

Year-End Inventory Observations

Fiscal Year Ending September 30, 2017

Division of Inspector General

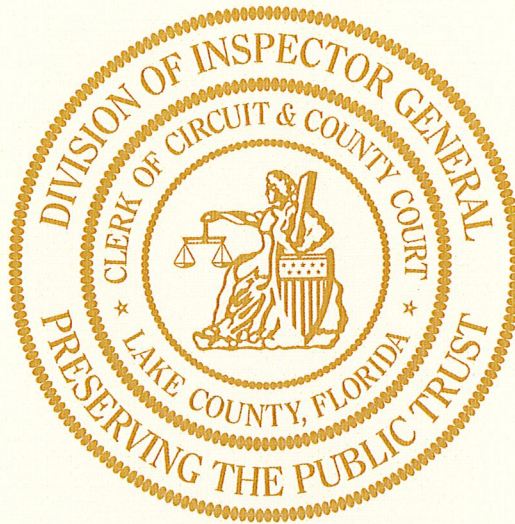
Neil Kelly, Clerk of the Circuit and County Courts

Audit Report

Sheena Patel, CIA, CIGA
Inspector General Manager

Audit Conducted by:
Emily Barnard
Cindy McLaughlin, CPA, CIA, CIGA
Sheena Patel, CIA, CIGA

Report No. BCC-158
March 13, 2018



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March 13, 2018

Board of County Commissioners

We have conducted our year-end observations of inventories for the Lake County Clerk of Courts, Supervisor of Elections, Lake EMS, and BCC Fleet Management as scheduled per the Clerk's Annual Inspector General Audit Plan.

We appreciate the cooperation and assistance provided by the entities contacted during the course of these observations.

Respectfully submitted,

Sheena Patel
Inspector General Manager

cc: The Honorable Neil Kelly, Clerk of Circuit & County Courts
Kristy Mullane, Chief Deputy Clerk, Clerk's County Finance Department
Jeff Cole, County Manager
Kristian Swenson, Assistant County Manager
The Honorable Alan Hays, Supervisor of Elections
Jerry Smith, Executive Director, Lake EMS
Moore Stephens Lovelace, P.A.

Know of Fraud, Waste, or Abuse?
Contact our hotline at (352) 742-4429 or
email fwa@lakecountyclerk.org

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INTRODUCTION

Scope and Methodology

As scheduled per the Clerk's Annual Inspector General Audit Plan, we have conducted observations of the year-end inventory process over specified inventories of Lake County.

The objective of our observations was to determine whether the value of ending inventories, for the period ending September 30, 2017, is fairly stated in the County's accounting system.

Our inventory observations occurred as follows:

BCC Fleet Parts – September 29, 2017

Lake Emergency Medical Services (Lake EMS) – Fleet Parts – September 28, 2017

Lake EMS – Medical Supplies – September 28, 2017

Lake EMS – Pharmacy Supplies – September 28, 2017

Clerk of Courts Postage – September 29, 2017

Supervisor of Elections Postage – September 29, 2017

BCC Fleet Fuel – October 2, 2017

We observed and documented the inventory-taking process, selected a random sample of items from the inventory records, and verified the amounts recorded. In some cases, we verified 100% of the items recorded. We also agreed the final inventory amounts recorded to the County's accounting system. The specific methodology for each inventory is described below.

BCC Fleet Parts

The inventory observation for the BCC Fleet Parts took place on September 29, 2017. All parts are located at the Fleet maintenance facility in Groveland. We observed two teams inventorying the parts at the facility. As we observed the counts, we selected a random sample, recorded the amount on hand, and agreed the amounts to the year-end inventory listing. We agreed the amount of the final inventory listing to the amount recorded in the general ledger.

Lake EMS

The inventory observation for Lake EMS Medical Supplies, Fleet Parts, and Pharmacy Supplies took place on September 28, 2017. Inventory listings were provided the previous workday. The Lake EMS staff maintain well-organized inventories, which allowed us to observe the count of 100% of the inventory items listed for each location. We verified the totals on the final inventory listings.

Clerk of Courts Postage

The inventory reporting for the Clerk of Courts Postage took place at the end of work on September 29, 2017. The postage inventory consists of pre-paid postage stored on two Pitney Bowes postage machines located at the Judicial Center and the Mail Receiving Center. In addition to postage stored on each machine, the Clerk also maintains a reserve account with Pitney Bowes that can be used to replenish the postage available on the postage machines. Clerk staff provided a printout of the current meter reading tape from each machine and a report showing the reserve account balance. We agreed the total postage amounts to the amount recorded in the general ledger.

Supervisor of Elections Postage

The inventory observation for the Supervisor of Elections (SOE) Postage took place at the end of work on September 29, 2017. The postage inventory consists of pre-paid postage stored on one Pitney Bowes postage machine located at the SOE office and pre-paid postage in accounts with the United States Postal Service (USPS). We met with SOE staff to print the current meter reading tape from the postage machine and to acquire reports on the USPS account balances. We agreed the total postage amounts to the amount recorded in the general ledger.

BCC Fleet Fuel

The inventory observation for BCC Fleet Fuel took place on October 2, 2017 at the beginning of work. The fuel inventory consists of several gasoline and diesel fuel tanks located at four locations across the County: Astatula, Umatilla, Minneola, and Leesburg. We met with County staff, obtained the meter readings from the fuel pumps, and observed the measurement of the level of fuel in each tank. Using tables provided by the tank manufacturer, the measurements were converted into gallons and were used to calculate the ending fuel balance. The price per gallon used in calculating the ending balance was the average price per gallon paid for the month of September. We verified the calculations and agreed the final fuel balance to the amount recorded in the general ledger.

Overall Conclusion

We conclude that the inventories of BCC Fleet parts, Clerk of Courts postage, Supervisor of Elections postage, and BCC Fleet fuel are fairly presented in the County's accounting system. Management has deemed the inventory of Lake EMS to be immaterial as Lake EMS is now a blended component unit of the County.

Background

The inventories we observed aid the following departments and entities in the furtherance of their responsibilities.

Lake Emergency Medical Services (Lake EMS) – Fleet Parts, Medical Supplies & Pharmacy Supplies

Lake EMS is a not-for-profit, community-based EMS service formed by Lake County which provides emergency medical service and transportation of the sick and injured citizens and visitors of Lake County. The fleet parts inventory is used to keep the ambulances and other vehicles in good working order. The medical supplies are used to ensure the ambulances are adequately stocked to serve the sick and injured. In addition to the medical supplies, the pharmacy supplies inventory ensures that the ambulances are equipped with specific pharmaceuticals critical for the care of sick and injured patients.

Clerk of Courts – Postage Inventory

The Clerk of Courts provides centralized postal services for certain County entities. As part of this, the Clerk's Mail Receiving Center meters all outgoing mail for these entities. To accomplish this, two postage machines 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.

BCC Fleet - Fleet Parts Inventory and Fuel Inventory

The Office of Fleet Management of the Board of County Commissioners is responsible for comprehensive fleet operations, including the provision of fuel and repairs for County vehicles and equipment. To accomplish this, the office maintains an inventory of fleet parts for the repair of the vehicles and equipment. The office further maintains inventories of unleaded, diesel, and off-road diesel fuels.

OPPORTUNITIES FOR IMPROVEMENT

Our observations disclosed no policies, procedures, or practices that should be improved. Our observations were neither designed nor intended to be a detailed study of every relevant system, procedure, or transaction. Accordingly, Opportunities for Improvement may exist which were not identified during the course of our review.