AUDIT OF

WORK ORDERS

Andrew S. Groover, CPA, CIA, CICA, CISA
Director of Internal Audits

Audited by:

Andrew S. Groover, CPA, CIA, CICA, CISA
Director of Internal Audits

February 29, 2008
Report No. 08-04
DATE:       February 29, 2008

TO:        Dr. Ann Stuart, Chancellor and President
           Members of the Board of Regents

FROM:   Andrew S. Groover, CPA, CIA, CICA, CISA
        Director of Internal Audits

RE:       Audit Report of Work Orders

Our internal audit report of Work Orders follows. We would like to thank Harold
Johnson, Ron Tarbutton and their staff for their time and cooperation during the
audit.

A follow-up audit will be conducted in approximately six months.

C:  Dr. Brenda Floyd
    Harold Johnson
    Ron Tarbutton
    Governor’s Office of Budget and Planning
    Legislative Budget Board
    State Auditors Office
    Sunset Advisory Commission
Executive Summary

An audit was conducted of Texas Woman’s University’s (TWU) Work Orders. Our audit revealed that overall, Work Order processes and procedures are effective and have proper controls; however, we have made recommendations to improve Work Order processes.

Overview

The Work Order process is designed to ensure that the campuses of TWU are maintained properly which results in a positive image and reputation for TWU. Work Orders are processed by Facilities Management and Construction. All TWU campuses process and complete Work Orders for the University. Work Orders consist of repairs such as plumbing, electrical, carpentry, painting, facility set-up, etc… TMA is the system that is used for processing Work Orders and houses the data once a Work Order Request is submitted. Work Order Requests are submitted via a user interface called iServiceDesk which is part of TMA. There are several individuals involved in the Work Order process such as the Director of Physical Plant, Supervisor of Facilities, Customer Service Representative, Systems Engineer, and various Tradespersons. Approximately 11,500 Work Orders are completed each year.

Audit Objective

The objective of our audit was to review processes and procedures related to Work Orders to ensure they are effective and have proper controls.

Scope

The scope of our audit was fiscal year 2007 and fiscal year 2008 thru October. We performed our testing on a sample basis.

Methodology

Primarily, we reviewed to ensure the following:

- Work Order Requests are being reviewed and accepted as a Work Order timely.
- Materials inventory per the TMA system agrees to physical counts.
- Work Orders are being completed in a timely manner.
- Preventive maintenance Work Orders are being completed as scheduled.
- Users of the TMA system are TWU employees and access levels are appropriate.
- Data in the TMA system is properly backed-up.
- Customer service satisfaction surveys are being utilized to evaluate overall customer satisfaction.

Summary of Results

We have made recommendations to ensure data back-ups are stored offsite and inventory in the TMA system be reconciled to physical inventory counts.

Management has agreed to implement the recommendations.

Andrew S. Groover, CPA, CIA, CICA, CISA
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Audit Results and Management’s Responses

1) We recommend that data that is backed up be stored in a separate location away from the server that houses the original data.

Data backup and recovery is critical to ensure continuity of operations. If data is not properly backed up, it could lead to a disruption of operations.

We reviewed to ensure that the TMA system data was properly backed up. The data is backed up each night on an external hard drive; however, the external hard drive resides in close proximity to the server which houses the original data.

Management’s Response:

The immediate temporary solution implemented after the first audit meeting required that a copy of the data be backed up onto a USB flash drive and taken off site by the TMA system administrator each night until a long term solution is established. This action will be complete by April 30, 2008.

2) We recommend that procedures be developed to ensure that the inventory quantities per the TMA system are reconciled to physical inventory counts.

Ensuring inventory quantities are accurate is essential to maintaining proper control over inventory, maintaining proper inventory levels, as well as purchasing economical inventory quantities. If inventory quantities are not accurate, it could lead to inefficient operations as well as the potential for inventory impropriety.

We performed test counts of inventory quantities to ensure the amounts recorded in TMA agreed to the physical inventory counts. We selected 10 inventory items and determined that 8 had discrepancies between the quantity recorded in TMA and the physical inventory count.

Management’s Response:

Warehouse inventory verification, consolidation, and operational efficiency improvements were discussed last fall and implementation began in January 2008. The first step required that the Supervisors and key staff personnel identify parts and supplies that are imperative to university operations and assure that adequate supplies were on-hand. The same personnel would then, and did, walk-through the warehouse identifying items that were obsolete. Parts and supplies that are no longer used but could be sold to a vendor were tagged. The tagged items could either be sold or disposed of freeing up space for other uses.
The next step requires a physical inventory of the entire warehouse and subsequent reconciliation of the physical inventory to TMA. One temporary employee to assist the warehouse staff in conducting the inventory has been requested. The physical inventory and reconciliation to TMA will be completed by August 2008.