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REPORT NO. 2025-19

TO: Kelli Hammer Levy, Director
Public Works Department

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

DIST: Ken Burke, CPA, Clerk of the Circuit Court and Comptroller
Jeanette Staveley, Chief Deputy Director, Finance Division
The Honorable Chair and Members of the Board of County Commissioners
Barry Burton, County Administrator
Jill Silverboard, Deputy County Administrator/Chief of Staff
Paul Dean, Deputy Director, Public Works Department

SUBJECT: Inspector General's Observation of the Public Works Customer and Technical
Services Division 2025 Annual Physical Inventory of Fixed Assets

DATE: October 9, 2025

This memo serves to inform you that the Division of Inspector General completed its observation of the annual physical inventory of fixed assets for the Public Works Customer and Technical Services Division (PW - CTS) on August 4, 2025.

Our objectives were 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

Our audit was conducted in accordance with the *Global Internal Audit Standards* of The Institute of Internal Auditors and the *Principles and Standards for Offices of Inspector General* of the Association of Inspectors General. Accordingly, it included such tests of records and other auditing procedures as we considered necessary in the circumstances.

Based on our independent and objective assessment, the department's governance and risk management were effective for the scope of this audit. Governance and risk management controls were operating effectively and consistently applied to support the achievement of objectives in the area audited. However, the division's internal control

environment needed improvement. Internal control weaknesses existed which may put at risk the achievement of objectives in the area audited. We identified areas of strength where controls were strong and aligned with the department's goals. However, we also identified areas of improvement to mitigate risks and ensure compliance. Based on our observation, the custodial team performed the annual physical inventory in compliance with the required inventory procedures.

Opportunities for Improvement (OFI) are prioritized based on the likelihood of the risk occurring and the impact the risk may have on the department's governance, risk management, and/or control processes as follows:

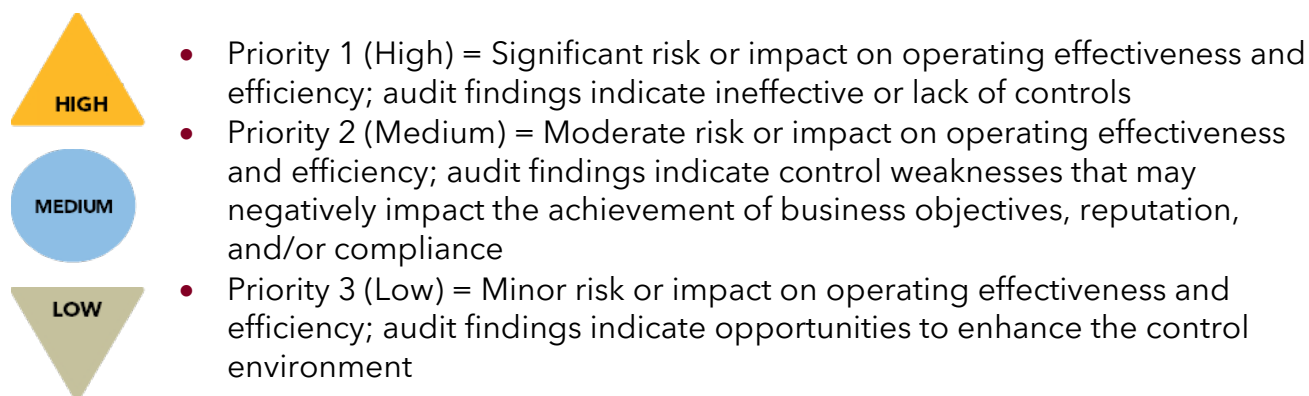


Figure 1 - Priorities

Our audit was neither designed nor intended to be a detailed study of every relevant system, procedure, or transaction. Accordingly, the OFI presented as follows may not be all-inclusive of areas where improvement may be needed.

Public Works Customer And Technical Services Division Had Two Assets With Tag Issues.



During our audit of the PW - CTS annual physical inventory of fixed assets on August 4, 2025, we observed the following:

- A cubicle workstation listed in the department's fixed asset inventory report as having asset tag number 122216 instead had asset tag number 132691 affixed.
- A Kohler generator located within a generator enclosure was missing asset tag number 75226.

