



AUDIT REPORT



To preserve the public trust as guardians of the people's records and assets

DATE February 23, 2026

NO. 2026-002

PUBLIC WORKS

J.B. YARD INVENTORY

YEAR END SEPTEMBER 30, 2025

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



ROGER D. EATON
Clerk of the Circuit Court and County Comptroller

350 E. Marion Ave. Punta Gorda, FL 33950 • 941.505.4716

To: The Honorable Roger D. Eaton, Charlotte County Clerk of the Circuit Court and County Comptroller

From: Dan Revallo, Internal Audit Director

Date: February 23, 2026

Subject: Public Works J.B. Yard Inventory Year End September 30, 2025

Honorable Clerk Eaton,

The Internal Audit Division has completed an audit of the Charlotte County Public Works - J.B Yard Inventory Year End September 30, 2025. Misti Payette Internal Auditor II conducted this review.

We would like to thank client management and staff for their cooperation and assistance in the completion of this audit.

The report will be posted to the Clerk of Courts website, charlotteclerk.com, under Internal Audit, Audit Reports. A link to this report has been sent to the appropriate parties.

Should you have any questions, please do not hesitate to contact me.

Sincerely,

Dan Revallo, CIA, CFE
Internal Audit Director
Charlotte County Clerk of the Circuit Court and County Comptroller

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EXECUTIVE SUMMARY

The Internal Audit Division completed an audit of the Charlotte County, Public Works Department's physical inventory procedures. Specifically; Internal Audit observed the procedures performed at the Department's Maintenance & Operations – J.B. Yard. The Maintenance & Operations (M&O) Division is dedicated to sustaining the Charlotte County roadways and right-of-ways.

The Public Works Department's physical inventory procedures are generally performed on or near the County's fiscal year end, September 30th, each year. These procedures were performed on September 24-25, 2025.

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

- the year-end physical inventory procedures observed appear both adequate and effective;
- the parts and materials maintained appear adequately safeguarded;
- the duties performed by staff were appropriately segregated and consistent with policy; and
- the Enterprise ERP (Munis) general ledger was not properly adjusted at year-end.

Control weaknesses were identified; generally however, controls evaluated were adequate, appropriate, and effective to provide reasonable assurance that risks are being managed and objectives should be met.

Based upon the results of our audit, we offer a summary of recommendations. These recommendations are discussed in detail later in this report:

1. **We recommend** management implement standardized, timely reconciliation procedures as well as provide additional staff training and management oversight to ensure timely and accurate reconciliation practices and financial reporting going forward.

BACKGROUND

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

The Public Works Department 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 while protecting and preserving the environment.

The Department further provides 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.

The Maintenance and Operations (M&O) Division of the Public Works Department is dedicated to sustaining Charlotte County's roadways and right-of-ways. M&O inventory is maintained at three (3)

locations: 1) the PG yard in Punta Gorda, 2) the J.B. yard in Port Charlotte, and 3) the San Casa yard in Englewood.

The Public Works facility has been referred to as the “J.B. Yard” in honor of James M. Buonaguro, from Massapequa, New York, who tragically passed away in 1979 while on the job.

Inventory for the Public Works Maintenance & Operation and Traffic, Signs and Marking are accounted for in the County’s *Transportation Trust Fund* within the Enterprise ERP (Munis) general ledger, and valued at cost using the average cost method. The Enterprise ERP (Munis) software is designed to manage public sector financials, human resources, payroll, procurement, and citizen services, etc.

The Fiscal Services Division performs test count procedures and reconciles inventory between CityWorks, the County’s asset management system, and the Enterprise ERP (Munis) general ledger semi-annually. These procedures are performed at mid and fiscal year end, September 30.

Below are the combined inventory levels maintained for the M&O Division and the Traffic, Signs & Marking shop in the County’s *Transportation Trust Fund*:

- September 30, 2023 \$1,916,113
- September 30, 2024 \$2,287,424
- September 30, 2025 \$2,058,795*

*unadjusted balance

AUDIT OBJECTIVES

1. Observe the year-end physical 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 physical 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 adjusted.

SCOPE AND METHODOLOGY

Internal Audit observed the Public Works, Maintenance & Operations (M&O) Division year-end physical inventory procedures performed at the J.B. Yard in Port Charlotte on September 24, 2025.

While onsite, Internal Audit also performed independent test counts. Test counts were selected, at random, from the count sheet prepared as well as from the physical inventory found onsite at the M&O Yard.

Internal Audit also requested the Public Works, M&O Division Inventory Reconciliation for fiscal year-ended September 30, 2025, prepared by the Fiscal Services Division, to determine if the Enterprise ERP (Munis) general ledger was properly adjusted for the inventory discrepancies identified during the year-end physical inventory procedures.

COMMENTS AND RECOMMENDATIONS

1. Fiscal Services staff were unable to reconcile the Maintenance & Operations (M&O) Yard Inventory within a timely manner.

Fiscal Services staff were unable to reconcile the Public Works, M&O Yards inventory within a timely manner. Due to own admission, the Fiscal Services Accountant didn't know how to perform the reconciliation and didn't have a supervisor who was able to assist in this process. As a result, Internal Audit provided a prior years' reconciliation, prepared by a former, Fiscal Services Accountant, for reference purposes, on October 20, 2025.

Multiple revisions were provided by the Fiscal Services Accountant with supporting documentation missing and/or incomplete. A final revision was provided on 1/9/2026 and reflects an "unreconcilable difference" of \$331,334.09.

As a result, the Enterprise ERP (Munis) general ledger was not properly adjusted at fiscal year-end 9/30/2025 for the M&O Yards Inventory, and per the final revision, is understated by \$331,334.09. An adjustment was recorded by Fiscal Services on 1/8/2026, within fiscal year 2026.

The offset for the adjustment was made to the Traffic, Signs and Marking (TSM) inventory asset for (\$214,158.04) and Signs Materials expense for (\$117,176.05). This would indicate these accounts were overstated at fiscal year-end September 30, 2025.

These conditions may suggest unreliable inventory balances, and create an increased risk of additional undetected errors, misstatements, and/or fraud, etc.

We recommend management implement standardized, timely reconciliation procedures as well as provide additional staff training and management oversight to ensure timely and accurate reconciliation practices and financial reporting going forward.

CONCLUSION

Control weaknesses were identified; generally however, controls evaluated were 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 Department; specifically, the Maintenance and Operations Division, the Fiscal Services Division, as well as the Comptroller's Finance Division for their assistance in the completion of this audit.

Audit performed by:

Misti Payette, CIA, CRMA, CGAP

Internal Auditor II

Charlotte County Clerk of Court and Comptroller



MEMORANDUM

Date: January 28, 2026

To: Dan Revallo, Internal Audit Director

From: Richard Arthur, Fiscal Services Manager 

CC: Gordon Burger, Director of Budget and Administrative Services
Francie Lisby, Assistant Budget Director
Tara Brady, Strategic County Assets Manager

Subject: Responses to Internal Audit on Year End Inventory Audit – Public Works

Please find below the list of recommendations from your department and the response from the Board.

1. We recommend management implement standardized, timely reconciliation procedures as well as provide additional staff training and management oversight to ensure timely and accurate reconciliation practices and financial reporting going forward.

Response: Fiscal Services agrees with the recommendations. Measures have already been taken to ensure that inventory reconciliations are completed in a timely and accurate manner going forward. Additionally, the County will continue efforts to train staff on the proper and timely use of CityWorks to ensure materials are issued and billed appropriately, which will help reduce inventory discrepancies in future years.



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