



AUDIT REPORT



DATE December 23, 2019

NO. 2019-014

FLEET MANAGEMENT

JB YARD FUEL INVENTORY

FISCAL YEAR END

SEPTEMBER 30, 2019

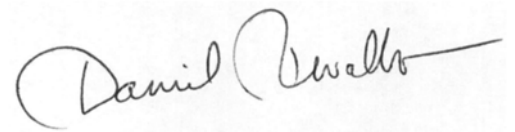
INTERNAL AUDIT DIVISION
ROGER D. EATON
CLERK OF THE CIRCUIT COURT AND COUNTY COMPTROLLER
CHARLOTTE COUNTY FLORIDA

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 Fleet Management fuel inventory process for the fiscal year ending September 30, 2019. The purpose of this audit was to ensure adequate controls exist and are operating effectively over the inventory process.

In addition, this report follows up on the original management responses provided for the prior year. Follow-up was accomplished thru inquiries and observations of evidence performed during the course of audit work.

Respectfully submitted,

A handwritten signature in black ink that reads "Daniel Revallo". The signature is written in a cursive style with a long horizontal line extending to the right.

Daniel Revallo
Internal Audit Director

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EXECUTIVE SUMMARY

Internal Audit has completed a review of Fleet Management year-end fuel inventory process. Our review determined that controls were adequate in performing and recording the inventory. Our review also determined that inventory activity was properly posted to and accurately reported in the General Ledger.

BACKGROUND

Fleet Management (Fleet) is a division of Charlotte County's Budget/Administrative Services. Fleet provides centralized fleet management for approximately 1300 pieces of equipment. This includes repair/maintenance and the purchasing and disposal of all replaced or obsolete equipment. Fleet also manages the County's fueling program and provides unleaded and diesel fuel at two locations in the County, one in Port Charlotte (JB Yard) and a second in Punta Gorda (Punta Gorda Yard).

Fiscal Services, under the County Budget/Fiscal & Administrative Services Department, performs a year-end inventory count at the last day of the County's fiscal year. The results of the physical count are compared to the inventory balances carried on the Department's fuel system as reported in the EDEN General Ledger.

AUDIT OBJECTIVES

Our review was based on the following objectives:

1. Observe Fleet's year-end fuel inventory count and evaluate the adequacy and effectiveness of internal controls and procedures over the inventory process.
2. Determine that adequate segregation of duties exists in daily operations and the year-end inventory process.
3. Ensure that the fuel inventory is properly safeguarded.
4. Ascertain that the final inventory reconciliation is accurate and that the general ledger is properly updated.

SCOPE

We selected the fiscal year ending September 30, 2019 and focused on the year-end inventory process. Internal Audit observed Fleet/Fiscal Services conducting the fuel inventory count at the JB Yard. We verified the counts of the three fuel tanks and compared the test results with Fleet's results. This enabled us to observe that proper procedures and controls were being followed in the final physical inventory count and that the results from the counts agreed to the Inventory Report from Fleet's fuel system.

FOLLOW UP ON PRIOR YEAR AUDIT COMMENTS

As part of our Fiscal Year End 2019 Fuel Inventory Audit, we also followed up on comments and recommendations reported in our Fleet Management - JB Yard Fuel Inventory audit report issued on February 21, 2019 for Fiscal Year End 2018. The results to those comments/recommendations are as follows:

1. **We recommend** that Fiscal Services, as part of the duties related to the fuel physical inventory counts, incorporate a control activity requiring that the value of the fuel inventory in EDEN be compared with the results of the physical inventory count. If differences are found, they should be investigated and the book value of inventory adjusted to reflect the results of the physical count.

Status: Corrective Action Implemented.

CONCLUSION

Our review determined that the year-end inventory count process is adequate and effective. Duties are segregated and the inventory is adequately safeguarded. The final inventory reconciliations were reviewed and agreed with ending balances in the Eden General Ledger.

ACKNOWLEDGEMENT

We would like to thank Charlotte County Fleet Management, Fiscal Services, and the Clerk Comptroller's Office for their assistance in the completion of this audit.

Audit performed by:

Amy R. Grant

Internal Auditor

Charlotte County Clerk of Courts and Comptroller

