

Status of Resolution of Audit Findings

December 2010

Department of Ecology (ECY)

Agency: 461

Audit Report: 1003751

Finding Number: 001

Finding: The Department of Ecology does not use its asset management system properly, resulting in inaccurate inventory and an increased risk of loss or misappropriation of state resources.

Resolution: In response to this finding, the Department took the following steps:

- Established capital asset policies and procedures which designate an agency inventory officer with asset inventory and tracking oversight responsibility and authority; ensure assets reported as lost, missing, or disposed of are removed from the Capital Asset Management System (CAMS) in a timely manner; establish a physical inventory schedule that meets the two-year physical inventory requirement. These new and updated policies and procedures were approved and implemented in November 2010.
- Conducted a complete physical inventory of assets recorded in CAMS and program unique systems, reconciled all differences, and removed any missing or disposed assets from asset management systems.
- Performed a risk assessment for identifying small and attractive assets. Established inventory policies to reflect the risk assessment results in compliance with the *State Administrative and Accounting Manual* policy on small and attractive assets.

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Audit Report: 1003751

Finding Number: 002

Finding: The Department of Ecology is not safeguarding fuel cards or monitoring fuel card use, increasing the risk of loss or misuse of state resources.

Resolution: In response to the finding, the following measures were implemented:

- The Department updated its policy relating to vehicles to require that fuel purchase cards are secured and monitored. The updated policy was approved November 2010.
- For all locations, the Department secures all general fuel purchase cards when not in use. The Department designed security cabinets to secure its general use vehicle binders which contain keys and fuel cards for the regional and primary field office locations. The cabinets are card key controlled which restricts access and provides a record of employee access. The last of the cabinets was installed October 2010.
- The managers of special use vehicles developed a variety of measures to secure key and fuel purchase cards while still meeting their business needs. Measures include locking up binders, educating staff, and increased monitoring of fuel card security and fuel usage.
- The Department's transportation officer now conducts an analytical review of fuel purchased and miles driven for each agency vehicle. The Department's fuel card database allows fuel to be attributed to boats and power tools, and a miles per gallon report is run quarterly to look for discrepancies in fuel used for vehicle purposes. Discrepancies are researched with the driver and the manager. Any misuse identified will be addressed in accordance with Department policy.
- The transportation officer also reconciles all fuel bills with each vehicle's travel log monthly to ensure odometer miles are listed and the cost and quantity of fuel purchased is recorded accurately. Each driver is personally contacted to explain any omission or inaccuracy of data.

In addition, educating drivers on the safeguarding and appropriate use of agency fuel purchase cards continues to be an ongoing activity. This is done by putting materials in the vehicle binders, publishing articles in the Department's newsletter, sending emails, covering the information during defensive driving training, and communicating personally with managers and drivers.

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