



## Ken Burke, CPA

CLERK OF THE CIRCUIT COURT AND COMPTROLLER  
PINELLAS COUNTY, FLORIDA

Clerk of the County Court  
Recorder of Deeds  
Clerk and Accountant of the Board of County Commissioners  
Custodian of County Funds  
County Auditor

## Division of Inspector General

510 Bay Avenue  
Clearwater, FL 33756  
Telephone: (727) 464-8371  
Fax: (727) 464-8386  
Fraud Hotline: (727) 45FRAUD (453-7283)  
Clerk's website: [www.mypinellasclerk.org](http://www.mypinellasclerk.org)

### REPORT NO. 2023-02

TO: Megan Ross, Director  
Utilities Department

FROM: Melissa Dondero, Inspector General/Chief Audit Executive  
Division of Inspector General

*MD*

DIST: Ken Burke, CPA, Clerk of the Circuit Court and Comptroller  
Jeanette Phillips, Chief Deputy Director, Finance Division  
Hillary Weber, Deputy Director, Utilities Department  
Alan Bollenbacher, Director, Utilities Maintenance Division  
The Honorable Chairman and Members of the Board of County Commissioners  
Barry Burton, County Administrator  
Jill Silverboard, Deputy County Administrator/Chief of Staff

SUBJECT: Inspector General's Follow-Up Audit of the Observation of the Utilities South General Maintenance Division's 2021 Annual Physical Inventory of Fixed Assets

DATE: January 20, 2023

The Division of Inspector General has completed a Follow-Up Audit of the observation of the annual physical inventory of fixed assets for the Utilities South General Maintenance Division. The objective of our review was to determine the implementation status of our previous recommendations.

Of the three recommendations in the original audit report, we determined that two have been implemented and one is no longer applicable. The status of each recommendation is presented in this follow-up report.

We appreciate the cooperation shown by the staff of the Utilities Department during the course of this review.



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## **I. Scope and Methodology**

We conducted a follow-up audit of the observation of the annual physical inventory of fixed assets for the Utilities South General Maintenance Division. The purpose of our follow-up review was to determine the status of previous recommendations for improvement.

The purpose of the original audit was to:

1. Interview and observe staff conducting the department's physical inventory to determine compliance with required inventory procedures
2. Test and verify, on a sample basis, the assets recorded by staff

To determine the current status of our previous recommendations, we surveyed and/or interviewed management to determine the actual actions taken to implement recommendations for improvement. We performed limited testing to verify the implementation of the recommendations for improvement.

Our follow-up audit was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing* and the *Principles and Standards for Offices of Inspector General*, and, accordingly, included such tests of records and other auditing procedures, as we considered necessary in the circumstances. Our follow-up testing was performed during the months of November and December 2022. The original observation of the annual physical inventory of fixed assets was completed on July 13, 2021. However, transactions and processes reviewed were not limited by the audit period.

## **II. Original Report Reference**

To view the original report (Report No.: 2021-16), published in the report section of our website, please use the following link:

[Report 2021-16 Inspector General's Observation of the Utilities South General Maintenance](#)

### III. Implementation Status Table

FINDING	PREVIOUS RECOMMENDATION	STATUS
1	<b><i>Four Utilities Assets Were Unaccounted For.</i></b>	
	Document the annual physical assets inventory in accordance with the Finance Division’s FA 300 guidelines for missing assets.	<p style="text-align: center;"><b>Implemented</b></p> <p>During 2021, management discovered the four Utilities assets were missing for the first time during its annual physical inventory. Following the Finance Division’s FA 300 guidelines, management correctly documented the four Utilities assets as unaccounted for in its annual physical inventory results. In addition, management updated the Utilities Maintenance Division Standard Operating Procedure Fixed Asset and Attractive Inventory Management Manual to advise the inventory staff on documenting missing assets.</p>
2	<b><i>Six Utilities Assets Were Missing Asset Tags.</i></b>	
A	Submit the Finance Division’s “Fixed Assets Replacement Tag Request Form” for the six assets missing asset tags.	<p style="text-align: center;"><b>No Longer Applicable</b></p> <p>The Pinellas County Clerk of the Circuit Court and Comptroller and the County Administrator distributed a memo to all County agencies and departments in August 2021. The memo increased the threshold for capital purchases of tangible personal property (equipment) from \$1,000 to \$5,000 and defined the term “attractive items” for inventory purposes. All six assets are now below the asset capitalization threshold and are not attractive items, as deemed by management. The Finance Division does not require departments to affix asset tags to assets that are below the capital threshold and that are not attractive items. Despite the procedural change, management took the initiative to revise the Utilities Maintenance Division Standard Operating Procedure Fixed Asset and Attractive Inventory Management Manual to include the Finance Division’s guidelines for handling assets with missing tags, which we commend.</p>

FINDING	PREVIOUS RECOMMENDATION	STATUS
<b>B</b>	Use the Finance Division's suggested alternate procedures for tagging assets where assets are at risk of losing their physical tags.	<b>Implemented</b> We confirmed management's alternate procedures for tagging specific assets at risk of losing their physical tags were safe and effective at preserving the asset tags and maintaining accurate asset records for quick access and review. The alternate procedures are also documented in the Utilities Maintenance Division Standard Operating Procedure Fixed Asset and Attractive Inventory Management Manual for new and existing staff to review.

MD/SP