



# The State Scanner

State of Alabama, Office of the State Auditor

Volume 3, Issue 1

Spring/Summer 2011

## Getting It Right—Agency Spotlight

### Best Practices of Insurance

- SOUND POLICIES THAT ARE FOLLOWED
- TIMELY INPUT OF NEW PROPERTY AND TRANSFERS
- PURCHASE OF DEPARTMENTAL SCANNERS FOR INTERNAL AUDITS
- EMPLOYEE ACCOUNTABILITY
- COMMITMENT FROM ALDOI COMMISSIONER JIM L. RIDLING

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In each issue, this article spotlights an agency that consistently receives the coveted “Perfect Audit.” In this issue we spotlight the Alabama Department of Insurance (ALDOI). Their policies and procedures have ranked them as one of our top performers. This year marked their fourth consecutive perfect audit. We asked Property Manager Tisha Johnson to share their best practices with us.

*AUD: How many locations are involved in the Insurance property audit?*

ALDOI: We have two (2) locations audited each cycle.

*AUD: How many items does Insurance have in the system, and what is the value of these items?*

ALDOI: There are 710 items with a value of \$2,617,718 in the system.

*AUD: What are some of your biggest challenges you face in properly tracking all the property, and how have you overcome these challenges?*

ALDOI: The biggest challenge I have faced is prompt notification of property items transferred between the IT division and other ALDOI employees. Our IT division is responsible for assigning most property to employees. To confirm receipts of property, the

employee signs a property assignment form. However, at times I wasn’t receiving the forms timely or they would contain errors. A new process was implemented by IT which requires a senior level employee to review the form to eliminate errors and ensure a timely delivery to the Assistant Property Manager.

*AUD: What procedures does ALDOI have in place to track items, including new items, and items transferred to other agencies as well as Surplus —What are your Best Practices?*

before it is put into use. A copy of the material receipt is given to the Assistant Property Manager (APM) after payment has been processed. The APM enters the items into Protégé and records the date of entry on the material receipt. A new property receipt is required within 30 days. Once the person responsible report is signed by the receiving employee, either for new items or transferred items, the APM notates the correct location into Protégé.

*AUD: What improvements were made to your agency’s procedures to decrease the time and cost involved in completing the property audit?*

ALDOI: Beginning in FY11, we purchased the AssetWorks Scan & Validate software to help automate reconciliation, reporting, and every aspect of the property audit certification process. We expect to increase the efficiency and decrease the time involved in the audit process. Prior to this, Person Responsible Reports were printed for each employee and reconciled with our inventory.

(continued on page 2)



Department of Insurance  
Property Manager  
Tisha Johnson.

ALDOI: The Procurement Officer (PO) receives all property except data processing equipment, which is received by IT. A material receipt is completed by the PO and signed by the person receiving the property. The PO and/or the Property Manager affix a property inventory label immediately upon receipt and



**Samantha "Sam" Shaw,  
State Auditor**

**From the Desk of Sam Shaw, State Auditor**

The heat and humidity of summer are upon us. I feel for those of you who have jobs that involve being out in this stifling heat. Another uncomfortable situation is when agencies are catapulted to the 'hot seat' when the annual losses report isn't so favorable. I truly feel for these agencies.

Last summer I reported that our office had reduced losses by 67.25% since 2007. So what happened the third and fourth quarter of 2010 that sent the annual losses report off the charts with regards to actual lost items? Do I believe last year employees suddenly became lax in their responsibility of equipment assigned to them? No, absolutely not.

Here are some potential reasons for a sharp increase in 'lost' items for 2010. Besides truly being lost, some items may have been unavailable when the audit was conducted or not located during the 60 days following the completion of the audit. When the property audit is completed, any items that are not located by the SAI officers have to be classified. If an employee is unavailable, we will accept a signed affidavit stating they are in possession of certain items. However, our office will not accept an affidavit on the same items the next audit cycle. Not physically seeing the item for two consecutive audits will result in a 'lost' classification. Many times the proper paperwork just wasn't completed. Items that have been scrapped on site or transferred to another department have to be classified as 'lost' without the proper paperwork. Equipment becomes old, obsolete, broken or unusable and an employee doesn't think to notify the property manager so the proper paperwork can be completed and the item removed from the system. Due to the nature of some equipment, and the public locations, items occasionally just don't remain where they should. As you can see, there are many varied reasons for items to be classified as lost.

I continue to stress the vital role Property Managers play within their department, but they need your help. Be vigilant in reporting changes to your Property Manager. If you aren't sure what to do, don't be afraid to ask. Our office is here to assist in any way we can to make sure your agency isn't put on the 'hot seat'. Property management can be a daunting task, but when everyone does their part, accountability to the taxpayer is easily accomplished. I might add, 2011 is looking much better. Keep up the good work!

