

Board of County Commissioners

Machinery & Equipment Audit

November, 2005



**Report by
Internal Audit Division
Clerk of the Circuit Court**

Betty Strifler
Clerk of the Circuit Court
Citrus County



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November 30, 2005

The Honorable Betty Strifler
Clerk of the Circuit Court

Dear Mrs. Strifler:

I have completed the Board of County Commissioners' Machinery & Equipment (ME) Audit. The purpose of this audit was to evaluate the controls relative to acquiring, disposing, tracking movement, and recording the County's fixed assets.

The audit period covered October 1, 2003 through September 30, 2005. Several items beyond the scope of the audit period that were reviewed are included. Discussion points regarding this audit are listed, along with Recommendations for Improvement, and Management's responses. Other minor matters were noted, but have no material effect on operations.

I appreciate the excellent cooperation and assistance provided by the Fixed Assets Clerk, the Finance Division, and other County staff during the course of this audit.

Brenda Fontenot
Internal Auditor

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EXHIBIT A - Finance Director's Audit Response, Memorandum dated January 13, 2006

EXHIBIT B - Asset Activity Form

EXHIBIT C - Assistant County Administrator's Memorandum, dated January 25, 2006

EXHIBIT D - Clerk of the Circuit Court's Letter, dated January 31, 2006

EXHIBIT E - Assistant County Administrator's Memorandum, dated February 6, 2006

ABBREVIATIONS

AED - Automatic External Defibrillator

AG - Auditor General

BOCC - Board of County Commissioners

FAC - Fixed Asset Clerk

FS - Florida Statute

ME - Machinery & Equipment

P & R - Parks & Recreation

SM - Systems Management

TP - Transfer of Property

VFD - Volunteer Fire Department

BOARD OF COUNTY COMMISSIONERS MACHINERY & EQUIPMENT AUDIT

EXECUTIVE SUMMARY

I have conducted the Board of County Commissioners' (BOCC) Machinery and Equipment (ME) audit, which included reviewing County policies and procedures, asset records and reports, and assessing internal controls over the asset management.

The Fixed Asset Clerk (FAC) maintains a reasonably accurate asset database and performs a thorough inventory audit to verify the existence of assets. However, non-compliance by numerous departments of the procedures required by the Rules of the Auditor General, Florida Statutes, and County policy has resulted in the 2005 inventory audit listing approximately \$523,000 of unlocated property. Of this amount, 71 assets valued at approximately \$102,000 have been unlocated from 3 – 8 years. Because key asset management controls have been bypassed, it cannot be determined whether any of the unlocated assets were misappropriated.

To mitigate non-compliance issues and strengthen asset management, mandatory training is recommended for all asset custodians.

Additional discussion points and recommendations for improvement are presented in this report.

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BACKGROUND

On September 30, 2005, Citrus County's capital assets--consisting of land, buildings, improvements other than buildings, machinery and equipment--totaled \$192,892,699.91. Of that total, machinery and equipment capital assets comprised \$58,587,944.74. Adequate property records must be maintained for capital assets with a value of \$1,000 or more, and an expected life of one year or more. County policy and procedures, Florida Statute (FS) 274.02, and Rules of the Auditor General (AG), Chapter 10.400, provide controls and accountability for tangible personal property owned by local governments.

Responsibility for property control includes the following:

1. County Department's Property Custodian(s)
 - a. Assigned responsibility for the safekeeping, appropriate use, and record keeping of the property.
 - b. Ensures all property is marked with asset tag or other approved method.
 - c. Reports all property acquisitions, transfers, changes of location, and dispositions to FAC in Finance Division.
 - d. Coordinates and facilitates annual physical inventory with the Finance Division FAC.

2. Finance Division – Fixed Asset Clerk
 - a. Annually performs a complete physical inventory of the County's fixed assets.
 - b. Issues asset identification tags to Property Custodians.
 - c. Maintains capital asset database.
 - d. Reconciles annual inventory results with the capital asset database.
 - e. Prepares and disseminates inventory discrepancy reports to departmental custodians for review and reconciliation.

3. Department Directors
 - a. Approve property transfers to other departments, to auction, or dispositions.
 - b. Acknowledge receipt of property transferred from another department.
 - c. Submit requests to BOCC approval agenda for property dispositions, which include:
 - i. Items to be sold at auction.
 - ii. Items that have been cannibalized and parts used to repair or create a new asset.
 - iii. Lost, stolen, or damaged items.

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OBJECTIVES

The objectives of this audit were to:

1. Determine that property records are maintained in accordance with the Rules of the AG, Florida Statute, Citrus County policies and administrative memoranda.
2. Determine that ME acquisitions are handled in accordance with Citrus County purchasing policies and are properly inventoried.
3. Determine that ME dispositions, transfers, and surplus property are handled in accordance with Florida Statutes, Rules of the AG, and Citrus County policies.
4. Determine that an annual physical inventory was taken in accordance with the Rules of the AG and Florida Statute (FS).
5. Determine whether ME assets are properly recorded at cost/valuation, and net book value reconciles to financial statements.

The audit is a tool to assist management in the evaluation of the organization's internal controls, established policies, procedures, and operations. This audit is not designed to appraise the performance of management.

SCOPE AND METHODOLOGY

The audit period covered October 1, 2003 through September 30, 2005. To accomplish audit objectives 1 - 4, auditing procedures included random sampling of assets recorded in the Fixed Assets database as of May 30, 2005 to test for compliance with Florida Statutes and Rules of the AG. Invoices and purchase orders of randomly sampled assets acquired during the audit period were reviewed to test for compliance with County purchasing policies and procedures. Property transfer forms and BOCC Agenda Memoranda were inspected to determine degree of compliance and completeness of the asset disposition/transfer process. Selected assets were physically located by the Auditor to determine existence, in addition to reviewing the results of the FAC's annual inventory completed on September 28, 2005. Data records in the Office of Systems Management (OSM) Centralized Data Management program were compared with records in the Fixed Assets database to determine accuracy and completeness. To accomplish objective 5, randomly selected departmental totals on the 2004 year-end asset inventory reports were compared with the Governmental Assets Reconciliation Report prepared by the Assistant Finance Director to determine that asset values reconciled with financial statements.

