

The State Scanner

State of Alabama, Office of the State Auditor

Volume 2, Issue 2

Spring/Summer 2010

Getting It Right—Agency Spotlight

Best Practices of ADEM

- KEEP INVENTORY CURRENT —DON'T PROCRASTINATE
- ACCURACY AND ATTENTION TO DETAIL ON ALL PAPERWORK
- GOOD COMMUNICATION AND COOPERATION WITH ALL EMPLOYEES
- COMMITMENT FROM ADEM DIRECTOR LANCE LEFLEUR

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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 Environmental Management (ADEM). 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 Kevin Messer to share their best practices with us.

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

ADEM: We have four offices, one laboratory, and 22 air pollution monitoring sites.

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

ADEM: There are 3,320 items with a value of \$18,167,435 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?

ADEM: One of our biggest challenges is that we have a lot of field equipment that is constantly on the move. I make sure that employees report to me when anything changes locations and that they fill out transfer paperwork so that there is a paper trail

that tells me where things are going.

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

ADEM: First of all, I try not to procrastinate. When something new comes in, I try to get it into the system as soon as possible. Our Purchasing Unit gives me copies of all



ADEM Property Manager Kevin Messer with Perfect Audit certificates in the background.

purchase orders so that I will know something is coming in. Any time an item is stolen or destroyed, we fill out all the proper paperwork and send it along with police reports to Patty Toney in the Auditor’s Office immediately. In the case of a lost item, we try to locate it before we report it because usually it is just misplaced and can be found. As

far as transfers to other agencies and Surplus, we make sure the SD-1 is accurately filled out and that we have all party’s signatures.

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

ADEM: First of all, I notify everyone and let them know the dates that we will be conducting the audit. Then I send the field offices a list of everything we are going to be looking for. This helps because they will usually have everything out and ready to scan so we can get in and out quickly.

AUD: What is Director Lance LeFleur’s philosophy or commitment regarding personal property of ADEM?

ADEM: Recently selected Director LeFleur states, “As the new Director for ADEM, it is important to know that I can count on employees to meet the Department’s commitments to protect human health and the State’s natural resources. With this perfect audit, I am assured that we are also

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

*Since 2007,
the State
Auditor's
Office, along
with many
property
managers, has
reduced losses
by 67.25%.*

From the Desk of Sam Shaw, State Auditor

Everyone loves to see improvements or be a part of some type of improvement. If there is any doubt, just pull out the TV listings and you'll find many shows where people are seeking improvements to: their looks, health, finances, children's behavior, or relationships; their yard, house, or cooking skills; and the list goes on and on. We are drawn to these shows to learn from others.

I would like to take a few moments to recognize the improvements we have made in the State Auditor's Office, with the help of many individuals. Since 2007, our office, along with the many property managers in the various departments and agencies, has reduced losses by 67.25%. This does not include any items reported as stolen or destroyed – just items reported as lost. Now that's impressive! As of second quarter 2010, reported lost items are just a little over \$8,400. Hopefully this downward trend will continue through the remainder of the year.

You may be wondering how we were able to reduce lost items with over 213,000 items to account for statewide. It has taken a lot of hard work, intentional effort, and dedication of everyone involved from the clerk up to the agency director. Property Managers play a vital role within each department. They must communicate the importance of property accountability as well as properly track all items assigned to the department. The larger the agency, the more complicated the procedure, especially when multiple locations come into play. It can be a daunting task at times, but numbers prove it can be done.

Thank you Property Managers for a job well done; thank you agency directors for seeing the importance of asset management; and, thank you to each State employee who takes responsibility for the items assigned to you. Last but certainly not least, I want to thank the employees in the Property Division of my office for their hard work and dedication. This is a team effort that is paying off for the taxpayers of Alabama by reducing lost equipment, thus reducing replacement costs and increasing accountability.

Sam Shaw, State Auditor

Getting It Right *(continued from page 1)*

protecting taxpayers from fraudulent use of public property. We will continue to place emphasis on accountability and ethics in how we carry out our duties."

