



Audit of Year-End Inventory Observations

Inspector General Department Gary J. Cooney, Clerk of the Circuit Court & Comptroller Audit Report

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January 19, 2022**



Inspector General Department

Office of Gary J. Cooney

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January 19, 2022

Board of County Commissioners

We conducted year-end inventory observations for the Clerk of the Circuit Court & Comptroller, the Supervisor of Elections, the Office of Fleet Management Fuel, the Office of Public Safety Support, and the Office of Emergency Medical Services.

We appreciate the cooperation and assistance provided by everyone during the course of this audit.

Respectfully submitted,

Terri W. Freeman
Inspector General

cc: Gary J. Cooney, Clerk of the Circuit Court & Comptroller
Denise Bell, Chief Deputy Clerk
Kristy Mullane, Chief Financial Officer, Clerk of the Circuit Court & Comptroller
Malysa Goldsmith, Chief Administrative Officer, Clerk of the Circuit Court & Comptroller
Jennifer Barker, Interim County Manager
Joseph Blackwell, Director, Office of Fleet Management
Greg Holcomb, Director, Office of Public Safety Support
Jerry Smith, Director, Office of Emergency Medical Services
The Honorable Alan Hays, Supervisor of Elections
Moore Stephens Lovelace, P.A.

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email fwa@lakecountyclerk.org

Scope and Objective

As scheduled in the Inspector General Audit Plan, year-end inventory observations were conducted over specified inventories of Lake County.

The objective was to determine whether the value of ending inventories for the period ending September 30, 2021, is accurately stated in the County's accounting system.

The inventory observations occurred as follows:

Office of Public Safety Support – Medical Supplies – September 30, 2021

Office of Public Safety Support – Fleet Parts – September 30, 2021

Office of Emergency Medical Services (EMS) – Pharmacy Supplies – September 30, 2021

Clerk of Courts Postage – September 30, 2021

Supervisor of Elections Postage – September 30, 2021

Office of Fleet Management – BCC Fleet Fuel – October 1, 2021

During the observations 100% of the items recorded were verified with the exception of the Public Safety Fleet service fluids, which were measured and converted to quarts prior to inventory observation. The inventory amounts were corroborated against the final inventory amounts recorded in the County's accounting system.

Overall Conclusion

The inventories of BCC Fleet Fuel, Public Safety Support, EMS, and Clerk Postage are fairly presented in the County's accounting system. The Supervisor of Elections postage inventory is fairly presented in the Supervisor of Election's accounting system. An opportunity for improvement is included below for Public Safety Support.

Background

Clerk of the Circuit Court & Comptroller – Postage Inventory

The Clerk of the Circuit Court & Comptroller provides centralized postal services for numerous County entities. As part of this, the Clerk's Mail Receiving Center meters all outgoing mail for these entities. To achieve this, two postage machines, an online account, and a reserve postage account are maintained.

Supervisor of Elections (SOE) – Postage Inventory

The Supervisor of Elections uses postage to mail absentee ballots, voter registration cards, and other voter information. To accomplish this, a postage machine is located at the SOE office and pre-paid postage accounts are maintained with the United States Postal Service.

Office of Fleet Management – BCC Fleet Fuel Inventory

The Office of Fleet Management is responsible for comprehensive fleet operations, including providing fuel and repairs for County vehicles and equipment. The office also keeps inventories of unleaded, diesel, and off-road diesel fuels.

Office of Public Safety Support – Fleet Parts Inventory and Medical Supplies Inventory

Public Safety Fleet provides scheduled and unscheduled repairs and maintenance for the Office of Emergency Medical Services' ambulance fleet and uses the Fleet Parts inventory for this. Public Safety Logistics provides necessary operating supplies for fire and ambulance services. Logistics operates as a one-stop location for the restocking of medical supplies for fire response vehicles, ambulances, and stations.

Office of EMS – Pharmacy Supplies

EMS provides emergency medical service and transportation of the sick and injured citizens and visitors of Lake County. The pharmacy supplies are used to keep the ambulances adequately stocked to provide care for the sick and injured patients.

Opportunity for Improvement

1. Inventory Records are Inaccurate

There were 51 variances totaling a net decrease of \$3,584.85 between the inventory records and the 2021 Fiscal Year-end inventory count.

When Public Safety Support Fleet converted from RTA to Operative IQ, a reconciliation of the old and new systems was not conducted. Clear timelines were not established to discontinue use of the old system and process.

Agreed Upon Action Plan:

- Provide Operative IQ inventory control training to the Fleet Supervisor and staff with the current Logistics process to assure future consistency and accuracy.
- Correct duplicate numbers in Operative IQ. Completed on 10/18/21 – 10/20/21
- Order new magnetic placards for re-labeling parts inventory, received on 10-11-21. Completed re-labeling of Shelf, Rack and Bin locations on 10/20/21
- Add all the locations described per the audit discovery in Operative IQ with Rack, Shelf and Bin. Completed on 10/18/21 – 10/20/21
- Institute the same inventory process as used with Logistics section. Implemented on 10/25/21
- Perform internal audit to confirm accuracy using Logistics staff accomplishing with Fleet Supervisor/staff shadowing the process for training. Expected results 100% match of inventory on-hand and Operative IQ database. Completed on 10/25/21
- Invite auditor to perform a new audit to evaluate the revised inventory process. Completed on 10/26/21
- Request auditor schedule and perform quarterly inventory observations in January, April, and July, prior to the Year-End Inventory Observations in September. Pending.
 - Auditor observed the January quarterly inventory and no exceptions were noted.

Our Fleet Department worked with a variety of staffing shortages during the year to include working with only (1) mechanic for several months and working without a supervisor for a period of (3) months. Support of RTA Fleet Management software as we used it was at end of life. We utilize Operative IQ for our Logistics tracking and had begun to transition fleet to the same platform. This process required reconciling RTA, exporting the inventory of parts, and importing into Operative IQ. The transition of our Fleet Department from RTA to Operative IQ was to integrate Logistics and Fleet with a unified management source. The goal is to facilitate consistent ordering, reporting, tracking and inventory capabilities across the organization.

Target Completion Date: August 1, 2022