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DISCUSSION POINTS & RECOMMENDATIONS FOR IMPROVEMENTS

1. An opportunity exists for asset management training on a County-wide level.

Approximately 250 County assets were randomly sampled to verify the assets' existence by either physical observation by the auditor or reviewing the FAC's annual inventory audit records for FY 2005. Exceptions of the testing results are summarized below:

DEPARTMENT NUMBER	DEPARTMENT NAME	TOTAL ASSETS SAMPLED	ASSETS MISSING	ASSET TAG MISSING	TRANSFERRED/ DISPOSED - NO PAPERWORK
2102	Jail	5	1		1
2107	Human Resources	9		1	
2110	Tourist Development	4			1
2150	Systems Management	26	2	4	2
2670	Facilities Maintenance	12		1	
3200	Fire Administration	21	6		9
3202	Fire Services	3			1
3206	Fire Services	1	1		
3207	Fire Services	1		1	
3208	Fire Services	4		2	
3209	Fire Services	6			2
3210	Fire Services	4	2		
3215	Fire Services	5	2		1
3340	Public Safety	3	1		2
4103	Dept. Public Works Admin.	2		1	
4150	Fleet Management	4	1		
5106	Animal Control	4	2	1	
5212	Landfill	15	2		1
6210	Central Ridge Library	13			1
7203	Support Services	14		7	
9000	Public Utilities	14	1	2	

An additional 45 assets were sampled to determine that acquisitions were handled in accordance with purchasing policies and were properly inventoried (Objective 2).

The 45 sampled assets were acquired in accordance with County purchasing policies. The exceptions to determine if the assets were properly inventoried are summarized below:

DEPARTMENT NUMBER	DEPARTMENT NAME	TOTAL ASSETS SAMPLED	ASSETS MISSING	ASSET TAG MISSING	TRANSFERRED/ DISPOSED - NO PAPERWORK
3200	Fire Administration	9	1		6
5106	Animal Control	2		1	
5212	Landfill	4			1
6210	Central Ridge Library	3			1
6400 ¹	Utilities Regulatory Office	1	1		
8225	Citrus Springs Community Center	1	1		
9000	Public Utilities	4			1

¹ The asset was not available at the time the FAC performed the audit for Dept. 6400.

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A review of the FAC's inventory reports as of September 28, 2005, by department, resulted in the following observations:

- a. Asset locations were incorrect.
- b. Asset tags were missing.
- c. Asset tag numbers were incorrect.
- d. FAC located assets that were not in the database.
- e. An asset that was to be recycled was still being used.
- f. FAC had not been notified that assets had been transferred to auction.
- g. A diesel tank roofer, recorded as Asset 16188, had never been constructed.
- h. A flashing beacon, Asset # 03316, valued at \$9,700, had been changed to a 6-phase traffic signal valued at \$85,000. The supporting documentation, requested several times by the FAC, has not been received.
- i. A traffic signal, Asset #10029, valued at \$28,000, had been changed to a 6-phase traffic signal valued at \$75,000. The supporting documentation, requested several times by the FAC, has not been received.
- j. The County license plate was missing on Asset # 20155, a 10' trailer, located at the Beverly Hills Volunteer Fire Department. To date, the plate has not been located, and a Sheriff's report has not been submitted to report the lost tag.

Assets that have been acquired, disposed, or improved must be reported to the FAC in order to maintain an accurate database. Inaccurate or missing information causes the County's financial statements to be overstated or understated.

Risk Management relies on the FAC's property database to determine insured values for County assets. Failure to report asset activity could expose the County to financial loss.

RECOMMENDATION:

1. Property custodians should attend mandatory asset management training conducted by the Clerk's Finance Division. Upon completion, information should be disseminated to those employees who must possess an understanding of reporting location changes, damaged property, lost property, etc.

BOCC Management Response:

Management is in full agreement that asset management training is a key element in the processes relative to the acquisition, disposal, tracking movements and recording of fixed assets. This training has traditionally been performed by the Clerk's Finance Division. I do not believe County staff has received any formal training in this subject area for several years or more. With the number of personnel changes that occur on a regular basis in County government, management would suggest training on an annual basis and further would herein request that a training session be scheduled through the County's Office of Human Resources as soon as practicable for all custodians of fixed assets as well as their supervisors.

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FINANCE DEPARTMENT RESPONSE: (as extracted from Memorandum from Finance Director, dated January 13, 2006, EXHIBIT A)

The Finance Department has provided instruction and training to County employees regarding proper asset reporting procedures in the past. The Tangible Property Procedures manual is also available on the intranet. Finance is committed to providing capital asset procedures training annually. We have already scheduled sessions for March 27 and 30, 2006. Training will include a review of applicable rules, regulations, statutes and procedures governing capital assets, as well as detailed instructions for completing the new consolidated Asset Activity Form (EXHIBIT B).

2. Custodians should notify the FAC of all property acquisitions, transfers, deletions, and provide supporting documentation (invoices and project spreadsheets) to ensure that all asset activity is properly recorded.

BOCC Management Response:

Asset activity and its importance should be emphasized at each training session. The FAC is encouraged to notify the custodian's Department Head in writing when asset activity is not being properly recorded. This will ensure that an immediate investigation will commence so that the deficiency can be remedied and the custodian be held accountable.

3. In accordance with the Rules of the Auditor General, 10.460(1), assets should be permanently marked, if practicable. When asset tags are not practical for a particular piece of property, other methods should be used, i.e., stenciling, engraving, metal tags, steel dies, etc. Proper tagging establishes County ownership and facilitates the inventory process.

BOCC Management Response:

Asset tagging/marking is another excellent topic for the training session. The FAC is again encouraged to report deficiencies in this area directly to the Department Head of the custodian. This will ensure that an immediate investigation will commence so that the deficiency can be remedied and the custodian be held accountable.

FINANCE DEPARTMENT RESPONSE:

It is, and has always been, the policy of the Finance Department to affix an asset tag to all capital assets when practicable. An audit finding of an undisclosed number of occasions where asset tags were missing or incorrect indicates that our continued vigilance toward this end is necessary.

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2. Smoking has occurred in County vehicles.

According to the Citrus County Employee Handbook, Section 22 (5), Use of County Vehicles/Property, smoking is prohibited in all County vehicles that are not designated as a “take-home” vehicle assigned to a specific individual.

While verifying assets, it was noted that employees had been smoking in Vehicle 20073, Vehicle 20018, and Vehicle 9312.

RECOMMENDATION:

1. Management should ensure that employees comply with Citrus County Employee Handbook, Section 22 (5).

BOCC Management Response:

If it is believed that the reporting of violations of County Policy is a function of the Fixed Asset Clerk (FAC), management would appreciate a more timely report on non-compliance. Immediate reporting of the alleged violation would allow for a more expeditious investigation into the matter. As in this case, non-take home vehicles are often shared and/or assigned to different employees daily, and the after the fact report has made it difficult at best to determine an offender. A reminder of the County Policy has been sent to the affected Divisions.

