprise Inventory Count Audit was conducted on the Public Works - Warehouse Division. Four (4) different inventory items were randomly selected from the inventory reports on hand. Division currently uses "Excel worksheet based system" in order to keep a database of the division's inventory and to serve as a measure of control of assets.

Our audit is limited to the physical count of randomly selected items in order to determine if results coincide with quantity showing on system. The following steps were taken to analyze all the data collected.

- 1.) An inventory listing was requested.
- 2.) Random selection of inventory items.
- 3.) Site visit to Public Works - Warehouse Division.
- 4.) Public Works – Warehouse staff interviews.
- 5.) Physical count of selected items.

AUDIT FINDINGS, OBSERVATIONS & RECOMMENDATIONS

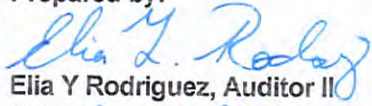

Based upon the physical count performed and as shown in the table below, the following finding(s)/observation(s) were noted.

PART NAME	PART NUMBER	AVG. UNIT PRICE	QTY SHOWING IN SYSTEM	PHYSICALLY COUNTED	VARIANCE	REF. FINDING NO.
Magic Screed	GCAST-1258645	\$1,935.00	1	1	0	N/A
Edco Scarifier	140710352	\$3,999.00	1	1	0	N/A
Whiteman Light Tower	5599583	\$9,245.00	1	1	0	N/A
Air Compressor Sullair	200802250091	\$13,200.00	1	1	0	N/A

Internal Audit found no significant audit findings. Items inventoried were in balance.

As stated in the "Statement of Scope & Methodology" above, the Public Works Warehouse Division currently uses an "Excel Database System" in order to account for most of the material and equipment housed at the warehouse; however, receiving and issuing out of items must be done manually with Excel. We would recommend that Public Works assess and consider the acquisition, funding permitting, of the most suitable Automated Inventory System in order to better account for all material and equipment received and issued out.

No written response is required on this report.

Prepared by:  Elia Y Rodriguez, Auditor II Date: 04-30-2019	Reviewed by:  Veronica Urbano Baeza, Internal Auditor Date: 5-10-2019
To: John Orfila, Public Works Director	
Cc: Rosario C. Cabello, Co- Interim City Manager Robert A. Eads, Co – Interim City Manager	

**Transit Maintenance Division
Surprise Inventory Count Audit
April 30, 2019**

STATEMENT OF SCOPE & METHODOLOGY

On April 30, 2019, a Surprise Inventory Count Audit was conducted on the Transit Department (Transit Maintenance Division). Four (4) different parts were randomly selected from the parts inventory on hand. Department currently uses "Transit Management Software", in order to keep a database of the department's inventory and to serve as a measure of control of assets.

Our audit is limited to the physical count of randomly selected items in order to determine if results coincide with quantity showing on system. The following steps were taken to analyze all the data collected.

- 1.) A parts inventory listing of items over \$50 was requested.
- 2.) Random selection of part(s).
- 3.) Site visit to Transit Management-Maintenance Division.
- 4.) Transit Maintenance staff interviews.
- 5.) Physical count of selected items.

AUDIT OBSERVATIONS AND/OR OBSERVATIONS

Based upon the physical count performed and as shown in the table below, the following finding(s)/observation(s) were noted.

PART NAME	PART NUMBER	AVG. UNIT PRICE	QTY SHOWING IN SYSTEM	PHYSICALLY COUNTED	VARIANCE	REF. FINDING NO.
Pump Water BB 03 06	21-502	\$ 613.81	1	1	0	N/A
Alternator Air Cooled 09 GLG	32-050	\$ 3,599.99	1	1	0	N/A
Module Multiplex 09/11 GLG	34-413	\$ 877.05	1	1	0	N/A
ECM DDEC IV 98/00 RTS	46-027	\$ 2,470.98	1	1	0	N/A

AUDIT FINDINGS, OBSERVATIONS & RECOMMENDATIONS

Internal Audit found no significant audit findings. Items inventoried were in balance.

No written response is required on this report.

