



BCC 2024 IT & Fire Rescue Asset Inventory Verification

Inspector General Department

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

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Board of County Commissioners

The 2024 Asset Inventory Verification of the BCC IT and Fire Rescue County Offices is complete.

The report identifies observations indicative of significant internal control issues, including three repeat issues from last year and a concerning issue whose root cause could not be determined during this audit. It remains unclear whether the issue stems from a system error or human error.

We appreciate the cooperation and assistance of the County staff during the course of this engagement.

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
Jennifer Barker, County Manager
Fred Schneider, Assistant County Manager
Ron Falanga, Director, Office of Procurement Services
Wesley Jones, Director, Office of Facilities Management
Erikk Ross, Director of BCC IT
David Kilbury, Public Safety Director, Office of Fire Rescue
Christopher Sievert, Deputy Chief Administration, Office of Fire Rescue

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Scope and Objective

In accordance with the Inspector General Audit Plan, the verification of assets owned by the Board of County Commissioners (BCC) is complete.

The engagement objectives were to assess:

Compliance with:

- Florida Statutes, Chapter 274, Tangible Personal Property Owned by Local Governments
- Florida Administrative Code, Chapter 69I-73
- BCC Policy LCC-40 Fixed Asset Management
- BCC Procedure LC-37 Fixed Asset Management
- Office of Procurement Services Internal Operating Procedure #115

Whether assets are:

- Present and accurately recorded in the financial records
- Protected from theft, abuse, loss, and damage
- Used appropriately

The audit period covered assets listed on the County asset listing, which is maintained by the Office of Procurement Services (Procurement), as of April 2025. To achieve our audit objectives, 58 judgmental samples totaling \$413,573.22 were selected for observation from the BCC IT Department, and 40 random samples totaling \$2,243,662.85 were selected for observation from the Fire Rescue/EMS Department.

Overall Conclusion

The following pages identify observations indicative of significant internal control issues, including three repeat issues from last year and a concerning issue whose root cause could not be determined during this audit. It remains unclear whether the issue stems from a system error or human error.

However, the following controls are operating effectively.

- Asset management policies and procedures are current and in alignment with relevant Florida Statutes and Administrative Codes.
- All assets that could be observed:
 - Had property or serial numbers that match the inventory records.
 - Were adequately secured from theft and abuse.
 - Were being utilized as intended and for County purposes.

Asset purchases are tracked in the asset management system (SAGE) using capital reference codes, project numbers, and tracking numbers. There is good segregation of duties in the asset management process among Procurement, Finance, user departments/constitutional offices, and the Board of County Commissioners (BCC). Finance reconciles asset additions in SAGE with capital outlay recorded in the General Ledger (Munis). Procurement oversees the annual Fixed Assets process, during which user departments and constitutional offices conduct physical inventories. Any missing, damaged, or obsolete assets are reported to the BCC by Procurement for approval to remove them from asset records. Once approved, Procurement enters the deletions into SAGE, which interfaces with Munis. Finance then reconciles these BCC-approved deletions in Munis with the corresponding approvals.

Background

Procurement oversees the inventory management of fixed assets and attractive items acquired by the County and Constitutional Officers. They use SAGE, formerly known as FASGOV, as their asset management system. Fixed assets are tangible personal property with a value exceeding \$5,000.00 and a useful life of at least one year. Attractive items have a value or cost under \$5,000 but require special attention to ensure legal compliance or compensate for a heightened risk of theft, as outlined in Chapter 69I-73 of the Florida Administrative Code.

The BCC Information Technology Department enables efficient, timely, and accurate delivery of government services by leveraging innovative technology solutions. Its divisions support a wide range of functions, including telecommunications, computer and network systems, application development and support, geographic information systems, records management, and overall technology administration.

The Fire Rescue/EMS department protects Lake County's residents and property by responding to fires, medical emergencies, and other incidents and providing mutual aid when needed. Serving 1,157 square miles of urban and rural areas, operations are supported by 27 fire stations and 14 ambulance stations. Services are delivered through five divisions: Administration, Operations, EMS, Emergency Dispatch, and Logistics/Fleet, ensuring an effective, coordinated, and ready response.

