

Highlights

Why We Did This Audit

The city auditor initiated this audit after being asked by General Services Department management to conduct an audit of the surplus personal property program.

Our work focused on whether safeguards are adequate to protect city-owned surplus personal property.

Background

The surplus property office collects, processes, and redistributes or sells city-owned personal property no longer needed by a department. Personal property includes office supplies, furniture and equipment, unclaimed lost and found items, and vehicles and heavy equipment. It does not include surplus real property such as land and buildings.



The primary goal of the surplus property office is to maximize the reuse of property by other departments or the general public, thereby promoting and facilitating sustainable reuse and minimizing waste.

For more information, please contact the City Auditor's Office at 816-513-3300 or auditor@kcmo.org.

To view the complete report, go to www.kcmo.org/auditor and click on Audits and Memos.

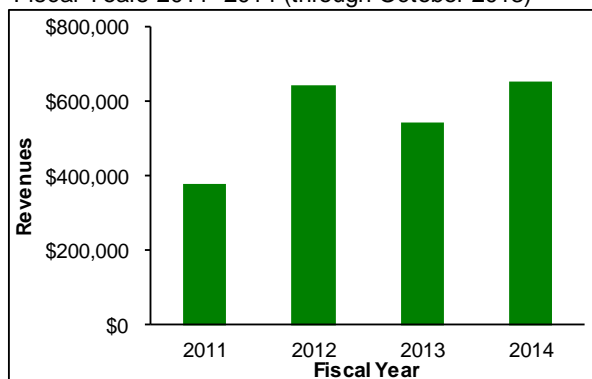
PERFORMANCE AUDIT

City-Owned Surplus Personal Property

What We Found

The surplus property office could improve its inventory records and documentation of the disposition of city-owned surplus personal property. The program's database appears to be reasonably accurate for items entered into the system; however, staff do not use the database to record all surplus items they receive. The surplus property office does not follow city rules when transferring surplus items between non-enterprise fund and enterprise departments. Security of surplus assets could be improved by limiting the number of staff with access to both surplus items and the inventory database. Written policies and procedures for processing surplus property could be more comprehensive. The city's MI 2-24 has not been updated to reflect the General Services Department is responsible for surplus property.

Annual Revenue from Surplus Personal Property Sales
Fiscal Years 2011- 2014 (through October 2013)



Source: General Services Department.

The city follows some recommended practices in the management of surplus personal property. For example, one office is responsible for managing surplus property. The surplus property office maintains an online "catalog" of items that employees can search when their department needs an item. The surplus property office also regularly lists items at on-line auction websites.

What We Recommend

Our recommendations include:

- Strengthening documentation as items move through the surplus property process, including improving surplus property management software.
- Increasing safeguards over surplus property by limiting full access to the surplus database to only one or two employees, ensuring all identified decommissioned vehicles and equipment ready for sale are located, and updating the surplus property department liaison list.
- Improving compliance with city requirements for handling the transfer of surplus property between enterprise and non-enterprise fund departments, and ensuring the city's written guidelines for the disposition of surplus property are up-to-date.
- Expanding written policies and procedures directing the work of staff by outlining management's expectations and documenting current practices.

Management agreed with the recommendations.