



DALLAS COUNTY
COUNTY AUDITOR

Memorandum

To: Honorable Commissioner Maurine Dickey
Road & Bridge District No.1

From: Virginia Porter *Virginia Porter*
Dallas County Auditor

Subject: Road & Bridge District No. 1
Inventory Report

Date: Issued: September 22, 2011
Released: October 11, 2011

On August 24, 2011, our Internal Audit staff performed the annual physical inventory at Road & Bridge District No. 1.

Our specific procedures, findings and recommendations are listed in the attached report. Controls over inventory appears effective, no material findings were noted during annual review. The report is intended for information and the use of management. We believe that enhanced record keeping procedures will allow for more effective operation and control of the inventory.

We appreciate the level of courtesy and cooperation extended during our review.

Attachments

VP:tb

DALLAS COUNTY, TEXAS – COUNTY AUDITORS OFFICE
ROAD AND BRIDGE DISTRICT #1 INVENTORY REPORT
September 22 2011

Scope

A physical inventory of Dallas County Road and Bridge District No. 1's storeroom supplies, lube, and road materials was performed on August 24, 2011. The purpose of the review was limited to reconciliation of precinct records to physical count and the official general ledger. Other procedures for testing internal control and any findings are reported separately. The District #1 Service Center is located at 2311 Joe Field Road.

Background

Principal areas of responsibility include maintenance and repair of Dallas County's roads and bridges. Management consists of one commissioner, two executive assistants, two administrative assistants, and an office manager. Road and Bridge District 1 has undergone a transition from a fully staffed road crew to an administrative staff to oversee the disbursement of road and bridge funds within District 1 projects.

Procedures

Procedures included but were not limited to:

- Generating an annual inventory list and count form
- Reviewing the storekeeper's stock cards and ending balances for each item
- Physically counting items and recording any discovery items
- Measuring the stockpile of road materials
- Comparing the physical count to the perpetual inventory balance and resolving any discrepancies
- Listing any items issued during the inventory that were not posted to the storekeeper's stock cards.

Findings

1. The physical count balance of \$3,545.29 was \$8.52 less than the actual perpetual inventory value on the district's stock cards of \$3,553.81.
2. Generally the storekeeper's stock cards were properly maintained with only a few exceptions where the stock card balance was not consistent with the physical quantity on hand

Recommendations

1. Adjustments should be made to the stock card balances based on the physical inventory count of August 24, 2011.

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2. The district should continue to perform periodic inventory reviews identifying differences and should adjust stock cards and expense through projects to a budget line as appropriate.

Summary

This review is intended to support management of this office in evaluating internal controls over financial issues and inventory. Controls over inventory appear effective; no material findings were noted during annual review. Adherence to and follow through with the recommendations should strengthen internal controls.

ROAD AND BRIDGE Dallas County, Texas
 Road and Bridge District 1
 FY 2011
 Inventory

GL Account	Stock Number	New Stock Number	Description	Unit	2010 Audited Count	2011 Card Count	2011 Audited Count	2010 Current Rate	2011 Current	Total R & B Recorded Amount	2011 Audited Amount	Quantity Variance	Amount	Remarks
15210	7002		Cutting edges 5/8	each	1.00	-	0			-	-	-	-	
15210	12002		MOTOR OIL SAE	QTS	72.00	72.00	69	1.23	1.23	88.39	84.70	(3.00)	(3.69)	
15210	12027		HYDRAULIC OIL	QTS	192.00	192.00	189	0.98	0.98	188.04	185.11	(3.00)	(2.94)	
15210	12179		ATF	QTS	543.00	543.00	540	0.63	0.63	343.61	341.71	(3.00)	(1.90)	
15210	18060		SALVAGED STEEL BEAMS	LFT	571.75	571.75	571.75	3.75	3.75	2,144.06	2,144.06	-	-	
15210	65954		ANTI-FREEZE	EACH	13.00	9.00	9	5.80	5.80	52.20	52.20	-	-	
15210	65955		134A FREON	EACH	6.00	6.00	6	6.99	6.99	41.94	41.94	-	-	
15251	19001		SAND MANUFACTURED	CYD	37.93	37.93	37.93	12.66	12.66	480.17	480.17	-	-	
15252	3155		SAND WASHED CONCRETE	CYD	13.33	13.33	13.33	16.16	16.16	215.39	215.39	-	-	
			TOTAL		1,450.01	1,445.01	1,436.01			\$ 3,553.81	\$ 3,545.29	(9.00)	\$ (8.52)	
			15210		1,398.75	1,393.75	1,384.75			\$ 2,858.24	\$ 2,849.73	(9.00)	\$ (8.52)	
			Other than 15210		51.26	51.26	51.26			\$ 695.56	\$ 695.56	-	\$ -	