AUD: What advice can you give agencies that have problems with

tracking all personal property and inputting new items in a timely manner?

ADEM: The best advice is not to procrastinate because it just gets you behind and makes you have to work a lot

harder to get things caught up. It also causes you to make more mistakes.

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

Employee Corner



*(From left to right)
Karen Barron and Demea
Mercer with State Auditor
Sam Shaw.*

Chances are, when you call or stop by the State Auditor's Office, you will talk to or see Demea Mercer and Karen Barron. More than likely, these two ladies are the first face you encounter and associate with the office. So we thought it only fitting for you to be able to 'get to know them' a little better.

Demea Mercer has been with the State Auditor's Office for over 20 years, which is longer than any other employee. Her knowledge

of the office is invaluable. As Executive Secretary, she wears many hats from answering phones to acting as Auditor Shaw's representative with the Alabama Board of Adjustment.

Karen Barron has been with our office two years. She coordinates all appointments and speaking engagements for the State Auditor. Karen also assists our Property Division and our Accountant with various tasks.

Both of these ladies are avid Auburn fans – War Eagle! Both enjoy watching movies, spending time with family, and SHOPPING. They also enjoy meeting visitors touring the State Capitol from different states and from places as far away as London, England, Germany, and Australia.

The next time you are at the State Capitol, stop by and say "Hi" to Demea and Karen.

Where in Alabama . . . ?

...has the State Auditor's Office been lately? They have been traveling up and down Alabama's highways and byways with the Equipment Bureau staff of the Alabama Department of Transportation.

Susan Horton, Inventory Control Manager, explains, "The ALDOT is divided into nine division offices located throughout the state and the Central Office in Montgomery." Each division office has anywhere from three to six district offices within their divisions with 38 Bureaus within the Central office. ALDOT has many different types of equipment used in testing, road building, surveying, as well as ATV's, barges, and bridge scaffolding. The equipment is very mobile creating the biggest challenge. ALDOT has 37,811 items valued at \$500 and above with a total gross value of \$307,661,002.

With a property inventory this large, obtaining a perfect audit would seem to be a monumental task. However, procedures have been implemented making ALDOT one of our 'star' performers. Each person is required to sign a hand receipt for items assigned to them. Horton says "surprise audits are conducted during the year, and when a property manager of a division resigns or retires, an audit is performed on all items at that location." When equipment is moved, a Property Transfer form is completed which contains pertinent information about the equipment, the transfer date, and signed by the person transferring and the person receiving the equipment. This serves as a hand receipt which is maintained by personnel

within each Division and District. The District personnel are responsible for maintaining all equipment assigned to their location. Annually, ALDOT conducts a self audit at each location. The results are submitted to Susan Horton for verification and then submitted to the State Auditor's Office.

As we have mentioned before, commitment from top management is a vital component to success in asset management. ALDOT Director, Joe McInnes, strongly believes in accountability in all that ALDOT manages, serves, and produces. He has been consistently adamant that the property audits, in particular, be thorough and complete. Under his seven year tenure, ALDOT has experienced perfect audits each audit cycle as well as with each annual internal audit. Each of the 37,811 pieces of equipment is accounted for annually. Prior to 2003 when Mr. McInnes became Director, ALDOT had never received a perfect audit. McInnes states, "I believe we have no greater responsibility to taxpayers than to be accountable in all that we do. Governor Riley, the public, and I expect and demand no less." Well stated Director McInnes. Thank you Equipment Bureau staff for properly maintaining such a large and diverse inventory of items.

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



ALDOT Equipment Bureau Staff: (from left to right) Susan Horton, Sonja Kennedy, Rickey Gray, and Michael Elmore.

"I believe we have no greater responsibility to taxpayers than to be accountable."
ALDOT Director Joe McInnes

Where in Alabama . . . ? [PART 2]

...are you planning to vacation this year? As our nation's economy recovers from the continuing recession, have you thought about keeping your vacation dollars right here in Alabama? Not only does it help out local businesses, but a portion of lodging taxes go to support the State General Fund. Sales tax revenue is distributed to both the State General Fund and the Education Trust Fund, so it just makes sense to vacation here in Alabama. Are you ready for a road trip? Here are some top picks.