*Sam Shaw, State Auditor*

*Property managers and agency directors play a vital role in asset management.*

**Getting It Right** *(continued from page 1)*

*AUD: What is Commissioner Jim L. Ridling's philosophy or commitment regarding personal property of Insurance?*

ALDOI: "My input philosophy is simple. State property used by individuals at ALDOI is for state business...which adds to the overall efficiency of the employees work....I stress the 'personal' re-

sponsibility of each ALDOI employee to respect, protect, and care for State owned property."

*AUD: What advice can you give agencies that have problems with tracking all personal property and inputting new items in a timely manner?*

ALDOI: Constantly work on property management by making it a priority. For those agencies with a lot of items, assign an Assistant Property Manager to assist the Property Manager.

*Thanks Insurance for a job well done! Keep up the good work.*

**Employee Corner**

If you haven't already heard, this fall will usher in an upgraded version of the Protégé software. You may or may not know that a little over a year ago, InCircuit merged with AssetWorks. The new software version will be called Asset Management System (AMS).



**Coming Soon to Your Location!**

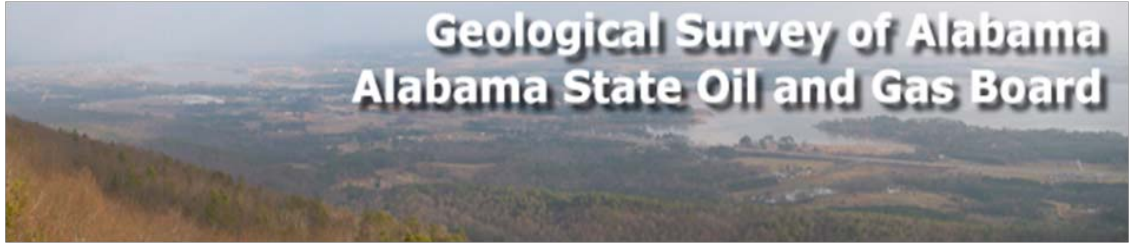
It has been several years since our last major system upgrade. AMS will offer many advantages and enhancements over our current version of Protégé. All agencies need to be working on 'cleaning up' their data in the system, making sure the correct balance sheet accounts are assigned to each item. Information was distributed at the last NPMA meeting and an e-mail sent out to all property managers.

Here are highlights of a few enhancements with the biggest significance. As of October 1, 2011, all electronic devices

that can hold confidential data—laptops, computers regardless of cost, Notepads, etc. will be classified as sensitive in nature and need a regular property tag. The second noticeable improvement will be the ability to add a photo of the item into the system. This photo will follow the item between transfers, all the way to Surplus. Last but certainly not least, every agency will have the ability to run ad hoc reports, customized to fit your needs.

**Where in Alabama . . . ?**

...has the State Auditor's Office been lately? They have traveled between Mobile and Tuscaloosa with the Geological Survey of Alabama (GSA) and the Alabama State Oil and Gas Board (OGB).



Property manager Linda Reid states that these sister agencies are located on the University of Alabama campus in Tuscaloosa as well as the OGB maintaining an office in Mobile which oversees all lower Alabama fieldwork. Reid says, "The logistical dynamics of our agencies makes the property audit unique to our agencies as well as the type of property we audit. We maintain all sorts of property items from simple office items to scientific lab equipment and large scale fieldwork equipment." She adds, "It is never a boring job to perform a property audit because a good bit of crawling under things in order to scan property numbers is required."

The GSA/OGB maintains over 750 property items with a value just over \$2.7 million. Property is bar coded and maintained in Protégé which Reid says "is an excellent tool for keeping track of property items. Additional procedures are used in order to maintain property located off site around the State. For example, the GSA maintains water monitors located all over the State of Alabama. Thanks to feedback from and communication with our excellent field workers who work with these well monitors on site, we are able to keep current

location records on these monitors at all times."

State Geologist, Dr. Berry "Nick" Tew, Jr. has a strong commitment regarding property of the GSA/OGB. Dr. Tew is very aware that all property of the two agencies is ultimately his responsibility, and thus, he takes property audits very seriously. He strongly supports the activities of the agency property manager and instructs all staff members to cooperate with the audit process. Reid states, "He takes great pride in our agencies' strong legacy as responsible stewards of State property."

Due to the scientific nature of the work completed at the GSA/OGB, the property audit can be unique as well as challenging. "As the property manager, I must be thorough and complete in order to capture all property located on site and out in the field." (Linda Reid)

With at least four perfect audits, that is a testament of a job well done. Thank you Linda, Dr. Tew, and all the staff at GSA/OGB.

