



2023 Asset Inventory Verification

Inspector General Department

Gary J. Cooney, Clerk of the Circuit Court & Comptroller
Audit Report

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Inspector General

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May 31, 2024



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May 31, 2024

Board of County Commissioners

The 2023 Asset Inventory Verification of the County Offices is complete.

We appreciate the cooperation and assistance of County staff during the course of this engagement.

Respectfully submitted,

Terri W. Freeman
Inspector General

cc: Gary J. Cooney, Clerk of the Circuit Court & Comptroller
Jennifer Barker, County Manager
Ron Falanga, Director, Office of Procurement Services
Erikk Ross, Director, Office of Information Technology
Wesley Jones, Office of Facilities Management
Eric LaFollette, Chief Information Officer, Clerk of the Circuit Court & Comptroller
Andy Nelson, Systems Administrator, Court Technology Department
John Neander, Court Technology Officer

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Scope and Objective

In accordance with the Inspector General Audit Plan, the verification of assets owned by the Board of County Commissioners (BCC) is complete.

The engagement objectives were to assess:

Compliance with:

- Florida Statutes, Chapter 274, Tangible Personal Property Owned by Local Governments
- Florida Administrative Code, Chapter 69I-73
- BCC Policy LCC-40 Fixed Asset Management
- BCC Procedure LC-37 Fixed Asset Management
- Office of Procurement Services Internal Operating Procedure #115

Whether assets are:

- Present and accurately recorded in the financial records
- Protected from theft, abuse, loss, and damage
- Used appropriately

The audit period covered assets listed on the County asset listing, which is maintained by the Office of Procurement Services (Procurement), as of October 2023. To achieve our audit objectives, a sample of 81 assets totaling \$635,895.96 from the BCC Information Technology (BCC IT) department, the Clerk Information Technology (Clerk IT) department, and the Fifth Judicial Circuit Court was selected for verification.

Overall Conclusion

Overall, the controls are operating effectively.

- Asset management policies and procedures are current and in alignment with relevant Florida Statutes and Administrative Codes.
- All assets that could be observed:
 - Had property or serial numbers that match the inventory records.
 - Were adequately secured from theft and abuse.
 - Were being utilized for County purposes.

Opportunities for improvement to protect against asset loss and damage are noted at the end of this report.

Background

Procurement oversees the inventory management of fixed assets and attractive items acquired by the County and Constitutional Officers. Fixed assets are tangible personal property with a value exceeding \$5,000.00 and a useful life of at least one year. Attractive items have a value or cost under \$5,000 but require special attention to ensure legal compliance or compensate for a heightened risk of theft, as outlined in Chapter 69I-73 of the Florida Administrative Code.

The BCC IT department provides technological support to the County, including software development, computer and telecommunications system design, and customer service.

The Clerk IT department offers centralized IT support for the Clerk of the Circuit Court's Office, encompassing information management and emergency disaster preparedness. The Application Development and Support Division manages project management, while the Network Support and Security Division oversees the deployment and support of network resources.

The Fifth Judicial Circuit Court handles judicial matters across Citrus, Hernando, Lake, Marion, and Sumter counties, comprising 5.5% of Florida's population. The Court Technology Officer manages the Office of Court Technology under the direction of the Chief Judge and the Trial Court Administrator. Staff dedicated to the support and development of information services for the 5th Circuit includes Systems Administrators, a Distributed Systems Network Coordinator, an Information Systems Analyst, and User Support Analysts.

Opportunities for Improvement

1. Three BCC IT assets selected for verification during this review were no longer in the custody of County staff. BCC IT previously reported them as missing, replaced, or discarded following the established process, but Procurement never removed them from the asset records. Further investigation revealed an additional twenty-four assets that Procurement had not removed from the records as requested by BCC IT.

Risk: Inconsistent maintenance of the asset inventory records poses a risk of inaccurate financial data.

Agreed Upon Action Plan: Procurement will review completed annual physical inventory sheets and resolve discrepancies within 30 calendar days, as outlined in Procurement/Fixed Assets Standard Operating Procedures (SOP).

Procurement Management agreed they must comply with the SOP requirement to ensure accurate financial records. The Inspector General department and the Inspector General will continue to validate compliance with the SOP requirements in its annual inventory observations.

2. The ECOC server room has occasionally exceeded the 77 degrees maximum temperature requirement identified in the Service Level Agreement between the IT department and Facilities Management during 10/1/2023 and 1/31/2024.

Risk: The deviation of the temperature in the ECOC server room poses a risk of suboptimal operating conditions, potentially leading to hardware loss and failures that disruption to IT services.

Agreed Upon Action Plan:

Erikk Ross, Director, Office of Information Technology, and Wesley Jones, Office of Facilities Management will work together to hire an engineer to provide an assessment and recommendations regarding maintaining the appropriate temperature in the ECOC server room.

Target date: 05/31/2024

Wesley Jones will request funding to implement the engineer's recommendations during the FY 2025 Facilities Maintenance budget.

3. The fire containment system in the ECOC server room has been alarming constantly for an extended period, displaying a "057 Contact Failure on Trouble Input" notice.

Risk: The prolonged presence of unresolved alarms may lead to staff alarm fatigue, impacting their responsiveness to genuine alarms.

Resolved: Issue is resolved as of 3/12/2024.

Follow Up on Past Observations

In conjunction with Procurement, there is a planned development of a new application to enhance asset tracking across all BCC departments. This initiative aims to address discrepancies between FasGOV (inventory records) and MUNIS (general ledger), with a targeted completion date set for August 2025.

The Inspector General department will continue to follow-up on the status of this plan in its annual inventory observations.