



# 2022 Fixed Asset Inventory Verification

## Inspector General Department

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

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**Inspector General**

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**Report No. BCC – 214**  
**June 6, 2023**



**Inspector General Department**

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June 6, 2023

Board of County Commissioners

The 2022 Fixed Asset Inventory Verification of the County Offices is complete.

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

Respectfully submitted,

Terri W. Freeman  
Inspector General

cc: Gary J. Cooney, Clerk of the Circuit Court & Comptroller  
Jennifer Barker, County Manager  
Ron Falanga, Director, Office of Procurement Services  
Erikk Ross, Director, Office of Information Technology  
Joseph Blackwell, Director, Office of Fleet Management  
Eric LaFollette, Chief Information Officer, Clerk of the Circuit Court & Comptroller

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email [fwa@lakecountyclerk.org](mailto:fwa@lakecountyclerk.org)

# Scope and Objective

As scheduled in the Inspector General Audit Plan, the verification of fixed assets owned by the Board of County Commissioners (BCC) is complete.

The engagement objectives were to determine:

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

And, whether assets are:

- Present and accounted for in the financial records
- Protected from theft, abuse, and damage
- Used appropriately

The audit period included assets on the County Fixed Asset listing as of October 2022.

In order to meet the audit objective, a sample of 93 assets totaling \$481,550 from the Fleet and Information Technology departments was selected for verification.

# Overall Conclusion

The following observations confirm that controls are functioning as intended:

- a) Fixed asset management policies and procedures were up-to-date and aligned with Florida Statutes and Administrative Codes. (Compliance with rules & regulations)
- b) Eighty-six (92%) of 93 assets were observed in their assigned locations and the property or serial numbers affixed to them agreed with the inventory records. (Present and accounted for in the financial records)
- c) Ninety-one (98%) of 93 assets were appropriately secured. (Protected from theft, abuse, and damage)
- d) All the assets observed were being used for County purposes. (Used appropriately)

Opportunities for improvement are included in this report.

# 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.

The Office of Fleet Management provides the County with maintenance management, fuel services and support services to ensure that safe and cost-effective transportation and equipment are available.

The 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.

# Opportunities for Improvement

1. Seven assets (8%) of the 93 assets selected for observation, valued at \$51,300 (11% of total sample), were not in their assigned locations.

Four of the assets belonged to the BCC IT department and 3 of the assets belonged to the Office of Fleet Management. Upon further inquiry, it was found that all the assets had been discarded and were noted on annual physical inventory sheets but the proper documentation had not been submitted to the Procurement department to remove them from the inventory records.

There is a risk of incorrect records in FasGOV (i.e. the inventory record) and MUNIS (i.e. the General Ledger.)

## **BCC IT Agreed Upon Action Plan:**

- a) Submit the appropriate paperwork to remove the 4 assets.
- b) Begin tracking assets in the IT Service Desk Application.
- c) Develop a new application in conjunction with Procurement to better track assets for all BCC departments.

## **Target Completion Date:**

- a) Completed
- b) Completed
- c) Planning will start in approximately 6 months.

**BCC Fleet Agreed Upon Action Plan:** Complete the missing paperwork for the 3 assets.

**Target Completion Date:** Completed

**Procurement Agreed Upon Action Plan:** Procurement will check completed annual physical inventory sheets for items reported missing within 10 business days of submission and will work with departments to resolve missing items within 30 calendar days. Fixed Asset Specialist will notify Procurement Director of possible missed deadlines or other issues. New steps will be added to Procurement/Fixed Assets Standard Operating Procedures (SOP).

**Target Completion Date:** Completed

2. Two IT department assets (2%) of the total sample of 93 assets valued at \$13,672 (3% of total sample), verified during the 2022 Fixed Assets Verification were not adequately secured. The two assets are located in different IT rooms that were not locked. There is a risk of damage or theft of assets or staff could be wrongly accused of theft.

**BCC IT Agreed Upon Action Plan:**

- a) One asset is in a closet that is not able to be locked and in an area that is not accessible to the public without an employee accompanying them. A ladder is required to reach device. IT accepts the risk.
- b) One asset is located in a closet that doesn't lock properly. It is in a part of the building that is not accessible to the public. BCC IT will contact facilities about locking the door.

**Target Completion Date:** Completed

3. More than sixty days after fiscal year-end, Finance had not been able to add assets acquired in fiscal year 2022 to FasGov (i.e. inventory record) and reconcile them to Munis (i.e. General Ledger) because the Procurement department had not tagged the assets. There is a risk of incorrect records.

**Procurement Agreed Upon Action Plan:** Procurement will tag newly acquired assets within 10 business days of notification and will work with departments for tagging solutions before asset deployment into the field. Procurement will add asset location to the Fixed Asset Acquisition Form.

**Target Completion Date:** Completed

4. There is not a process for the tracking and disposal of non-tagable assets. There is a risk of damage or theft of assets or that staff could be wrongly accused of theft.

**Procurement Agreed Upon Action Plan:** Fixed Asset Manager will work with Fixed Asset Custodians to develop a SOP for tracking of non-tagable assets. Findings will be shared with Procurement Director within 60-days to develop methodology.

**Target Completion Date:** Completed