Until next time, we'll be 'on the road again.'

The mission of the Geological Survey of Alabama is to explore and evaluate the mineral, water, energy, biological, and other natural resources of the State and conduct research in these fields. The State Oil and Gas Board of Alabama is a regulatory agency charged with preventing waste and promoting conservation of oil and gas while protecting the environment and owners rights.

*Dr. Nick Tew takes great pride in the agencies' strong legacy as responsible stewards of State property.*

**Where in Alabama . . . ? [PART 2]**

...have you been this year, or where do you plan to vacation? This year marks The Year of Alabama Music. For a list of festivals and attractions, visit the Alabama Department of Tourism website, [www.alabama.travel](http://www.alabama.travel), to help plan your trip. It just makes sense to vacation here in Alabama.

Ready for a road trip? Here are some top picks.



- **Alabama Music Hall of Fame:** Learn about the contributions of the many talented musicians from Alabama. See the bronze stars on the Walk of Fame. For more information, visit [www.alamhof.org](http://www.alamhof.org).
- **Stay-cation:** High gas prices got you singin' the blues? Take heart. There are many museums, baseball parks, hiking trails, and other local amenities right in your own backyard. Act like a tourist and see your own city or town through a new set of eyes. You might be surprised at what you find.

- **Gulf Shores & Orange Beach:** The beaches are beautiful once again. Our beaches are closer than the east coast and many Florida beaches. The seafood is good, fishing is open, so head on down to the beach for a long weekend or for the week. For lodging information and things to do, go to [www.gulfshores.com/](http://www.gulfshores.com/).



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governmental accountability for the  
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## Property Pointers

Attention all property managers. Have you ever thought of yourself as a risk manager? In a recent edition of the *NPMA Newsflash*, Monty A. Spicer, CPPM, discusses the role property managers play as it relates to risk management. "Risk management is important to the property manager because it is designed to protect the organization from losses. By understanding the risks, the property manager can take action or assist other management or members in correcting or reducing the organization's overall exposure to risks. The property manager must also look at recordkeeping and ensure it is accurate and maintained." No agency wants negative publicity for losing property. Communicate the importance of fixed-asset management and following procedures to all employees. Knowledge is power!

## Leadership Moment

Motivation—What motivates you, personally and professionally? There are times we feel like everyone around us is 'raining on our parade.' At other times we 'soar like the eagle.' So what gets you going or keeps you going, day after day? Better yet, what attitude do you display to those around you no matter the circumstances?

What motivates one person may actually demotivate another. So how do you keep your team motivated daily? Sometimes it takes a little patience in studying employee work habits and attitudes to determine the best motivator. Sometimes finding the answer may be as simple as asking your employees. Rick Tate suggests, "People are motivated to do things that provide them with feedback on results. We all want to know how well we're doing.... Providing feedback is the most cost-effective strategy for improving performance and instilling satisfaction. It can be done quickly, it costs nothing, and it can turn people around fast." Also remember, a simple 'Thank You' can go a long way in showing your appreciation.

## Did You Know? FAQ's



### **Important Dates to Remember:**

**Wednesday, July 20, 2011**—NPMA Capitol City Chapter summer luncheon will be held at noon at the downtown Farmer's Market Café, 315 North McDonough Street in Montgomery. Each person will go through the line and order what they would like. There will be an additional \$1.50 added to your tab to cover the cost of the private dining room and the tip. To change up the program this time, everyone is asked to answer the statement, "Reasons why I like property management." Please send your responses to

**NPMA**—Are you a member? If not, we want to encourage all property managers to join NPMA. For membership information or to join, visit <http://www.npma.org> or <http://capitolcity.npma.org>

Glenda.Senn@adfs.alabama.gov. Your response will be kept anonymous.

***State Surplus Dates of Interest:*** Surplus will close July 18 for two weeks with auction on July 20; will be open August 1—31; will close September 1 and remain closed until after the October 26 auction or until the system upgrade

is completed. Any deliveries need to be scheduled during the open dates. Of course you can still shop at Surplus any time before October 1.

**October or November 2011:** Protégé will be coming out with a major upgrade to their system this fall. The new name will be Asset Management System (AMS). All property managers and personnel will be required to attend training classes which will be scheduled sometime in the fall. Notice will be sent out to everyone once the release date is determined and classes are scheduled. There will be many new features with this upgrade. See the article under "Employee Corner" in this issue for more details. We will not be able to conduct one-on-one training sessions, so make sure you register for a class once the schedule is released.