



OPERATING PARTS AND SUPPLIES INVENTORIES – FY 2018



REPORT NO. 2018-12

Presented To

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

December 20, 2018

Approved By

David R. Ellspermann, Clerk of the Circuit Court and Comptroller 
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Inventory Observations Assisted By
Gregg McCarthy, Accountant I (Finance)
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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. Internal Audit 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, 2018, 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, 2018		
Department	Type of Inventory	Value
Fleet	Vehicle Repair Parts	\$ 74,672
	Vehicle Fuel	\$ 241,348
		\$ 316,020
Fire Rescue	EMS Supplies	\$ 757,310
Utilities	Water Parts/Chemicals	\$ 727,355
	Wastewater/Chemicals	\$ 5,396
		\$ 732,751
Office of County Engineer	Materials/Supplies- Roads	\$ 392,377
	Materials/Supplies- Traffic	\$ 900,384
		\$ 1,292,761
Marion County Airport	Aviation Fuel	\$ 12,975
TOTAL INVENTORY VALUE		\$ 3,111,817

OBJECTIVE

Verify 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 inventory on hand as of September 30, 2018.

The inventories included the following departments:

- 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 of 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.

Internal Audit 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 accuracy of the counts. We also performed other audit tests subsequently to verify accuracy of the reported inventory values.

Our on-site observations did not include the following areas:

- The fuel readings of Fleet Department or Marion County Airport. We relied on the readings from the fuel systems and pertinent 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 subsequent transactions to arrive at the final value.
- Physical count of the chemicals at 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 information 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.

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