Prior to our onsite observation, we obtained the PW - CTS fixed asset inventory report from our Oracle Fixed Assets system, listing 22 fixed assets. We randomly selected 9 of 22 fixed assets for observation, representing 40.9% of the total fixed assets population.

The division's Inventory Contact Person assisted us in observing nine randomly chosen assets from the fixed asset inventory report for testing purposes while also conducting the division's annual physical inventory of fixed assets. Based on our observations, the Inventory Contact Person conducted the annual physical inventory in accordance with the Finance

Division's policies and procedures for fixed asset processing. However, we noted two of the nine sampled assets, representing 22.2%, had issues related to asset tagging. Additional information on the two assets from the PW - CTS fixed asset inventory report with missing or incorrect asset tags is as follows:

Location	Asset Description/ Comment	Manufacturer	Asset Number	Serial Number	Tag Number	Current Cost	Net Book Value
PW - CTS	Furniture	Teknion	46470	N/A	122216	\$67,515	\$0
PW - CTS	Generator	Kohler	46985	351089	75226	\$30,200	\$0

Table 1 - Asset Inventory Details for PW - CTS Location - Missing or Incorrect Asset Tags

The Inventory Contact Person was aware of the location of all sampled assets. Upon reaching the office housing the cubicle workstation associated with asset tag number 122216, we observed the furniture had asset tag number 132691 affixed. Asset tag number 132691 was not listed on the fixed asset inventory report for the PW - CTS. We also observed the generator, which was located on the property in a generator enclosure, was hand-labeled with asset tag number 75226, but we could not locate an asset tag. The Inventory Contact Person suggested the generator was not tagged due to its location and weather conditions. To mitigate the risk of loss, some departments store asset tags separately rather than affixing them directly to the assets. Considering this, the custodial team members searched within their offices but could not locate the asset tag.

During our review of the cubicle workstation, we asked the custodial team whether a replacement tag had ever been requested. On August 7, 2025, the Primary Record Keeper informed us he could not locate any documentation indicating a request for a new tag in the past inventory submissions to the Clerk Finance Division Fixed Assets team. On August 11, 2025, the Primary Record Keeper submitted a "Fixed Assets Replacement Tag Request Form" to the Clerk Finance Division Fixed Assets team, requesting replacement tags for three assets, including the cubicle workstation and the generator identified previously. Regarding asset tag number 132691, the custodial team did not reconcile its use by updating the Oracle asset records. Instead, as noted previously, management submitted a replacement tag request for the cubicle workstation.

On September 5, 2025, we reviewed a copy of the "Fixed Assets Replacement Tag Request Form" submitted by the Primary Record Keeper, which requested three sequential tag numbers—133836 through 133838. To better understand how these specific numbers were selected, we scheduled a meeting with the Primary Record Keeper. During the meeting on September 8, 2025, the Primary Record Keeper explained the Clerk Finance Division Fixed Assets team authorized the PW - CTS location to maintain a batch of 100 unused tags (50 asset and 50 non-asset). These tags would be used for new additions or replacements, as needed. To support this explanation, the Primary Record Keeper provided two copies of the "Asset Tags Issued Form" signed in 2022 and 2024. The 2022 form documented the issuance of asset tags numbered 132652 through 132701 while the 2024 form covered asset tags 133833 through 133882.

Not all Pinellas County (County) departments and divisions maintain batches of unused asset and non-asset tags issued by the Clerk Finance Division Fixed Assets team. According to the standard procedure outlined in the "Fixed Assets Replacement Tag Request Form," custodial teams are expected to submit the form to the Clerk Finance Division Fixed Assets team and retain a copy until the "Fixed Assets Replacement Tags Issued Form" and corresponding tags are received. However, PW - CTS operates under a different arrangement. It is authorized to assign new and replacement tags to its assets and non-assets directly from batches and subsequently submit the "Fixed Assets Replacement Tag Request Form" to the Clerk Finance Division to update the County's Oracle asset records with the new tag numbers.

Also, during the meeting on September 8, 2025, the Primary Record Keeper reviewed the 2024 inventory results for any comments related to cubicle workstation asset tag 122216. The review revealed a comment stating, "Needs replacement tag." The Primary Record Keeper acknowledged he likely affixed the replacement tag number 132691 to the cubicle workstation but inadvertently did not document the update or submit it to the Clerk Finance Division Fixed Assets team. To support this explanation, the Primary Record Keeper referenced the 2022 "Asset Tags Issued Form," which included asset tag number 132691 within its batch of 50 sequential tags.