Prepared by:

Elia Y. Rodriguez
Elia Y Rodriguez, Auditor II

Date: 04-30-2019

Reviewed by:

Veronica Urbano Baeza
Veronica Urbano Baeza, Internal Auditor

Date: 5-10-2019

To: Claudia San Miguel, Acting Transit General Manager

Cc: Rosario C. Cabello, Co – Interim City Manager
Robert A. Eads, Co – Interim City Manager

**Utilities Service Center
Surprise Inventory Count Audit
April 30, 2019**

STATEMENT OF SCOPE & METHODOLOGY

On April 30, 2019, a Surprise Inventory Count Audit was conducted on the Utilities Service Center Warehouse. Four (4) different items were randomly selected from the inventory on hand. Department currently uses "Sungard, HTE Select Version 4.0", in order to keep a database of the department's inventory and to serve as a measure of control of assets.

Our audit is limited to the physical count of randomly selected items in order to determine if results coincide with quantity showing on system. The following steps were taken to analyze all the data collected.

- 1.) An inventory items listing was requested.
- 2.) Random selection of items.
- 3.) Site visit to the Utilities Service Center Warehouse.
- 4.) Utilities Service Center staff interviews.
- 5.) Physical count of selected items.

AUDIT FINDINGS AND/OR OBSERVATIONS

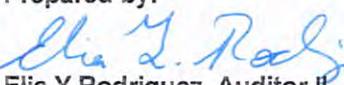

Based upon the physical count performed and as shown in the table below, the following finding(s)/observation(s) were noted.

PART NAME	PART NUMBER	AVG. UNIT PRICE	QTY SHOWING IN SYSTEM	PHYSICALLY COUNTED	VARIANCE	REF. FINDING/ OBSERVATION NO.
Clamp S-B 13.10-13.5 12x15 Inches	8900705006	\$ 182.40	14	14	0	N/A
1- 1/2" Flange Set - Oval Bronze	89007000139	\$ 35.26	41	41	0	N/A
Saddles Brass 12 x 1 1/2 Inches	8900703101	\$ 172.54	24	24	0	N/A
Cross Brass Std 2 Inches	8900701445	\$ 18.00	12	12	0	N/A

AUDIT FINDINGS, OBSERVATIONS & RECOMMENDATIONS

Internal Audit found no significant audit findings. Items inventoried were in balance.

No written response is required on this report.

<p>Prepared by:  Elia Y Rodriguez, Auditor II Date: 04-30-2019</p>	<p>Reviewed by:  Veronica Urbano-Baeza, Internal Auditor Date: 5-10-2019</p>
<p>To: Riazul Mia, Utilities Director Cc: Rosario C. Cabello, Co - Interim City Manager Robert A. Eads, Co - Interim City Manager Humberto Delgado, Financial Services</p>	

June 2019

**Fleet Management Department
Fuel Inventory Audit
April 12, 2019**

STATEMENT OF SCOPE & METHODOLOGY

On April 12, 2019, Internal Audit initiated an Inventory Audit of the City's fuel supply housed at the fueling facilities adjacent to Public Works and the Landfill. The objective of this audit was to determine whether or not the fuel supply could be reconciled at any given point in time with the current reporting mechanisms in place. The scope of our audit consisted of a review of the monthly fuel usage reports (WinCC and Veeder-Root systems), as well as the vendor invoices submitted for the month of January 2019 (original records as well as copies were obtained and verified through examination). The following steps were taken to analyze all the data collected.

- Interviews were conducted with the Fleet Maintenance Superintendent.
- WinCC and Veeder-Root reports were obtained from Fleet and Solid Waste staff, and an evaluation of the monthly fuel usage reports was conducted. Beginning and ending balances for the month of January 2019 were provided.
- Vendor delivery receipts and statements (invoices) were obtained from Fleet and Solid Waste staff, and an evaluation of fuel replenished and billed was conducted.
- Verified the total gallons used and delivered for the month of January 2019

INTERNAL AUDIT FINDINGS, OBSERVATIONS AND RECOMMENDATIONS

F1: After reviewing the WinCC and Veeder-Root system reports, the vendor invoices provided by Fleet, and the opening and ending fuel balances for the month of January 2019 we were unable to reconcile the fuel inventory for the month, as indicated in the table below. The Average Percentage Change in Variance across all fueling locations came out to (11.43%).

