



2021 Fixed Asset Inventory Verification

Inspector General Department

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

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May 12, 2022

Board of County Commissioners

The 2021 Fixed Asset Inventory Audit of the County Offices is complete.

Overall, the controls in place are well designed and operating as intended. Opportunities for improvement are identified in this report.

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
Jennifer Barker, County Manager
Ron Falanga, Director, Office of Procurement Services

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email fwa@lakecountyclerk.org

Scope and Objective

As scheduled in the Inspector General Audit Plan, an audit of fixed assets owned by the Board of County Commissioners (BCC) was conducted. The audit objectives were to determine whether assets are present and accounted for, are protected from theft and abuse, and are used appropriately.

In order to meet the audit objective, a random sample of assets from the departments of Public Works Road Operations, Information Technology, and Tax Collector were selected for validation. The audit included a sample of 101 assets, totaling \$1,710,584.12.

The audit period included assets on the County Fixed Asset listing as of October 2021.

Overall Conclusion

No significant issues are present. Opportunities for improvement are included in this report.

The following controls appeared to be functioning as intended:

- 100% of fixed assets in a random sample for Road Operations, Clerk Information Technology Department, and Tax Collector were present, in the anticipated location, and properly safeguarded.
- The property or serial number assigned to the assets for the above mentioned departments matched the number listed in the fixed asset inventory.
- Fixed asset policies LC-37 and LC-40 were up-to-date and aligned with the Florida Administrative Code Chapter 69i-73.

Background

The Office of Procurement Services is responsible for inventory management of fixed assets purchased by the County and Constitutional Officers. Fixed assets, for purposes of inventory, are defined as assets that have a value of \$5,000.00 or greater with a useful life of at least one year, according to Chapter 69I-73, Florida Administrative Code.

Public Works Road Operations Division – Is responsible for the maintenance and construction of more than 1,388 miles of paved road, 144 miles of unpaved roadways, and 27 bridges. The Division consists of three maintenance areas, one special projects section, and the construction inspection section.

BCC Information Technology Department – Provides the County and the five Constitutional Offices with technology, software development, computer and telecommunications system design, geospatial analysis, and customer service and support.

Clerk Information Technology Department – Provides centralized Information Technology support for the Clerk's Office, which includes information management and emergency disaster preparedness. Application Development and Support Division provides project management. Network Support and Security Division manages deployment and support of network resources.

Lake County Tax Collector's Office – The Tax Collector is a Constitutional Officer elected for a four-year term. The office provides a wide range of services including the collection of various taxes, title fees, drivers' licenses, and tourist development taxes.

Opportunities for Improvement

1. Assets Could not be Validated

Four assets (12%) of the 32 assets valued at \$76,854 (43% of sample) could not be verified during the audit of BCC Information Technology (IT) Fixed Assets.

- a) Two assets (6%), valued at \$73,328 (41% of sample), are not able to be tagged. Expected location is inside of another IT asset; the network card is located inside of an IT switch and the software was an upgrade.
- b) Two assets (6%) valued at \$3,526 (2% of sample), were reported missing by BCC IT in August of 2020 but still showed on their 2021 Fixed Asset Inventory. There is a risk of misappropriation of County assets if the asset cannot be verified.

Procurement Services' Agreed Upon Action Plan:

- a) Management will work with the Finance Department to determine how to track assets that are unable to be tagged.
- b) Management will revise the missing asset investigation form, currently in use, to include supervisor signature/approval and indication that backup documentation on the missing asset is required.

Target Completion Date: 1a: Completed

1b: Completed

2. Assets are not Protected from Theft or Abuse

Six assets (19%) of the 32 assets valued at \$19,820 (11% of sample), verified during the audit of BCC IT Fixed Assets are not adequately protected from theft or abuse. All six assets are located in different IT rooms that were not temperature controlled and contained other department supplies. Four of the six assets are located in an unlocked IT room. There is a risk of theft or damage to assets.

Procurement Services' Agreed Upon Action Plan: Management will recommend to IT that certain assets be secured and to contact Facilities Management if locks are needed and to inquire about adjusting the climate control of storage rooms.

Target Completion Date: Completed