- **RTJ Golf Trail:** There are many stops and adventures awaiting you along the Trail with luxurious resorts and spas. The Trail Card and State employee discounts make it very affordable. For specials, locations, and information, visit www.rtgolf.com.
- **Alabama's State Parks:** With 23 to choose from, you're sure to find the adventure that fits your taste, lifestyle, and budget. Visit www.alapark.com for events and information.

- **Huntsville:** Darth Vader and the rest of the gang are here. Visit the Star Wars Exhibit at the U.S. Space & Rocket Center, then tour one of the many museums, Botanical Gardens, or catch one of the concerts scheduled around town. For event locations and dates, see www.huntsville.org.
- **Alabama's Beaches:** Still one of our best assets with many activities on tap. Many hotels and resorts are offering outstanding value packages with no deposit required. Visit www.gulfshores.com to see what's happening and for oil spill updates.



A Storm Trooper and Darth Vader at the U.S. Space & Rocket Center press conference.

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*Adding another layer of
governmental accountability for the
citizens of Alabama.*

Property Pointers

Consistency is one of the best tools you can use when inputting information into the property management system. Be consistent in the way you enter names of the person responsible. Be consistent in the way you list types of equipment such as printers. Be consistent in the placement of bar-code labels on assets, in particular with similar assets such as desks or vehicles. Be consistent in assigning property numbers. Consistency will make your job easier and make you look more organized. Give it a try and see how well it works.

Leadership Moment

Who do you immediately think of when you hear the word leader? We have probably all heard the statement, "Lead, follow, or get out of the way" at some point in time. There have been many leaders throughout history – some good leaders, some not so good. What is your view of a leader – someone in a position of authority?

Noted author and speaker Mark Sanborn states, "Leadership isn't about having a title.... Smart people and enlightened organizations know that having a title doesn't automatically make a person a leader, and not having a title doesn't keep one from leading and making a positive difference." Endeavor to make a positive difference daily.

Did You Know? FAQ's



Important Dates to Remember:

Thursday, July 15, 2010—Last day Surplus will allow items to be delivered. Between construction, the upcoming auction, and year-end warehouse inventory, Surplus will be closed temporarily after July 15. Notice will be sent out once they determine a reopen date.

Thursday, July 22, 2010—Capitol City Chapter NPMA Meeting at 12:00 noon at the Forestry Commission Auditorium; contact Glenda at Glenda.Senn@adfs.alabama.gov or by phone at 334-844-4648 ext. 224 by **July 9** to reserve your \$5 box lunch. Anyone involved with property is welcome to attend.

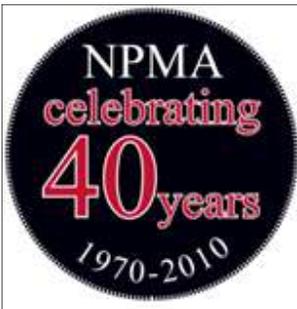
Thursday, July 22, 2010—Collection of school supplies for Theresa Marshall, 2nd

grade teacher at Davis Elementary. Bring your items or cash to the chapter meeting, or drop them by the Auditor's Office. Supply list distributed via e-mail.

October 20–22, 2010—NPMA Eastern Region Seminar in Cocoa Beach, Florida featuring "How To's ..." on a variety of subjects.

Q: *What is the status of the Protégé upgrade?*

A: We are not sure when the upgrades will be ready for testing. There were some technical delays, and it is too close to the end of the fiscal year to begin testing at this point. All property managers will be notified and trained once the upgrades are ready for release.



NPMA—Are you a member? If not, we want to encourage all property managers to join NPMA. Being a member of a professional organization related to your job adds value to you and your career. For membership information or to join, visit www.npma.org.