FUELING LOCATIONS						
	Fleet Unleaded Tank 1	Fleet Unleaded Tank 2	Fleet Diesel Tank 3	Landfill Diesel	Landfill DEF	Landfill D Diesel Tank 3150
Beginning Balance (in Gallons) as per Inventory Report	4,972	5,750	5,030	6,513	539	135
Gallons Delivered	35,738	29,183	25,519	30,549	848	4,850
Gallons Dispensed	36,137	31,013	25,577	33,656	740	2,048
Ending Balance Calculated	4,573	3,920	4,972	3,406	647	2,937
Ending Balance (in Gallons) as per Inventory Report	4,196	4,131	4,586	3,358	418	2,937
Variance	377	(211)	386	48	229	0
Percentage Change in Variance per Location	8.99%	-5.10%	8.41%	1.42%	54.88%	0.00%
Average Percentage Change in Variance						11.43%



Fleet Management Department

Fuel Audit Inventory Audit

The Audit for January 2019 had an issue with the DEF Pump at the Landfill station. The Def pumps failed and DEF fluid was purchased in a separate container and pumped manually into trucks at the landfill. The delivery of DEF on 1/22/2019 of 250 gallon bulk tank (invoice b622572). These 250 gallons were manually pumped into the Refuse truck. The 250 gallons were not in the fuel system monitors. We charged the fuel to Solid waste misc. account. The 54.88% variance is the 250 gallons that was never received in the DEF fuel tank. The 250 gallons is part of a separate process due to DEF Pump failure.

The 229 gallon difference is a false factor that occurred due to the delivery of the bulk tank that was not a part of our fuel inventory. This is a similar example of how small containers of DEF are issued to smaller units and departments through our warehouse. If you remove the 250 gallons delivered on 1/22/2019 the variance will change to 11 gallons different compared to 229 gallons.

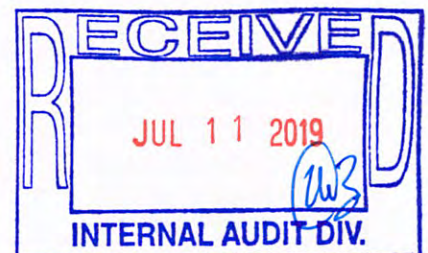
In reference to unleaded fuel variance the gallon difference comes out to 166 gallons out of 67100 gallons pumped and accounted for in Month of January 2019. The variance in unleaded fuel will always have variances. Fuel is affected by temperature expansion and retraction. In the diesel variance the variances were 434 gallons out of 59,233 gallons pumped during Month of January 2019. Other factors that affect variances is the unloading of fuel. At the time fuel is being unloaded at the Main Fuel station on Daugherty units continue to fuel during the unloading. At the Landfill all fueling stops during unloading of diesel. The variances show main fuel station diesel variance was 386 gallons compared to Landfill of 48 gallons. The tank monitor does not take into account the fuel being dispensed and will not account for that fuel dispensed in tank monitor. The fuel dispensed is monitored by TRAK system which keeps all account of fuel pumped through the dispenser.

In the future we will make sure to separate DEF issues to avoid the confusion between fuel monitoring fluids to manually dispensed fluids. This would help avoid this confusion of fuel deliveries in the future.

Thank you,

Ron Miller
Acting Fleet Management Director

Date 7-11-19



**Sames Auto Arena
Asset Inventory Count Audit
April 16, 2019**

STATEMENT OF SCOPE & METHODOLOGY

On April 16, 2019, an Asset Inventory Count Audit was conducted at the Sames Auto Arena (Arena). Forty-Seven (47) different assets were randomly selected from the Asset Inventory List provided. Division currently uses "Excel worksheet based system" in order to keep a database of the division's asset inventory and to serve as a measure of control of assets.

Our audit is limited to the physical count of randomly selected items in order to determine if results coincide with quantity showing on system. The following steps were taken to analyze all the data collected.

- 1.) An inventory listing was requested.
- 2.) Random selection of assets.
- 3.) Site visit to Sames Auto Arena (Arena).
- 4.) Arena Staff interviews.
- 5.) Physical count of selected items.

We were advised by City staff that the criteria established by the City and currently followed for asset tagging at the Arena requires that all items purchased with City funds be tagged with an asset number for identification purposes. The only exception would be for smaller items (i.e. utensils, etc.) It should be noted that in some instances an asset number is reflected as "Not Available (N/A)" because the item is a component of a larger item.