Opportunities for Improvement

Item #	Observation	Risk	Management's Response
1	<p>Ten BCC IT assets approved for disposal by the BCC in 2021 and 2022 were still listed in the 2024 SAGE Fixed Asset Inventory report generated by Procurement, even though their removal had been confirmed in the 2023 report.</p> <p>This issue was not unique to BCC IT; it also occurred with 19 Clerk IT assets, 9 Fire Rescue assets, and 13 Property Appraiser assets. Since these areas were randomly selected, similar issues likely exist in other departments not included in this audit.</p> <p>Similarly, one asset disposed of in 2024, with all required BCC IT documentation submitted, also appeared in the 2024 SAGE Fixed Asset Inventory report, despite Procurement's assertion that they had removed it.</p> <p>The 2024 SAGE report, generated by Finance and reconciled with the General Ledger, correctly excluded these assets.</p>	Wasted staff time, frustration, and loss of confidence in procurement processes.	<p>The persistent issue of assets reappearing continues to challenge the county-wide inventory system. To address this, Procurement will implement a one-month post-approval review process to verify that all identified assets have been properly removed, utilizing the system-generated disposal report presented by Finance. Additionally, disposal data has been organized chronologically to help isolate and analyze emerging issues, with the goal of identifying the root cause of this recurring problem.</p> <p>Auditor's Note: The auditor observed that Procurement followed the report generation process as originally outlined by Finance; however, reliance on manual processes introduces a risk of human error. As a result, the root cause of discrepancies cannot be definitively attributed to either system or user error. We agree that the new controls proposed by management are appropriate and will support the timely detection and resolution of issues, mitigating this risk going forward.</p>

2	Six BCC IT assets were not properly disposed in SAGE by Procurement, even though the IT department had submitted the required documentation.	<p>Non-compliance with procedures.</p> <p>Wasted staff time and frustration with and loss of confidence in the Procurement processes.</p> <p>Note: This is a repeat finding from the 2023 Asset Observation Audit.</p>	Procurement added procedural updates requiring all disposals to be completed within the week following Board approval. To further strengthen compliance, the Procurement Department will now conduct a one-month post-approval review to verify that all identified assets have been properly removed using the system-generated disposal report presented by Finance. This new review process is designed to ensure accuracy and accountability in asset management moving forward.
3	Thirteen BCC IT assets were reported as missing, replaced, or discarded by IT management during the 2024 annual inventory process; however, BCC IT did not properly submit the required documentation for Procurement to take action on these assets.	<p>Non-compliance with procedures.</p>	<p>BCC IT submitted all required documentation to Procurement.</p> <p>Procurement will generate a date-sensitive action item report accompanied by a detailed procedural checklist for custodians to follow.</p>
4	Two assets in the Fire Rescue/EMS department with an original total value of \$5,297 could not be located at their last known inventory locations for IG auditor observation.	<p>Inaccurate Asset Records</p> <p>Loss of Departmental Resources</p>	<p>BCC Fire Rescue/EMS management submitted all required documentation to Procurement.</p> <p>Additionally, the department will implement internal procedures for tracking items replaced under warranty, ensuring that all relevant details are properly recorded. Removal forms for any assets taken out of the department will be electronically stored in a centralized location for easy access and reference.</p>

5	Temperature logs show the data center has exceeded 77.9°F on 709 occasions since 01/17/2025, including two days with 25 instances above 77.9°F. This exceeds the 68–77°F range specified in the service level agreement.	<p>Damage to or loss of expensive IT equipment and data, and loss of productivity due to downtime.</p> <p>Note: This issue was identified during the FY 2022 and FY 2023 Asset Observations and the 2023 Audit of Facilities Management.</p>	An engineer has been engaged by the Facilities Management department to provide recommendations for improving cooling in the room.
6	According to IT staff, a fire system alarm in the ECOC has been beeping and registering an alarm on the device panel since at least last September.	<p>IT staff become desensitized to alarms, so emergencies are not promptly attended to. This leads to damage or loss of expensive IT equipment and data, and productivity loss due to downtime.</p> <p>Note: A similar issue was identified during the FY 2023 Asset Observation.</p>	The Facilities Management Director stated that this is a very sensitive system, and small changes can affect it. It was showing trouble with the alarm in the recent past, and the vendor came out to check and decided the filters needed to be replaced. They replaced six filters and then realized there were two additional filters that were missed. These filters have been ordered and will be in soon. A schedule has been created for changing them going forward. Please note that the beeping, while perhaps annoying, does not in any way affect the operation of the suppression system.