AUDITOR’S RESPONSE:

The noncompliance of County Policy was determined by the Auditor while conducting field work.

3. Systems Management inventory database and FAC’S database do not reconcile.

A review of the FAC’s inventory records and the inventory database provided by Systems Management disclosed inaccurate information. The discrepancies included missing serial numbers, inaccurate serial numbers, missing asset numbers, asset numbers affixed to wrong assets, and inaccurate locations.

During the audit, Systems Management implemented a Centralized Data Management (CDM) program, which utilizes a bar code system for tracking computer assets and components, tracks software licenses, and schedules computer maintenance and computer replacement. A meeting was held in November with the OSM Director to discuss the CDM program, inventory issues, and to coordinate a procedure for data reconciliation between the Clerk’s records and OSM’s inventory database.

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Both the FAC and the OSM Director expressed a desire to correct discrepancies in their inventory records and maintain accurate data. The FAC was granted continual access to the CDM program, and FAC reports were provided to the OSM. The data reconciliation process commenced prior to the issuance of this report. As a result, the unlocated property listed for Department 2150, Systems Management, (Discussion Point 4 below) has been investigated and a request for deletion by the Board is pending.

RECOMMENDATION:

1. The OSM and FAC should continue the reconciliation process until all inventory related issues have been resolved to the mutual satisfaction of both offices.

BOCC Management Response:

As indicated in the report, the Office of Systems Management (OSM) has been proactive in an attempt to reconcile and keep current with computer asset inventories. Their establishment of a Centralized Data Management (CDM) system, utilizing bar coding and daily reports to the FAC appear to be of great assistance in this matter. Management finds their commitment to seek a viable solution to the complex issue of managing computer assets to be most noteworthy.

FINANCE DEPARTMENT RESPONSE:

The Clerk's Finance Department recognizes the potential of OSM's database in facilitating the capital asset tracking process and will continue to work with OSM to reconcile the two databases.

2. OSM should provide copies of all invoices to the FAC to facilitate maintaining accurate and current data in the Clerk's records.

BOCC Management Response:

OSM is continuing to refine procedures for the CDM. Reporting and providing invoicing to the FAC will be made a part of the process.

FINANCE DEPARTMENT RESPONSE:

OSM's implementation of this recommendation would greatly improve the efficiency and accuracy of recording OSM acquisitions. Most of their acquisitions are charged to the county purchasing card, bypassing the normal purchasing procedure of *Purchase Requisition, Purchase Order, Invoice and Payment*, four points at which the FAC would be alerted to an acquisition.

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3. A periodic reconciliation of the OSM database to the Clerk's records would disclose discrepancies that could be corrected in a timely manner.

BOCC Management Response:

The FAC has been granted continual access to the CDM program and this should resolve reconciliation problems in a timelier manner. Should the FAC still deem it necessary to have more frequent reconciliations, OMB is not opposed.

FINANCE DEPARTMENT RESPONSE:

The Clerk's Finance Department concurs and will work with OSM to meet this goal. OSM already has query and reporting access to the Clerk's database. We will provide additional training on the software's reporting capabilities, if desired. Finance will also provide additional reports as requested.

4. **A total of 313 capital assets, valued at \$523,162.53, remain unlocated for FY 2005.**

The Rules of the AG preclude the FAC from officially removing an asset from the County records until the proper documentation has been received; therefore, departmental custodians' records will indicate other amounts. Numerous assets remain on the property database because the Tangible Property Procedures have not been followed. The Transfer of Property forms were incomplete, inaccurate, not received, not prepared, or assets were disposed without the proper authorizations.

The table below indicates the value of 313 assets that remain unlocated as of September 30, 2005 after auditor adjustments were made for items that were subsequently listed on the BOCC agenda for disposition or were confirmed after completion of the inventory audit:

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Unlocated Property per Annual Inventory	
Department	Value
2101 - BOCC	5,815.75
2102 - Jail	21,239.46
2107 - Human Resources	192.60
2125 - OMB	5,396.99
2150 - Systems Management	37,010.42
2322 - Courts	8,489.95
2670 - Facilities Maintenance	6,376.00
2780 - Planning Division	6,623.63
3200 - Fire Administration	96,231.31
3201 - Chassahowitzka VFD	8,455.65
3202 - Citrus Springs VFD	4,304.14
3203 - Connell Heights VFD	16,426.87
3204 - DeRosa VFD	9,491.43
3205 - Floral City VFD	19,373.51
3206 - Gospel Island VFD	12,830.39
3207 - Hernando VFD	12,110.71
3208 - Highlands VFD	10,536.27
3209 - Homosassa VFD	30,167.32
3210 - Inverness VFD	27,025.47
3212 - Fire Prevention	1,594.00
3215 - Beverly Hills VFD	28,269.33
3225 - Fire Training	8,090.67
3323 - Haz Mat	8,275.06
3340 - Public Safety	19,175.87
4102 - Road Maintenance	11,348.00
4103 - Dept. of Public Works	4,061.00
4104 - Engineering	6,396.32
4150 - Fleet Management	3,630.00
5106 - Animal Control	25,836.92
5212 - Landfill Recycling Containers	20,590.00
5212 - Landfill	14,670.74
5350 - Senior Centers	1,125.38
5415 - Division of Water Quality	120.93
6102 - Parks & Recreation (P & R)	3,574.05
6102 - P & R - Grounds Maintenance	882.66
6302 - Extension Services	995.00
7203 - Support Services	15,414.08
8200 - Citrus Springs Community Center	518.17
9000 - Public Utilities	10,496.48
Total	\$ 523,162.53

ADDITIONAL CONCERNS:

- a. Of the 313 missing assets, 138 assets valued at \$251,642.39 were missing for two consecutive years.

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- b. Of the 313 missing assets, 71 assets valued at \$101,733.06 were missing for three years or more.
- c. Several assets that have been missing for two years or more were incorrectly listed on the BOCC Agenda memoranda as non-repairable, irreparable, recycle, or obsolete. The FAC was unable to delete these items because Solid Waste could not validate receipt of the assets to finalize the disposition process.

