



OPERATING PARTS AND SUPPLIES INVENTORIES – FY 2019

REPORT NO. 2019-11

Presented To

The Honorable Board of Marion County Commissioners
Mounir Bouyounes, County Administrator

December 30, 2019

Issued By:

David R. Ellspermann, Clerk of the Circuit Court and Comptroller
Sachiko H. León, Internal Audit Director

Engagement Team:

Auditor-In-Charge
Heather Ewing, CIA, Internal Audit Manager

Audit Staff
Aracelis Maldonado, Auditor
Andrew Gibb, Auditor

Inventory Observations Assisted By
Gregg McCarthy, Accountant I (Finance)
John McLeod, Senior Accounting Clerk (Finance)

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, 2019, in the County's Comprehensive Annual Financial Report (CAFR). **Our opinion** is that the departmental inventories are fairly stated in all material respects.

OPERATING INVENTORIES ON HAND AS OF SEPTEMBER 30, 2019		
Department	Type of Inventory	Value
Fleet	Vehicle Repair Parts	\$ 77,903
	Vehicle Fuel	\$ 231,521
		\$ 309,424
Fire Rescue	EMS Supplies	\$ 912,147
Utilities	Water Parts/Chemicals	\$ 737,511
	Wastewater/Chemicals	\$ 4,699
		\$ 742,210
Office of County Engineer	Materials/Supplies-Roads	\$ 459,934
	Materials/Supplies-Traffic	\$ 734,871
		\$ 1,194,805
Marion County Airport	Aviation Fuel	\$ 30,458
TOTAL INVENTORY VALUE		\$ 3,189,044

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, 2019.

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

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 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 and Finance for their cooperation and assistance.

Report Distribution List

Name	Position Title
The Honorable Kathy Bryant	Chairman of the Board of County Commissioners
The Honorable Jeff Gold	Vice Chair of the Board of County Commissioners
The Honorable David Moore	District 1 Commissioner
The Honorable Carl Zalak	District 4 Commissioner
The Honorable Michelle Stone	District 5 Commissioner
Mounir Bouyounes	County Administrator
Jennifer Cole	Finance Director
Angel Roussel	Assistant County Administrator-Public Works
Tracy Straub	County Engineer
James Banta	Fire Chief
Mark Williams	Fleet Director
James Couillard	Parks and Recreation Director
Jody Kirkman	Office of Environmental Services Director
Mike Grawe	Airport Manager