On September 8, 2025, we obtained an updated PW - CTS fixed asset inventory report from the Clerk Finance Division Fixed Assets team. We confirmed the cubicle workstation and generator assets were assigned the new corresponding asset tag numbers 133836 and 133837, respectively. We confirmed this by identifying the asset number associated with each item and then verifying the updated tag number. Each County asset is assigned both an asset number and an asset tag number. The asset number remains constant while the tag number changes when a replacement is made.

Lack of proper tracking and storage led to asset tag 75226 being missing during the 2025 fixed asset inventory. Inadequate oversight in maintaining accurate fixed asset records after replacing a lost tag led to Oracle asset records reflecting tag number 122216 while unassigned tag number 132691 was physically affixed.

The Finance Division's "Dept. FA Processing" (FA 300) course guidelines state the following:

"The Record Keeper is responsible for obtaining and safeguarding the department's supply of inventory tags and preparing the departmental annual audit. All unused asset tags should be kept in a secure location and inventoried each year. Contact Fixed Assets for Asset Tags issues...."

'Property of Pinellas County' Asset Tags

- Assigned to assets valued at \$5,000.00 or more*
- Record Keeper should affix the tag to the asset ASAP....*

Record Keepers are responsible for assigning and affixing physical asset tags, replacing lost tags, and maintaining accurate and complete capital asset records. They must make sure Oracle asset records are correct, initiate external transfers in iAssets, prepare internal and surplus transfers and may assist with and/or perform the annual inventory."

The Finance Division's Annual Physical Inventory Checklist procedures state the following:

"The Department Director is responsible for the annual physical inventory; the assigned Inventory Contact will document the inventory. The department's Record Keeper should verify that all new assets are properly tagged; complete the applicable forms, and review the PDA (Pending Departmental Audit) Report. The Inventory Contact will be responsible for recording the inventory results on the Inventory Report, verifying that the Oracle location on the inventory report agrees with the physical location of the asset, and verifying that the asset number, description, manufacturer, model and serial number agree."

Asset tags are used to monitor and track a department's physical assets. When asset tags are missing or not recorded correctly, it becomes difficult and more time-consuming to find and verify assets during inventory. In addition, the risk for theft or loss increases when assets are not properly tagged.

We determined this OFI's priority was low, as violations of policies with minimal impact to operations existed; however, the finding is an isolated instance or infrequent occurrence.

We Recommend Management:

- A. Ensure the proper tagging of both the cubicle workstation and the generator by affixing the respective replacement asset tags (133836 and 133837) and updating the handwritten tag number on the generator to reflect the new tag.
- B. Ensure all asset tags assigned to an asset but not affixed are inventoried each year to ensure they are at the PW - CTS fixed asset location and are easily accessible.

Management Response and Action Plan:

- A. **Management Concurs.** We agree with the assessment and acknowledge the need for corrective action. Our team requested a new tag for the items identified on September 8, 2025, tag 133836 and 133837 for cubicle furniture and generator. The replacement tag numbers have been received and deployed on the corresponding assets. This is now complete.

- ✓ **Individual(s) Responsible for Implementation:** Speros Zanetos, Business Support Specialist, Customer and Technical Services Division, Public Works
- ✓ **Planned Implementation Completion Date:** September 29, 2025

B. **Management Concurs.** We agree with the audit finding and our primary goal moving forward will be to ensure all assigned asset tags are properly affixed to their respective assets to enhance traceability and accountability (when applicable). In instances where asset tags have been assigned but not yet affixed, we will maintain detailed records with our Inventory Management team within Customer and Technical Services. These records will be securely stored in a locked binder to ensure accountability and controlled access until the tags are properly affixed. This task is complete. We thank the audit team for their collaborative approach and constructive feedback. The findings and recommendations will allow for continuous improvement within our division.

- ✓ **Individual(s) Responsible for Implementation:** Speros Zanetos, Business Support Specialist, Customer and Technical Services Division, Public Works
- ✓ **Planned Implementation Completion Date:** September 29, 2025

We appreciate your staff's cooperation during this audit.

MD/CS/SP