In prior years, Finance Division has provided instruction and training to County employees regarding proper asset reporting procedures. For additional information, the Tangible Property Procedures manual is posted on the County Intranet. The correct reporting procedure for item 4c is to send a memo to the County Administrator detailing the efforts of the search and investigation of the missing assets, and request Board approval to delete the property from the inventory records.

RECOMMENDATION:

According to the Rules of the AG 10.480(5)(b), “Items not located during the inventory process shall be promptly reported to the governmental unit which shall cause a thorough investigation to be made. If an item is not located as a result of the investigation, the individual property record shall be so noted and a report filed with the appropriate law enforcement agency describing the missing item and the circumstances surrounding its disappearance.” The County’s Tangible Property Procedures provide instructions for reporting stolen, damaged, or lost property under “Special Issues.”

1. Management should conduct a thorough search and investigation for the unlocated property within the last two years. Once a determination is made, appropriate paperwork should be submitted to initiate the transfer/disposition process.

BOCC Management Response:

As depicted in the cover letter to the Clerk (EXHIBIT C), a thorough investigation has already taken place at the Department Head/Office Manager level. Their findings would indicate that the audit report grossly overstates the number of capital assets listed as unlocated. There would appear to be a need for improvement in the interaction of the FAC, the Property Custodian and the Department Head. Many of the items listed as missing were accounted for in a relatively short period of time (two weeks). Requested herein is a re-examination of the listings by the FAC with each Department Head.

2. Due to the length of time that assets have been missing (item 4b), it would be difficult to determine if those items were misappropriated. Therefore, management, property custodians, and the FAC should collaborate in preparing a memo to the County Administrator and a property deletion request to the Board, listing the 71 assets that

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have been missing for 3 years or more. This action will result in saving time for the departments and the FAC during the next asset inventory, and achieving a more accurate inventory valuation.

BOCC Management Response:

The list of assets that have been missing for three years or more has not yet been submitted or reviewed by management. We would concur that a property deletion request to the BOCC is a prudent resolution to this matter. In the future, we would request that the FAC notify management immediately following a finding that an asset has been missing for two or more years. We believe that this is the current policy and that it apparently has not been followed by the FAC for the three to eight years that these 71 assets have been unlocated.

3. Property Custodians and Management should ensure that signed, accurate, finalized copies of all property transfer forms are provided to the FAC. Custodians should not remove assets from their property list until this process is complete.

BOCC Management Response:

Property transfer forms and its importance should be emphasized at each training session. The FAC is encouraged to notify the custodian's Department Head in writing when transfer forms are not being properly recorded. This will ensure that an immediate investigation will commence so that the deficiency can be remedied and the custodian be held accountable.

4. Finance should notify the appropriate Manager, Supervisor, or Department Director when a Property Custodian does not comply with the County's Tangible Property Procedures, so that corrective action may be taken.

Since machinery and equipment represent approximately 30% of the County's total assets, effective asset management is essential to preventing financial loss due to noncompliance of established policy and procedures.

BOCC Management Response:

Management concurs and requests that such notices be sent to the appropriate Department Director with a copy to the Assistant County Administrator.

FINANCE DEPARTMENT RESPONSE:

The Clerk's Finance Department has always worked with the departments to assist them in complying with the procedures, and will continue to do so. However, while there has been a formal notification to the custodian and supervisor for unlocated assets, other procedural issues have been handled through an informal process of

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telephone calls, e-mails and face-to-face conversations. This audit reveals that it is prudent to employ a formal notification process for all compliance related issues. To that end, the Finance Department has developed a formal notification process, wherein the Division Director will receive a copy of all communications. This process will escalate to successively higher levels until compliance is achieved.

With regard to the inventory audit:

Each custodian will have access to the inventory list a minimum of two weeks prior to the scheduled inventory audit, either via the Cognos Web Reports or through a report furnished by the FAC (for those without access to the Cognos Web Reports).

Within one week after the initial inventory audit, the FAC will report any unlocated items to the custodian and Division Director via memorandum. A follow-up visit will be scheduled to occur within 30 days of that notification to verify previously unlocated items. Any remaining unlocated items will be reported to the Department Director and Assistant County Administrator.

With regard to purchasing procedures:

Issues regarding purchasing procedures will be reported to the Division Director indicating the apparent deviation from the standard and the suggested corrective action. Either corrective action should be taken, or sufficient evidence supporting the deviation should be returned to Finance, in a timely manner. Issues remaining unresolved after 30 days will be referred to the Department Director and Assistant County Administrator.

With regard to asset administration:

Upon acquisition of a new asset, the department should request an asset id # and tag from the FAC. All required information should be supplied to the FAC to ensure compliance with the AG's rules regarding the asset record. Requests for missing information will be made to the Division Director. Issues remaining unresolved after 30 days will be referred to the Department Director and Assistant County Administrator.

If, in the course of the inventory audit or through other means, it is determined that assets have been acquired, transferred, disposed of, moved or otherwise altered without proper authority and/or documentation, the FAC will notify the Division Director of the departure and necessary corrective action. Issues remaining unresolved after 30 days will be referred to the Department Director and Assistant County Administrator.

With regard to the Asset Activity Form:

The form must be completed accurately before the asset record can be updated. Incomplete or inaccurate forms will be returned to the Division Director with a clear indication of the deficiency and necessary corrective action. Issues remaining

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unresolved after 30 days will be referred to the Department Director and Assistant County Administrator.

- 5. Several departments used a modified version of the Transfer of Property (TP) form, which omitted required information.**
 - a. Of the 66 TP forms reviewed, 3 variations of the form were used.
 - b. Department head or custodian signatures were missing on 10 forms.

RECOMMENDATION:

1. Management should ensure all departments use the designated TP form posted on the County Intranet, Finance Forms section, Capital Asset Procedures, Tangible Property Procedures, page 3.

BOCC Management Response:

Management concurs and requests that the use of non-designated TP forms be rejected by the FAC and returned to the Department with a copy to the Assistant County Administrator. This again is another appropriate topic for the next training session.

2. Management and custodians should comply with required procedures by signing the transfer forms which authorize the transaction and provide some assurance that the asset was not misappropriated.

BOCC Management Response:

Management concurs and requests that non-compliance in this matter be reported to the Assistant County Administrator.

FINANCE DEPARTMENT RESPONSE:

During discussions with County Administration, consensus was reached that a single form for all asset activity would be most efficient. The Finance Department has developed an Asset Activity Form that is accessible via the Cognos Web Reports and the intranet. Those departments without access to the network will be supplied with a hard copy master form. This form must be used for all asset activity. Any variation or alternative form will be returned to the Division Director with a clear indication of the deficiency and a referral to the correct form.

