



Operating Parts and Supplies Inventories – FY 2021

Report No. 2021-12

Presented To:

The Honorable Board of County Commissioners
Mounir Bouyounes, County Administrator

December 13, 2021

Issued By:

Gregory C. Harrell, Clerk of Court and Comptroller
Sachiko Horikawa, CPA, CIA, CISA, CRMA, Internal Audit Director

ENGAGEMENT TEAM

Heather Ewing, CIA, CFE, Internal Audit Manager
Aracelis Maldonado, Auditor

EXECUTIVE SUMMARY

Marion County (County) conducted its annual year-end physical inventory of significant operating parts and supplies, the result of which is summarized in the table below. We performed an audit of the inventory values presented by each department listed below to provide reasonable assurance that these values are free of material misstatements. These inventory values will be recorded as assets as of September 30, 2021, in the County's Annual Comprehensive Financial Report (ACFR). **Our opinion** is that the departmental inventories are fairly stated in all material respects.

OPERATING INVENTORIES ON HAND AS OF SEPTEMBER 30, 2020		
Department	Type of Inventory	Value
Facilities	Main Warehouse	\$ 86,635
	Jail Warehouse	\$ 215,339
		\$ 301,974
Fire Rescue Services	EMS Supplies	\$ 971,517
Fleet Management	Vehicle Repair Parts	\$ 110,220
	Vehicle Fuel	\$ 250,210
		\$ 360,430
Marion County Airport	Aviation Fuel	\$ 33,688
Office of County Engineer	Materials/Supplies-Roads	\$ 364,195
	Materials/Supplies-Traffic	\$ 910,138
		\$ 1,274,333
Utilities	Water Parts/Chemicals	\$ 727,130
	Wastewater/Chemicals	\$ 7,881
		\$ 735,011
TOTAL INVENTORY VALUE		\$ 3,676,953

OBJECTIVE

The objective was to verify that sufficient internal controls exist in each reporting unit to ensure accurate and timely reporting of the inventory values.

SCOPE AND OUR APPROACH

Our scope was to audit the operating supplies and materials inventories on hand of the following departments as of September 30, 2021.

- Fire Rescue Services Department - EMS supplies
- Fleet Management Department - vehicle repair parts and vehicle fuel
- Marion County Airport - aviation fuel
- Office of the County Engineer - operating materials and supplies of Roads and Traffic Divisions
- Utilities Department - water and wastewater operating parts and chemicals
- Facilities - operating supplies of Main Warehouse and Jail Warehouse

Management is responsible for the daily control, usage, and reporting of their departmental inventories. Each department took appropriate actions to plan and perform the physical counts, pricing, and provided valuation of the respective inventories.

We worked with departmental management during the planning stage and confirmed the counting procedures and valuation methods of each inventory process. During our observations of the physical counts, we performed test counts and other procedures to determine the accuracy of the counts. We also performed other audit tests subsequently to verify the accuracy of the reported inventory values.

Our on-site observations did not include the following areas:

- The fuel readings of the Fleet Department and Marion County Airport. We relied on the readings from the fuel systems and relevant transaction reports.
- Physical counts of the materials and supplies at the Roads Division of the Office of County Engineer. The Division performed the physical counts at earlier dates and adjusted for subsequent transactions to arrive at the final inventory value.
- Physical count of the chemicals at the Utilities Department. We relied on the physical counts taken by the department.

RESULT

It is our opinion that the inventory process established by each department was effective and that the departmental inventories are fairly stated in all material respects. We may report to the department management in separate informational memoranda of certain matters we noted during our activities to assist in the planning, valuation, and conducting of next fiscal year's physical inventory.

ACKNOWLEDGMENT

We would like to express our appreciation to the management and staff of the departments for their cooperation and assistance.

REPORT DISTRIBUTION LIST

Name	Position Title
The Honorable Craig Curry	District 1 Commissioner, Vice Chairman
The Honorable Kathy Bryant	District 2 Commissioner
The Honorable Jeff Gold	District 3 Commissioner
The Honorable Carl Zalak III	District 4 Commissioner, Chairman
The Honorable Michelle Stone	District 5 Commissioner
Mounir Bouyounes	County Administrator
Jennifer Cole	Finance Director
Angel Roussel	Assistant County Administrator - Public & Environmental Services
Tracy Straub	Assistant County Administrator - Public Works & Growth Services
Michael McCain	Executive Director - Internal Services
Elton Holland	County Engineer
James Banta	Fire Chief
Mark Williams	Fleet Director
James Couillard	Parks and Recreation Director
Jody Kirkman	Office of Environmental Services Director
Jared Goodspeed	Facilities Management Director