



AUDIT REPORT



DATE November 22, 2021

NO. 2021-008

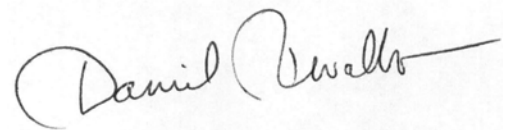
PUBLIC WORKS MAINTENANCE AND OPERATIONS
PUNTA GORDA YARD INVENTORY
YEAR END SEPTEMBER 30, 2021

INTERNAL AUDIT DIVISION
ROGER D. EATON
CLERK OF THE CIRCUIT COURT AND COUNTY COMPTROLLER
CHARLOTTE COUNTY FLORIDA

Honorable Roger D. Eaton
Charlotte County Clerk of the Circuit Court and Comptroller
350 East Marion Avenue
Punta Gorda, Florida 33950

We have completed an audit of the Public Works Maintenance and Operations yard inventory in Punta Gorda for the fiscal year ending September 30, 2021. The purpose of this audit was to ensure adequate controls exist and are operating effectively over the inventory process.

Respectfully submitted,

A handwritten signature in black ink that reads "Daniel Revallo". The signature is written in a cursive style with a long horizontal stroke at the end.

Daniel Revallo
Internal Audit Director

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EXECUTIVE SUMMARY

The Internal Audit Division has completed an audit of the Charlotte County, Public Works Division year-end physical inventory procedures. Specifically; Internal Audit observed the inventory procedures performed at the Punta Gorda (PG) yard for the Division's Maintenance and Operations (M&O) District for fiscal year-end, September 30, 2021.

The procedures performed and observations made by Internal Audit Division determined:

- the year-end physical inventory procedures are both adequate and effective;
- the parts and materials maintained are adequately safeguarded;
- the staff involved were both knowledgeable and professional;
- the duties performed by staff were appropriately segregated and consistent with policy; and
- the inventory activity was properly posted and accurately reported in the Eden general ledger.

The controls evaluated are considered adequate, appropriate, and effective to provide reasonable assurance that risks are being managed and objectives should be met.

BACKGROUND

The Public Works Division utilizes a skilled, engaged workforce to enhance the quality of life for the residents of Charlotte County by continually improving infrastructure and providing services in a cost-effective manner to meet the needs of the community.

The Division builds and maintains roadways, bridges, navigable waterways, stormwater infrastructure, traffic lights and signs, rights-of-ways and landscaping in the unincorporated areas of Charlotte County, all while protecting and preserving the environment.

Public Works also provides the County's solid waste management, including curbside service and operation of the County landfill, manages mosquito and aquatic weed control programs and operates the Indian Spring and Lieutenant Carl Bailey Cemeteries.

Inventory is maintained at three (3) separate locations: 1) the PG yard (in Punta Gorda), 2) the JB yard (in Port Charlotte) and 3) the San Casa yard (in Englewood). We observed the year-end physical inventory count procedures performed at the PG yard only.

Inventory for the Public Works Maintenance & Operation and Traffic, Signs and Marking are accounted for in the County's Transportation Trust Fund and valued at cost (average cost method).

Below are inventory levels maintained over the past three (3) fiscal years:

September 30, 2019 - \$572,564.58

September 30, 2020 - \$574,449.80

September 30, 2021 - \$549,348.76

AUDIT OBJECTIVES

1. Observe the year-end inventory counts and evaluate the adequacy and effectiveness of internal controls over the inventory process.
2. Determine that adequate segregation of duties exists in the year-end inventory process.
3. Ensure that inventory assets are properly safeguarded.
4. Ascertain that the final inventory reconciliation is accurate and the general ledger is properly updated.

SCOPE AND METHODOLOGY

Internal Audit selected the Public Works Punta Gorda Maintenance & Operations Yard for observation of the year-end, physical inventory count process. We observed the designated Fiscal Services Division and Public Works staff conduct their physical inventory count for the M&O PG Yard on September 29, 2021, for fiscal year end September 30, 2021.

This observation enabled us to determine that the procedures performed and controls in place are both adequate and consistent with those documented, inventory is properly safeguarded, and proper segregation of duties exist in the year-end inventory process.

Internal Audit also performed independent test counts of twenty (20) inventory items, at minimum, and compared these counts to the final counts determined by the Fiscal Services Division and Public Works staff. Test counts were selected, at random, from the InfoView EAMS Parts Inventory reports, as well as from inventory items observed onsite.

We also obtained the final inventory adjustment and reconciliation from the Fiscal Services Division to ensure the count discrepancies identified during the physical inventory count process were properly adjusted, to ensure the Eden Financial System reflects the proper inventory balance at fiscal year-end, September 30, 2021.

CONCLUSION

Controls evaluated are considered adequate, appropriate, and effective to provide reasonable assurance that risks are being managed and objectives should be met.

ACKNOWLEDGEMENT

We would like to thank the County's Public Works and Fiscal Services Divisions, as well as the Comptroller's Finance Division for their assistance in the completion of this audit.

Audit performed by:

Misti Payette

Internal Auditor II

Charlotte County Clerk of Court and Comptroller