Please see the response to Recommendation #4 of Discussion Point #4, for our response regarding proper form completion.

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6. Some departments are not following disposal procedures.

The Rules of the AG, Chapter 10.470 (2)(d), require the identity of the employee(s) witnessing the disposition, if cannibalized, scrapped, or destroyed.

- a. On 8 separate occasions, one department threw 10 non-repairable items into dumpsters at various locations. The custodian and department head initiating the request also signed as receiving the items. Custodians should not be witnessing the disposal of assets for which they are responsible, and should comply with established procedures.
- b. Several other departments disposed assets without following proper procedures – items were already discarded prior to securing BOCC approval.

RECOMMENDATION:

Management should ensure that all departments comply with the Rules of the Auditor General, Chapter 10.470 (2)(d). Items identified as non-repairable should be disposed according to procedure.

In August, 2004, Finance introduced the Capital Asset Disposal Request form, which includes a signature line for the Solid Waste employee witnessing the disposal of electronic equipment and the signature of the person picking up the electronic equipment for disposal. This form should be revised by eliminating “SWM Employee”, so that the form may be used for witnessing the disposal of other assets that may not be required to be recycled.

The procedure for obtaining the signature of the disposal witness provides some assurance that the disposition was appropriate and complete.

BOCC Management Response:

During our face-to-face review of a preliminary draft report of this audit, it was evident that confusion exists amongst the Clerk’s staff on the manner by which equipment may be disposed. These processes should be thoroughly reviewed and made a part of the training session.

AUDITOR’S RESPONSE:

The exit conference provides the opportunity to discuss the preliminary draft report. This face-to-face review allows open discussion to ensure there are no misunderstandings or misinterpretations of the facts. As a result of these discussions, any revisions deemed necessary are then incorporated into the final audit report.

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FINANCE DEPARTMENT RESPONSE:

The Capital Asset Disposal form has been replaced by the Asset Activity Form, which will be used for reporting all asset activity. This form has a signature line for the disposal witness. For internal control purposes, the signature of the custodian as witness to the disposal is not acceptable.

7. Transfer forms for donated assets to nonprofit organizations were not signed by donee's authorized agent.

Of 11 requests reviewed, 7 forms did not contain the signature of the nonprofit organization's authorized agent. Without the proper documentation for picking up the assets, there is no confirmation that the Board-approved nonprofit organization received the items.

RECOMMENDATION:

- a. Management should ensure that all donations to approved nonprofit organizations are properly documented by obtaining the signature of the authorized agent at the time the assets are picked up.

**BOCC Management Response:
See Recommendation b.**

- b. To facilitate the process, Finance could modify the Capital Asset Disposal Request to include a designated line to identify the authorized nonprofit organization and a signature line for its agent.

**BOCC Management Response:
Management would welcome the Finance Department taking the lead in correcting this process.**

FINANCE DEPARTMENT RESPONSE:

The new Asset Activity Form has a line for the both the name of the non-profit organization and the signature of the non-profit organization's representative receiving the item. Incomplete forms will be returned to the Division Director with a clear indication of the deficiency and necessary corrective action. Issues remaining unresolved after 30 days will be referred to the Department Director and Assistant County Administrator.

**BOARD OF COUNTY COMMISSIONERS
MACHINERY & EQUIPMENT AUDIT**

- 8. A purchase order to acquire 42 Automatic External Defibrillators (AEDs) that included a trade-in of 28 existing AEDs did not reflect the correct purchase price, the value of the trade-in, or the property numbers of the traded assets.**

The Rules of the AG 10.440 Definitions (1) (B), state, “In determining cost, the value of property exchanged by a governmental unit in satisfaction of a portion of the purchase price of new property shall not be deducted from the price which would have been paid had the previously owned property not been “traded in” on the new property.” The Finance Department Procedures state when receiving a trade-in, the purchase order for the new property must indicate a property number and the amount of the trade-in allowance being given for the traded property. The cost of the AEDs totaled \$70,350 with a trade-in amount of \$42,680--resulting in a net cost of \$27,670.

The Fire Services Custodian indicated that the vendor received all but 4 of the old defibrillators, including Heart Starts and Lifepacks, which totaled 38 units. However, the vendor’s invoice does not reflect this information. As a result, the FAC database contains inaccurate information as of September 30, 2005.

RECOMMENDATION:

1. Management should ensure that departments follow established policies and procedures for purchasing assets with a trade-in.

BOCC Management Response:

Trade-ins are more common for vehicles and heavy equipment than this circumstance. As such please include this topic in the next training session.

2. Purchasing should reinforce the requirements for trade-in transactions.

BOCC Management Response:

This would appear to be a function of the Clerk’s Office. The Finance Purchase Order Clerk should take this recommendation to task.

FINANCE DEPARTMENT RESPONSE:

The Finance Department will conduct refresher training for our purchasing clerks to ensure that when a transaction involves a trade-in, the proper information is recorded on the purchase order and invoice. However, their ability to do this is limited when the information provided by the departments on the purchase requisitions and invoices is insufficient.

**BOARD OF COUNTY COMMISSIONERS
MACHINERY & EQUIPMENT AUDIT**

3. The Fire Services Custodian and the FAC should perform another audit of AED's to verify asset numbers, serial numbers and locations to facilitate accurate recording of these assets.

BOCC Management Response:

Management would have no objection to this recommendation.

FINANCE DEPARTMENT RESPONSE:

The FAC is scheduled to audit the Fire Services assets April 5-28, 2006, during which time the AED's will be verified.

9. **Numerous pieces of equipment are not protected from the elements by equipment sheds.**

Tractors, rollers, mower decks, aerators, tillers, box blades, etc. exposed to the weather at three parks were displaying signs of rust. The existing sheds cannot accommodate all of the equipment at these locations. Prolonged exposure to the rain diminishes the useful life of the equipment, and increases maintenance problems.

RECOMMENDATION:

Management should consider constructing or purchasing additional equipment sheds to offer protection for the exposed equipment. It was noted that the employees take excellent care of their equipment, and the equipment areas were very organized. Providing adequate protection for the equipment would help ensure the machinery is in optimal working condition.

BOCC Management Response:

This recommendation would appear to be more of an opinion, editorial in nature, than an audit item. Be that as it may, the consideration to house equipment is a BOCC matter and would include an analysis of the cost:benefit ratio.