AUDIT FINDINGS AND/OR OBSERVATIONS

Based upon the physical count performed and as shown in the table below, the following finding(s)/observation(s) were noted.

DESCRIPTION	ASSET NUMBER	AVG. UNIT PRICE	QTY. SHOWING IN SYSTEM	PHYSICALLY COUNTED	VARIANCE	REF. FINDING NO
CART/TABLE UPRIGHT	7528	\$500.00	1	1	0	O1
CART/PIPE & DRAPE	8808	\$4,832.83	1	1	0	N/A
CART/WARMING CABINET	6806	\$1,492.00	1	1	0	N/A
WARMER FOOD/DISPLAY COUNTERTOP	7054	\$1,050.00	1	1	0	N/A
MOTOR/RIGGING	7171	\$4,563.44	1	1	0	N/A
CART/WARMING CABINET	9432	\$1,500.00	1	1	0	N/A
SPEAKER	6887	\$550.00	1	1	0	N/A
HEADSET & BELTPACK	7220	\$502.62	1	0	1	F1
CURTAIN/BACKDROP	8833	\$1,826.06	1	1	0	N/A
DESK L SHAPE	6593	\$1,055.00	1	1	0	N/A
CREDENZA	9380	\$798.00	1	1	0	N/A
TABLE/WORK	9468	\$2,000.00	1	1	0	N/A
REFRIGERATOR 1 DOOR	6813	\$1,139.00	1	1	0	N/A
TELEVISION	8802	\$909.22	1	1	0	N/A
TABLE/WORK S/S	7010	\$792.00	1	1	0	N/A
DISPOSER FOOD	9425	\$1,109.00	1	1	0	N/A
COOLER WALK-IN	9423	\$7,022.00	1	1	0	N/A
55IN COMMERCIAL MONITOR (SAMSUNG)	9838	\$1,395.00	1	1	0	N/A
WARMER FOOD/DISPLAY COUNTERTOP	7015	\$1,134.00	1	1	0	N/A

DESCRIPTION	ASSET NUMBER	AVG. UNIT PRICE	QTY. SHOWING IN SYSTEM	PHYSICALLY COUNTED	VARIANCE	REF. FINDING NO
FREEZER/UNDERCOUNTER 2 DOOR W/PIZZA TOP	7103	\$3,352.00	1	1	0	N/A
POPCORN MACHINE	8232	\$840.00	1	1	0	N/A
COUNTER SERVICE	7020	\$2,457.00	1	1	0	N/A
WARMING DRAWER 2 DRAWER	8234	\$730.00	1	1	0	N/A
HOT DOG ROLLING GRILL	8236	\$1,029.00	1	1	0	N/A
FREEZER/UNDERCOUNTER 2 DOOR W/PIZZA TOP	8238	\$1,712.00	1	1	0	N/A
CHAIR/LOUNGE	6634	\$1,158.00	1	1	0	N/A
REFRIGERATOR/UNDER COUNTER	6637	\$750.00	1	1	0	N/A
SOFA	6724	\$1,774.00	1	1	0	N/A
CREDENZA	6791	\$798.00	1	1	0	N/A
MODULAR WORKSTATION	9374	\$1,786.57	1	1	0	N/A
MODULAR WORKSTATION	9375	\$1,786.57	1	1	0	N/A
MODULAR WORKSTATION	9376	\$1,786.57	1	1	0	N/A
CLOCKS LOCKERROOM	7064	\$670.00	1	1	0	N/A
OFFICE CHAIRS	9915	\$705.19	1	1	0	N/A
TURNSTILE LH	6171	\$2,142.00	1	1	0	N/A
TURNSTILE LH	9383	\$2,142.00	1	1	0	N/A
FLAT TOP	14405	\$2,245.00	1	1	0	N/A
COMPUTER	7188	\$1,266.52	1	1	0	N/A
MODULAR WORKSTATION	9402	\$1,786.57	1	1	0	N/A
HUTCH DOOR W/TACK BOARD	6556	\$929.00	1	1	0	N/A
SERVER NETWORK	7211	\$15,671.06	1	1	0	N/A
COMPUTER/ARENA BUILDING LIGHTS	7196	\$1,266.52	1	1	0	N/A
DISPLAY BOARD COMPUTER/RIBBON BOARD	8831	\$139,550.00	1	1	0	N/A
VERA LOVE SEAT	9957	\$780.00	1	1	0	N/A
SPOTLIGHT	6684	\$10,980.00	1	1	0	N/A
FMI-SILVER SOFA 60"W29X"DX26"h- LEATHER	9817	\$1,331.25	1	1	0	N/A
CLOCKS LOCKERROOM	7066	\$670.00	1	1	0	N/A

