

# APD ALERT

## Personal Property Audit Trail



### **Background**

OMB Circular A-123, Management Accountability and Control, and USDA Regulation DR-1110-002, Management Accountability and Control, require agencies to manage programs with integrity and ensure program operations comply with applicable laws and regulations. This involves:

- providing reasonable assurance that assets are safeguarded against waste, loss, unauthorized use, and misappropriation,
- establishing separation of duties in authorizing, processing, recording, and reviewing official agency transactions to ensure individuals do not exceed or abuse their assigned authorities,
- documenting and recording transactions showing clear audit trails, and
- evaluating program processes to determine compliance.

### **Audit Trails**

Property management officers (PMOs) are responsible for properly updating and recording changes in the inventory system (PROP). **PMOs will ensure there is supporting documentation, with APO signatures, before making changes to the inventory record.** This includes the physical inventory process when the majority of changes occur.

**A. Transfers to Another APO.** Do not change the asset record in PROP by a notation on a physical inventory. The receiving APO must concur with the change. Document the transfer using form AD-107, Report of Transfer or Other Disposition. This form supports signatures and dates from both APOs. Email is acceptable as long as there is concurrence from both APOs. Transfer the record in PROP **after** receiving the completed transfer document.

**B. Excess.** Ensure excess reports have the signature or concurrence of the APO/manager and have a valid condition code or condition description with information on any needed repairs/damage. PMOs will maintain copies of screen prints/documents showing required Federal screening and sales action.

**C. Transfers/Sale by GSA.** When the agency/GSA transfers property or when GSA sells property originally reported as excess, the PMO will not remove the inventory record until **after** receiving copies of the signed documents completing the transfer/sale.

**D. Disposals.** Employees must not dispose of property without authorization from the PMO. **The AD-112 accommodates the final steps of the disposal process:**

1. APO reports unserviceable, lost/stolen, or requests cannibalization by completing Section I.
2. PMO reviews information and authorizes donation, abandonment/destruction or cannibalization, by completing Section III, Section II if lost/stolen. **(This is the starting point when GSA authorized local disposal after Federal screening.)**
3. APO and a witness complete Section IV, certifying disposal action.
4. PMO removes asset from PROP using the **proper disposal action** and completes Section V certifying the action (optional).

**E. New Assets.** Update new assets after the transaction appears on the Suspense Report. Obtain a copy of the completed purchase document with descriptive information, including the serial number. E-mail is acceptable as long as the email has concurrence from the APO/APO representative.

**G. Assets Found During the Inventory Process.** Request purchase document information for assets found during a physical inventory. PMOs need to support the acquisition date, acquisition amount, and accounting. In the absence of the purchase document, e-mail from APO/APO representative with estimated information is acceptable.

### **Separation of Duties**

To comply with USDA regulations on Management Accountability and Control, and establish separation of duties:

- APOs will not have access to PROP.
- PMOs will not be appointed as APOs.

PMOs should refer to the PMO Guide (dated Jan 2011) for thorough details and explanation of the entire process, sample forms, and PROP requirements.

<http://www.afm.ars.usda.gov/property/index.htm>

If you have any questions, please contact Cheryl Brumback, 301-504-1096, or email [Cheryl.Brumback@as.usda.gov](mailto:Cheryl.Brumback@as.usda.gov).

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