AUDITOR'S RESPONSE:

The Rules of the Auditor General 10.480(2)(i) states that the present condition of the inventoried item be noted on the inventory form, and 10.480(5)(a) states that after completion of the physical inventory, noted differences such as location, condition, and custodian shall be investigated and corrected as appropriate (when comparing data on the inventory forms with the individual property records). Equipment rust was a noted condition by the Auditor.

**BOARD OF COUNTY COMMISSIONERS
MACHINERY & EQUIPMENT AUDIT**

10. County assets were left unsecured at the DeRosa Volunteer Fire Department (VFD).

Upon arriving at the DeRosa VFD to conduct the inventory audit in June, the building was discovered unattended, with the bay doors left open after the volunteer responded to a call. Brush Vehicle 42, Vehicle 9251, and Engine 41 were unlocked, with the keys inside. A potential risk of theft or destruction of property exists when County property is unsecured.

RECOMMENDATION:

Management should consider installing automatic door closers for DeRosa VFD, which would offer security at the station, and enable the volunteer firefighters to respond quickly, thereby eliminating stopping the vehicle to close the doors before proceeding to the call.

BOCC Management Response:

Volunteer firefighters have been reminded to close doors before proceeding to a callout. The suggested automatic door closers would appear to be an expensive and perhaps a knee jerk reaction to an isolated incident. On average there are five doors on each of the 22 fire stations throughout the County. To retrofit these stations with automatic door closers would be a considerable expense. Be that as it may, the consideration to install automatic door closers is a BOCC matter and would include an analysis of the cost:benefit ratio. In regards to keys being left in the apparatus while in the fire station, this practice will continue as placing keys in a different location would most certainly increase response time.

EXHIBIT A



110 North Apopka Avenue, Room 101, Inverness, Florida 34450-4299 - Telephone: (352) 341-6466

MEMORANDUM

Date: January 13, 2005

To: Brenda Fontenot, Internal Auditor

From: Sarah C. Koser, Finance Director *Sarah C. Koser*

Re: Response to Machinery & Equipment Audit Findings

The following are the Finance Department's responses the Machinery & Equipment Audit of November 2005.

- **DISCUSSION POINT #1:**
An opportunity exists for asset management training on a County-wide level.
- **RECOMMENDATION #1:**
Property custodians should attend mandatory asset management training conducted by the Clerk's Finance Division. Upon completion, information should be disseminated to those employees who must possess an understanding of reporting location changes, damaged property, lost property, etc.

RESPONSE:

The Finance Department has provided instruction and training to County employees regarding proper asset reporting procedures in the past. The Tangible Property Procedures manual is also available on the intranet. Finance is committed to providing capital asset procedures training annually. We have already scheduled sessions for March 27 and 30, 2006. Training will include a review of applicable rules, regulations, statutes and procedures governing capital assets, as well as detailed instructions for completing the new consolidated Asset Activity Form.

- **RECOMMENDATION #3:**
In accordance with the Rules of the Auditor General, 10.460(1), assets should be permanently marked, if practicable. When asset tags are not practical for a particular piece of property, other methods should be used, i.e., stenciling, engraving, metal tags, steel dies, etc. Proper tagging establishes County ownership and facilitates the inventory process.

RESPONSE:

It is, and has always been, the policy of the Finance Department to affix an asset tag to all capital assets when practicable. An audit finding of an undisclosed number of occasions where asset tags were missing or incorrect indicates that our continued vigilance toward this end is necessary.

- **DISCUSSION POINT #3:**
Systems Management inventory database and FA Clerk's database do not reconcile.
- **RECOMMENDATION #1:**
The OSM and FAC should continue the reconciliation process until all inventory related issues have been resolved to the mutual satisfaction of both offices.

RESPONSE:

The Clerk's Finance Department recognizes the potential of OSM's database in facilitating the capital asset tracking process and will continue to work with OSM to reconcile the two databases.

- **RECOMMENDATION #2:**
OSM should provide copies of all invoices to the FAC to facilitate maintaining accurate and current data in the Clerk's records.

RESPONSE:

OSM's implementation of this recommendation would greatly improve the efficiency and accuracy of recording OSM acquisitions. Most of their acquisitions are charged to the county purchasing card, bypassing the normal purchasing procedure of *Purchase Requisition, Purchase Order, Invoice and Payment*, four points at which the FAC would be alerted to an acquisition.

- **RECOMMENDATION #3:**
A periodic reconciliation of the OSM database to the Clerk's records would disclose discrepancies that could be corrected in a timely manner.

RESPONSE:

The Clerk's Finance Department concurs and will work with OSM to meet this goal. OSM already has query and reporting access to the Clerk's database. We will provide additional training on the software's reporting capabilities, if desired. Finance will also provide additional reports as requested.

- **DISCUSSION POINT #4:**
A total of 313 capital assets, valued at \$523,162.53, remain unlocated for FY 2005.
- **RECOMMENDATION #4:**
Finance should notify the appropriate Manager, Supervisor, or Department Director when a Property Custodian does not comply with the County's Tangible Property Procedures, so that corrective action may be taken.

RESPONSE:

The Clerk's Finance Department has always worked with the departments to assist them in complying with the procedures, and will continue to do so. However, while there has been a formal notification to the custodian and supervisor for unlocated assets, other procedural issues have been handled through an informal process of telephone calls, e-mails and face to face conversations. This audit reveals that it is prudent to employ a formal notification process for all compliance related issues.

To that end, the Finance Department has developed a formal notification process, wherein the Division Director will receive a copy of all communications. This process will escalate to successively higher levels until compliance is achieved.

With regard to the inventory audit:

Each custodian will have access to the inventory list a minimum of two weeks prior to the scheduled inventory audit, either via the Cognos Web Reports or through a report furnished by the FAC (for those without access to the Cognos Web Reports).

Within one week after the initial inventory audit, the FAC will report any unlocated items to the custodian and Division Director via memorandum. A follow-up visit will be scheduled to occur within 30 days of that notification to verify previously unlocated items. Any remaining unlocated items will be reported to the Department Director and Assistant County Administrator.

With regard to purchasing procedures:

Issues regarding purchasing procedures will be reported to the Division Director indicating the apparent deviation from the standard and the suggested corrective action. Either corrective action should be taken, or sufficient evidence supporting the deviation should be returned to Finance, in a timely manner. Issues remaining unresolved after 30 days will be referred to the Department Director and Assistant County Administrator.