AUDIT FINDINGS, OBSERVATIONS & RECOMMENDATIONS

Finding 1

A Headset & Belt Pack (Asset #7220) was selected as part of the random sample for the physical count; however, the item was not found. Upon further review, Asset #7220 was selected on a previous inventory audit back in March 2017 with the same result. Back then Arena Staff indicated that the asset had been disposed of, but no authorized "Fixed Asset Disposition" form was on file for this item. A response was received from the Arena, at the time, indicating that a "Fixed Asset Disposition" form would be submitted for approval, and the item would be reflected as "Disposed" on their Asset Inventory Listing for future reference. Our selection of Asset #7220 on this Audit was due to it not having been reflected as "Disposed." We confirmed from Arena Staff that the item has been disposed of, but no authorized disposition forms on file for this item.

Recommendation

Internal Audit recommends that a "Fixed Asset Disposition" Form be prepared by Arena Staff for Asset #7220, and that Disposition Form be submitted to the City for Approval. Subsequently, a copy of approved Disposition Form must be maintained in the Arena's Fixed Asset Inventory Files for future reference. Additionally, once approved Disposition Form is received, Arena Staff must note Asset #7220 as "Disposed" in their Asset Inventory System.

Observation 1

On the Table reflected below, the following items were found, but did not have a corresponding asset tag number attached.

ASSET ITEM DESCRIPTION	ASSET NUMBER
CARRYALL 300 UTILITY CART	9837
STAGE/STAIRS	8820
STAGE/STAIRS	8821
FREESER/UNDERCOUNTER 2 DOOR W/PIZZA TOP	7096

Recommendation

Internal Audit recommends that these items be tagged with a corresponding asset tag number if Financial Services deems these items to meet the threshold standards criteria required as per the City's Fixed Asset Policy.

A written response is required on this report for finding(s)/observation(s) noted no later than ten (10) days after receipt of this report. Response should indicate how findings would be corrected, by whom and by when. If you have any questions, please feel free to contact me at the Internal Audit Office (956) 790-1809.

Prepared by:



Elia Y Rodriguez, Auditor II

Date: 06-04-2019

Reviewed by:



Veronica Urbano Baeza, Internal Auditor

Date: 6-18-2019

To: Juan C. Mendiola, Interim General Manager
Sames Auto Arena

Cc: Rosario C. Cabello, Co – Interim City Manager
Robert A. Eads, Co – Interim City Manager
Gilberto Sanchez, Budget Director



MEMORANDUM

TO: Veronica Unrbano-Baeza, Internal Auditor

Cc: Robert A. Eads, Interim City Manager
Rosario C. Cabello, Interim City Manager
Gilberto Sanchez, Budget Director
Juan Carlos Mendiola, SMG/ Sames Auto Arena General Manager
David Cuellar, SMG/ Sames Auto Arena Director of Finance

From: Juan Carlos Mendiola, SMG/ Sames Auto Arena General Manager
Subject: RESPONSE RESOLUTION FOR FINDING 1, OBSERVATION 1

DATE: July 1, 2019

This letter is in response to the asset inventory count audit that was conducted by Internal Audit Department on April 16, 2019. The SMG/ Sames Auto Arena team is dedicated to ensuring that the building's assets are properly managed and secured. Furthermore, SMG/ Sames Auto Arena followed the recommendations that were given from the Internal Audit Department and has updated the assets list in accordance to the City of Laredo asset control procedures.

Resolution response to finding 1 is the following:

Finding 1: The Sames Auto Arena was found short one "Headset & Belt Pack". With a detailed inventory check list, the Sames Auto Arena has concluded that the missing headset & belt pack was obsolete and was disposed of back in 2017. A disposition form was unable to be found in disposition records, therefore, a new disposition form was created and turned in to the City of Laredo's Budget Department on May 22, 2019.

