



**Clerk of the Circuit Court**  
**Board of County Commissioners**  
Marion County  
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**Internal Audit Division**

**David R. Ellspermann**

*Clerk of the Circuit Court*

**Wallace K. Watford**

*Internal Auditor*

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**MEMORANDUM**

TO: Patrick G. Howard, County Administrator  
Janet Y. Tutt, Deputy County Administrator

FROM: David R. Ellspermann, Clerk of the Circuit Court

DATE: November 21, 2003

RE: OPERATING PARTS AND SUPPLIES INVENTORIES-FY 2003

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Marion County conducted its second formal year-end physical inventory of significant operating parts and supplies. Included were the fleet repair operating parts and supplies of the Fleet Management Department and the Fire Rescue Services Department, the water and wastewater operating parts and supplies of the Utilities Department, and the aviation fuel at Dunnellon/Marion County Airport. The value of these inventories will be recorded as assets in the County's official financial records at September 30, 2003.

Department management is responsible for the daily control and usage of its inventories. The four departments took appropriate actions to plan and perform the physical counting, pricing and valuation of the respective inventories. We commend each department for their actions and attention to this matter.

The Internal Audit Division has completed its related audit activities. We have concluded that the departmental inventories (see attached) are properly stated in all material respects. Internal Audit performed certain tests and activities to provide the basis for this conclusion.

With regard to Fleet Management and Fire Rescue, Internal Audit worked with department management during the planning stages and was on site to observe during the entirety of the physical counts. Such observation included the performance of test counts and other procedures to determine whether counts were accurately taken. In addition, other audit tests were subsequently performed to confirm the accuracy of the inventory valuations and adjustments to perpetual inventory records. Internal Audit did not observe the physical counts of the parts and supplies of the Utilities Department or the aviation fuel at Dunnellon/Marion County Airport. To reach our conclusion, we discussed with department personnel the counting procedures and valuation methods of the inventory. This was followed by certain audit tests to confirm the reasonableness of quantities and the accuracy of the respective inventory valuations.

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## OPERATING PARTS AND SUPPLIES INVENTORIES-FY 2003

These departments should continue to conduct physical inventories at least at every fiscal year end. Internal Audit will work through County Administration to identify any other department with sufficient operating inventories to be included in the FY 2004 physical inventory.

This review was performed by Wallace Watford, Internal Auditor, and Sachiko Leon, Staff Auditor. We would like to express our appreciation to the management and staff of the above departments for their cooperation and assistance in the conduct of our review activities.

### Attachment

c: M. Stuart McElhaney, Life Safety Services Bureau Chief  
W. Clyde Colley, Fleet Management Director  
Vincent M. Riccobono, Utilities Director  
John W. Garri, Finance Director

OPERATING PARTS AND SUPPLIES INVENTORIES-FY 2003

MARION COUNTY  
VALUATION OF INVENTORIES  
SEPTEMBER 30, 2003

Fleet Management Department:

Vehicle Repair Parts	\$131,251.08
Fuel-Gas and Diesel	<u>34,543.10</u>
Total Department	<u>\$165,794.18</u>

Fire/Rescue Department, Fleet Repair Facility:

Vehicle Repair Parts	<u>\$126,740.20</u>
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Marion County Utilities Department:

Operating Supplies-Water	\$ 68,888.15
Operating Supplies-Wastewater	<u>2,052.70</u>
Total Department	<u>\$ 70,940.85</u>

Marion County/Dunnellon Airport

Fuel-Aviation	<u>\$ 10,573.56</u>
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TOTAL ALL INVENTORIES \$374,048.79