With regard to asset administration:

Upon acquisition of a new asset, the department should request an asset id # and tag from the FAC. All required information should be supplied to the FAC to ensure compliance with the AG's rules regarding the asset record. Requests for missing information will be made to the Division Director. Issues remaining unresolved after 30 days will be referred to the Department Director and Assistant County Administrator.

If, in the course of the inventory audit or through other means, it is determined that assets have been acquired, transferred, disposed of, moved or otherwise altered without proper authority and/or documentation, the FAC will notify the Division Director of the departure and necessary corrective action. Issues remaining unresolved after 30 days will be referred to the Department Director and Assistant County Administrator.

With regard to the Asset Activity Form:

The form must be completed accurately before the asset record can be updated. Incomplete or inaccurate forms will be returned to the Division Director with a clear indication of the deficiency and necessary corrective action. Issues remaining unresolved after 30 days will be referred to the Department Director and Assistant County Administrator.

- **DISCUSSION POINT #5:**

Several departments used a modified version of the Transfer of Property (TP) form, which omitted required information.

- **RECOMMENDATION #1:**

Management should ensure all departments use the designated TP form posted on the County Intranet, Finance Forms section, Capital Asset Procedures, Tangible Property Procedures, page 3.

- **RECOMMENDATION #2:**

Management and custodians should comply with required procedures by signing the transfer forms which authorize the transaction and provide some assurance that the asset was not misappropriated.

RESPONSE:

During discussions with County Administration, consensus was reached that a single form for all asset activity would be most efficient. The Finance Department has developed an Asset Activity Form that is accessible via the Cognos Web Reports and the intranet. Those departments without access to the network will be supplied with a hard copy master form. This form must be used for all asset activity. Any variation or alternative form will be returned to the Division Director with a clear indication of the deficiency and a referral to the correct form.

Please see the response to Recommendation #4 of Discussion Point #4, for our response regarding proper form completion.

- **DISCUSSION POINT #6:**

Some departments are not following disposal procedures.

- **RECOMMENDATION:**

Management should ensure that all departments comply with the Rules of the Auditor General, Chapter 10.470(2)(d). Items identified as non-repairable should be disposed according to procedure.

In August, 2004, Finance introduced the Capital Asset Disposal Request form, which includes a signature line for the Solid Waste employee witnessing the disposal of electronic equipment and the signature of the person picking up the electronic equipment for disposal. This form should be revised by eliminating "SWM Employee", so that the form may be used for witnessing the disposal of other assets that may not be required to be recycled.

The procedure for obtaining the signature of the disposal witness provides some assurance that the disposition was appropriate and complete.

RESPONSE:

The Capital Asset Disposal form has been replaced by the Asset Activity Form, which will be used for reporting all asset activity. This form has a signature line for the disposal witness. For internal control purposes, the signature of the custodian as witness to the disposal is not acceptable.

- **DISCUSSION POINT #7:**

Transfer forms for donated assets to nonprofit organizations were not signed by the donee's authorized agent.

- **RECOMMENDATION A:**

Management should ensure that all donations to approved nonprofit organizations are properly documented by obtaining the signature of the authorized agent at the time the assets are picked up.

- **RECOMMENDATION B:**

To facilitate the process, Finance could modify the Capital Asset Disposal Request to include a designated line to identify the authorized nonprofit organization and a signature line for its agent.

RESPONSE:

The new Asset Activity Form has a line for both the name of the non-profit organization and the signature of the non-profit organization's representative receiving the item. Incomplete forms will be returned to the Division Director with a clear indication of the deficiency and necessary corrective action. Issues remaining unresolved after 30 days will be referred to the Department Director and Assistant County Administrator.

- **DISCUSSION POINT #8:**

A purchase order to acquire 42 Automatic External Defibrillators (AED's) that included a trade-in of 28 existing AED's did not reflect the correct purchase price, the value of the trade-in, or the property numbers of the traded assets.

- **RECOMMENDATION #2:**

Purchasing should reinforce the requirements for trade-in transactions.

RESPONSE:

The Finance Department will conduct refresher training for our purchasing clerks to ensure that when a transaction involves a trade-in, the proper information is recorded on the purchase order and invoice. However, their ability to do this is limited when the information provided by the departments on the purchase requisitions and invoices is insufficient.

- RECOMMENDATION #3:

The Fire Services Custodian and the FAC should perform another audit of AED's to verify asset numbers, serial numbers and locations to facilitate accurate recording of these assets.

RESPONSE:

The FAC is scheduled to audit the Fire Services assets April 5-28, 2006, during which time the AED's will be verified.

Finance would like to express our appreciation for this opportunity to enhance our operations and provide greater accountability to the taxpayers in the area of capital assets.

Thank you.

EXHIBIT B

Asset Activity Form

- | | |
|--|--|
| <input type="checkbox"/> Transfer | New Department: _____ |
| <input type="checkbox"/> Change of Custodian | Printed Name of New Custodian: _____ |
| <input type="checkbox"/> Change of Location | New Location: _____ Condition: _____ |
| <input type="checkbox"/> Donation | Non-Profit Organization: _____ |
| <input type="checkbox"/> Disposal | Disposal Code: <input type="checkbox"/> Obsolete <input type="checkbox"/> Non-Repairable <input type="checkbox"/> Cannibalized |
| <input type="checkbox"/> Recycle | <input type="checkbox"/> Repair Not Cost Effective <input type="checkbox"/> Trade-In |

Dept #	Asset ID	Description	Serial Number

Initiating Department

Custodian or Division Director Signature	Date	Department Director Signature	Date
--	------	-------------------------------	------

Receiving Department

*Custodian Signature (Custodian Change)	Date	Department Director Signature (Transfer)	Date
Non-Profit Rep Signature (Donation)	Date	Disposal Witness (Disposal)	Date

**As custodian, I understand that I am responsible for keeping track of the property under my custodianship and for locating and showing all property to the county auditor during the annual audit of the Capital Assets.*

Vehicles

Fleet Section Chief Signature	Date
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Computers & Related Equipment (Electronics Recycling)

Systems Mgmt Director Signature	Date	Recv'd by: Facilities Maint Rep Signature	Date
		Recv'd by: SWM Recycling Rep Signature	Date

Clerk's Office

Asset Record Updated _____	Board Approval _____	Copy of Form Rtn'd to Dept(s) _____
Date	Date	Date

EXHIBIT C



BOARD OF COUNTY COMMISSIONERS EXECUTIVE OFFICES

3600 West Sovereign Path • Suite 267 • Lecanto, Florida 34461
(352) 527-5210 Phone (352) 527-5204 Fax
(352) 527-5312 TTY

January 25, 2006

The Honorable Betty Strifler
Clerk of the Circuit Court

Re: Machinery & Equipment Audit Report

Dear Mrs. Strifler:

I have reviewed the above referenced Audit Report with appropriate management staff within the Board of County Commission. While specific "management responses" are incorporated within the attached document following each of the Internal Auditor's "recommendations", management staff would also offer some more "global" comments on improvements to the overall process because our 30 day review of the preliminary report indicates that the findings misrepresent the status of the County's machinery and equipment.