Resolution response to observation 1 is the following below:

Observation 1: During the internal audit, item #7528 "Cart/table Upright" was selected and found without an asset tag. The tag has been replaced with a new asset tag number. The "Cart/table Upright" has been given tag number: Tag #14456.

Juan Carlos Mendiola
General Manager
SMG- Sames Auto Arena
(956)523- 6576
ic@samesautoarena.com



**Fleet Management Department
Surprise Inventory Count Audit
May 30, 2019**

STATEMENT OF SCOPE & METHODOLOGY



On May 30, 2019, the Internal Audit Division visited the Fleet Management Department to conduct an unannounced inventory audit of a random selection of parts. Normally, the audit methodology followed for this type of audit consists of obtaining a parts inventory report from the Fleet Management Software, selecting a random sample of inventory items to test and conducting a physical count of the items selected for reconciliation. On May 30, 2019, Internal Audit was unable to conduct the inventory audit due to the connectivity issues that many departments were experiencing during the latter part of May 2019. Therefore, while the audit results noted on the table below reflect that no audit was conducted; this report serves to document the site visit to the Fleet Management Department.

AUDIT FINDINGS, OBSERVATIONS AND RECOMMENDATIONS

Due to the connectivity issues experienced by many departments during the latter part of May 2019, the Fleet Management Department was having difficulty generating the parts inventory reports; therefore, Internal Audit was unable to conduct the unannounced inventory audit for May 2019.

PART NAME	PART NUMBER	AVG. UNIT PRICE	QTY SHOWN IN SYSTEM	QTY PHYSICALLY COUNTED	VARIANCE	FINDING / OBSERVATION NO.
N/A	N/A	N/A	N/A	N/A	N/A	N/A

No written response is required on this report.

<p>Prepared by:</p>  <p>Elia Y Rodriguez, Auditor II Date: 06-28-2019</p>	<p>Reviewed by:</p>  <p>Veronica Urbano-Baeza, Internal Auditor Date: 6-28-2019</p>
<p>To: Ronald W. Miller, Acting Fleet Management Director</p>	
<p>Cc: Rosario C. Cabello, Co – Interim City Manager Robert A. Eads, Co – Interim City Manager</p>	

**Utilities Services Department
Surprise Inventory Count Audit
June 13, 2019**

STATEMENT OF SCOPE & METHODOLOGY



On June 13, 2019, the Internal Audit Division visited the Utilities Department to conduct an unannounced inventory audit of a random selection of materials on hand. Normally, the audit methodology followed for this type of audit consists of obtaining an inventory report from the Sungard HTE Select Version 4.0, selecting a random sample of inventory items to test and conducting a physical count of the items selected for reconciliation. On June 13, 2019, Internal Audit was unable to conduct the inventory audit due to the connectivity issues that many departments were experiencing during the latter part of May and into the beginning of June 2019. Therefore, while the audit results noted on the table below reflect that no audit was conducted; this report serves to document the site visit to the Utilities Department.

AUDIT FINDINGS, OBSERVATIONS AND RECOMMENDATIONS

Due to the connectivity issues experienced by many departments during the latter part of May and into the beginning of June 2019, the Utilities Department was having difficulty generating the inventory reports because the system was down at the time; therefore, Internal Audit was unable to conduct the unannounced inventory audit for June 2019.

PART NAME	PART NUMBER	AVG. UNIT PRICE	QTY SHOWN IN SYSTEM	QTY PHYSICALLY COUNTED	VARIANCE	FINDING / OBSERVATION NO.
N/A	N/A	N/A	N/A	N/A	N/A	N/A

No written response is required on this report.