It is understood that the acquisition, monitoring and disposition of County owned property is governed by Florida Statute and the Rules of the Auditor General of the State of Florida and that these governances must be adhered to; however many of the findings within this report appear to identify that the internal processes and interactions between our respective staffs could be improved. In an effort to achieve our common goal of being first-rate stewards of County property, I would like to suggest a "team review" concept. Each agency should appoint and direct appropriate staff to meet together to review the current internal processes and interactions involving asset management. A better understanding of the wants and needs of each agency should result in an improved overall process. If you are in agreement, I would respectfully request that this team meeting take place within the next 30 days.

By example, one of the items that the BOCC staff would like for the Clerk's staff to re-consider is the **routing of discrepancy reports**. It is our understanding that following each annual inventory, a discrepancy report is made which identifies unlocated property. It is our opinion that the distribution of this report needs to include the Department Head and/or Office Director of the custodian of record. Additionally this report should include a timeframe within which the Department Head and/or Office Director must respond with an acceptable resolution to the discrepancy. A copy of this report should also be sent to the Assistant County Administrator and the Clerk's designee for tracking. A discussion regarding the use of a multi-part carbon form should be considered

To demonstrate the effectiveness of this single suggestion, I requested and received a listing of the unlocated properties by Department/Office contained in this audit period. These lists were distributed to each Department Head/Office Manager with instructions to review and comment. While not all of the unlocated assets were found, more were found than were not. For example, the Department of Public Works list contained 74 assets unaccounted for. Following the intervention of the Department Head, 63 assets (85%) have been located. In addition, the Department of Public Safety's list contained 89 unlocated bunker gear sets. With the Department Head providing oversight of this discrepancy report, 68 sets (76%) have been accounted for. Our conclusion is

Thomas H. Dick
Assistant County Administrator

Page 2

January 25, 2006

To: The Honorable Betty Strifler

Re: Machinery & Equipment Audit Report

that discrepancy reports must reach a higher level than the property custodian to lend credence to their importance and need for immediate resolution. The findings in this report would also appear to be overly misstated.

I would like also to point out what I believe to be a potential problem with these findings. The Clerk's Fixed Asset Clerk in some cases may be listing items as missing when in fact the item may simply be missing a property asset tag. For instance, the Office of Management & Budget has a total of six desks contained on their inventory and during the last inventory the Fixed Asset Clerk counted six desks located within the Office of Management & Budget suite. Since one desk had no asset tag affixed, the Fixed Asset Clerk lists this one desk as "missing". It is not missing, it is missing a tag. A solution to this type of situation should also be sought.

Other suggested topics for team review consideration are:

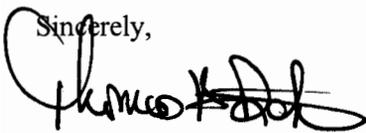
- **Training, training materials and information provided on-line**
- **Property tags, bar coding**
- **Timing of inventory (to include weekends/evenings where warranted)**
- **Forms, forms dispersals, signatures**
- **Computer equipment**
- **Bunker gear, Attorney General opinion**
- **Assets listings not meeting dollar thresholds**

It is believed that shortcomings in both of our agencies have been identified in this audit report and I would suggest that this joint meeting be the first step in the resolution process.

Additionally, I would suggest that the Finance Section and the Fixed Asset Clerk meet with each individual Department Head to re-review the listings of unlocated assets by Department. From our investigations, it would appear that the findings depicted in this audit are grossly overstated.

I wish to thank you and your staff for their efforts in the performance of this audit. As always, their conduct was both courteous and professional.

Sincerely,



Thomas H. Dick
Assistant County Administrator

cc: Richard Wm. Wesch, County Administrator
Cathy Taylor, Director, Office of Management & Budget
Department Heads/Office Managers

EXHIBIT D

Betty Strifler
Clerk of the Circuit Court
Citrus County



110 North Apopka Avenue, Inverness, Florida 34450-4299 - Telephone: (352) 341-6480

January 31, 2006

Tom Dick
Assistant County Administrator

Dear Tom:

Thank you for your response to the Machinery & Equipment Audit. It is agreed that efforts to be first-rate stewards of County property is an essential goal and is the expectation of the citizens.

A review of current internal processes began immediately following the exit interview held December 15, 2005. As a result, the following initiatives have begun; a single form to track asset activity, refresher training courses for County staff are being scheduled, and the establishment of periodic reconciliation with the newly developed Office of Systems Management (OSM) database.

The Finance Department has developed a formal notification process, which we believe will promote compliance with prescribed rules and procedures. If, after reviewing this process contained in our response to the audit, you have any concerns about it, we will be happy to address them with you.

The assertive actions you've taken by requesting review by each Department Head/Office Manager of unlocated properties are positive steps toward identifying unlocated or unaccounted for assets. Additionally, training for County property custodians with regard to asset tags will provide guidance to avoid incidents such as the missing desk tag in OMB.

The Fixed Asset Clerk has already scheduled the annual inventory audit with all departments, during which a thorough review of departmental assets will be conducted, as usual. Any items unlocated during the initial audit will be reported to the custodian and Division Director. A follow-up visit will occur within thirty days to verify the previously unlocated assets. Any remaining unlocated items will be reported to the Department Director and Assistant County Administrator per our request.

It is our sincere hope that continued investigations by County staff in collaboration with the Clerk's Finance Division will bring further resolution to reduce the \$523,162 of unlocated assets that were reported as a result of this audit. Efforts between County IS and the Clerk's Internal Auditor have already resulted in several thousand dollars of unaccounted assets being removed from the original list.

Thank you for your cooperation and assistance with this audit. The Clerk's Office remains willing to cooperate with and assist County efforts toward improvements in the accountability of fixed assets.

Sincerely,



Betty Strifler
Clerk of the Circuit Court

Cc: Richard Wm. Wesch, County Administrator
Cathy Taylor, Director, Office of Management & Budget
✓ Brenda Fontenot, Internal Auditor