<p>Prepared by:</p>  <p>Elia Y Rodriguez, Auditor II Date: 06-28-2019</p> <p>To: Riazul Mia, Utilities Director</p> <p>Cc: Rosario C. Cabello, Co – Interim City Manager Robert A. Eads, Co – Interim City Manager Humberto Delgado, Financial Services</p>	<p>Reviewed by:</p>  <p>Veronica Urbano-Baeza, Internal Auditor Date: 6-28-2019</p>
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**Parks & Leisure Services Department – Central Warehouse
Surprise Inventory Count Audit
June 21, 2019**

STATEMENT OF SCOPE & METHODOLOGY

On June 21, 2019, the Internal Audit Division visited the Parks Department to conduct an unannounced inventory audit of a random selection of materials and equipment on hand. Normally, the audit methodology followed for this type of audit consists of obtaining an inventory report from the Access Based System utilized by Parks, selecting a random sample of inventory items to test and conducting a physical count of the items selected for reconciliation. On June 21, 2019, Internal Audit was unable to conduct the inventory audit due to the connectivity issues that many departments were experiencing during the latter part of May and into the beginning of June 2019. Therefore, while the audit results noted on the table below reflect that no audit was conducted; this report serves to document the site visit to the Parks Department.

AUDIT FINDINGS, OBSERVATIONS AND RECOMMENDATIONS

Due to the connectivity issues experienced by many departments during the latter part of May and into the beginning of June 2019, the Parks Department was having difficulty generating the inventory reports because the system was down at the time; therefore, Internal Audit was unable to conduct the unannounced inventory audit for June 2019.

PART NAME	PART NUMBER	AVG. UNIT PRICE	QTY SHOWN IN SYSTEM	QTY PHYSICALLY COUNTED	VARIANCE	FINDING / OBSERVATION NO.
N/A	N/A	N/A	N/A	N/A	N/A	N/A

No written response is required on this report.

<p>Prepared by:</p> <p><i>Elia Y Rodriguez</i></p> <p>Elia Y Rodriguez, Auditor II Date: 06-28-2019</p>	<p>Reviewed by:</p> <p><i>Veronica Urbano-Baeza</i></p> <p>Veronica Urbano-Baeza, Internal Auditor Date: 6-28-2019</p>
<p>To: Graciela S. Briones, Assistant Parks Director Anita O. Stanley, Assistant Parks Director</p>	
<p>Cc: Rosario C. Cabello, Co – Interim City Manager Robert A. Eads, Co – Interim City Manager</p>	

**Traffic Department
Surprise Inventory Count Audit
June 21, 2019**

STATEMENT OF SCOPE & METHODOLOGY


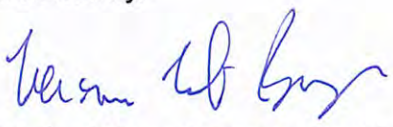
On June 21, 2019, the Internal Audit Division visited the Traffic Department to conduct an unannounced inventory audit of a random selection of materials and equipment on hand. Normally, the audit methodology followed for this type of audit consists of obtaining an inventory report from the Cartergraph Work Order System, selecting a random sample of inventory items to test and conducting a physical count of the items selected for reconciliation. On June 21, 2019, Internal Audit was unable to conduct the inventory audit due to the connectivity issues that many departments were experiencing during the latter part of May and into the beginning of June 2019. Therefore, while the audit results noted on the table below reflect that no audit was conducted; this report serves to document the site visit to the Traffic Department.

AUDIT FINDINGS, OBSERVATIONS AND RECOMMENDATIONS

Due to the connectivity issues experienced by many departments during the latter part of May and into the beginning of June 2019, the Traffic Department was having difficulty generating the inventory reports because the system was down at the time; therefore, Internal Audit was unable to conduct the unannounced inventory audit for June 2019.

PART NAME	PART NUMBER	AVG. UNIT PRICE	QTY SHOWN IN SYSTEM	QTY PHYSICALLY COUNTED	VARIANCE	FINDING / OBSERVATION NO.
N/A	N/A	N/A	N/A	N/A	N/A	N/A

No written response is required on this report.

<p>Prepared by:  Elia Y Rodriguez, Auditor II Date: 06-28-2019</p>	<p>Reviewed by:  Veronica Urbano-Baeza, Internal Auditor Date: 6-28-2019</p>
<p>To: Danny Magee, Traffic Director</p>	
<p>Cc: Rosario C. Cabello, Co – Interim City Manager Robert A. Eads, Co – Interim City Manager</p>	

IV. Appendix A – Internal Audit Staff Acknowledgment

APPENDIX A
INTERNAL AUDIT STAFF ACKNOWLEDGMENT

Veronica Urbano-Baeza, Internal Auditor

Elia Y. Rodriguez, Auditor II