TO: The Honorable Chairman and Members of the Board of County Commissioners

FROM: Ken Burke, CPA
       Clerk of the Circuit Court
       Ex Officio County Auditor

SUBJECT: Audit of Public Works and Transportation Internal Controls Over Inventory of Materials and Supplies

DATE: April 20, 2011

For your review and filing in the Official Records, I am enclosing a copy of the report dated April 20, 2011 on the above-referenced audit.

I hope you find this report helpful in ensuring Pinellas County government provides the best possible service to our citizens.

cc: Robert S. LaSala, County Administrator
    Jim Bennett, County Attorney
    Mark Woodard, Chief Assistant County Administrator
    Peter Yauch, Director, Public Works
    Claretha N. Harris, Chief Deputy Director, Finance Division
    Ernst & Young
AUDIT OF PUBLIC WORKS AND TRANSPORTATION INTERNAL CONTROLS OVER INVENTORY OF MATERIALS AND SUPPLIES

Audit Services
Division of Inspector General

Ken Burke, CPA*
Clerk of the Circuit Court
Ex Officio County Auditor

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Director, Audit Services
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APRIL 20, 2011
REPORT NO. 2011-05

*Regulated by the State of Florida
**Accredited Office of Inspector General
By the Commission of Florida Law Enforcement Accreditation
April 20, 2011

The Honorable Chairman and Members
of the Board of County Commissioners

At the request of the County Administrator, we have conducted an audit of the Public Works and Transportation Internal Controls Over Inventory of Materials and Supplies. Our audit objectives were to:

- Evaluate the segregation of duties over the inventory.
- Confirm the inventory items exist and are owned by Public Works.
- Evaluate the safeguarding of the inventory.
- Determine that the inventory levels are properly related to department needs.

We conclude that the Public Works and Transportation Internal Controls Over Inventory of Materials and Supplies are satisfactory. The Department has developed a good internal control system and implemented adequate internal controls over its inventory. The inventory is closely monitored to ensure appropriate levels and is stored in secure locations.

Our audit did not identify any audit findings. Therefore, there are no Opportunities for Improvement presented in this report.

We appreciate the cooperation shown by the Public Works staff during the course of this review.

Respectfully Submitted,

Hector Collazo, Jr., Director
Audit Services, Division of Inspector General

Approved:

Ken Burke, CPA*
Clerk of the Circuit Court
Ex Officio County Auditor

*Regulated by the State of Florida
INTRODUCTION

Synopsis

The Public Works and Transportation Department inventory is maintained in a controlled environment and sufficient internal controls are present. The inventory is sufficient to support the department operations.

Background

Pinellas County Public Works' Mission is to serve the citizens and visitors of Pinellas County by providing, implementing, operating and maintaining transportation, surface water, and building programs in a professional manner which supports economic and community growth.
Our audit included Public Works and Transportation departments that maintain inventory. The Operations Department’s primary functions are the maintenance and operation of Pinellas County’s:

- Road network,
- Bridges,
- Drainage systems,
- Stormwater permitting compliance,
- Mosquito control,
- Vegetation management,
- Public Works permitting services,
- Utility coordination,
- Street lighting program, and
- Traffic signs and signal systems.

The Operations Department consists of several inventory-carrying divisions that include:

**Bridges Division**

The responsibilities of this division include repairs, maintenance and reconstruction of the County's road network, including roads, bridges, and sidewalks to benefit the motoring public and protect the County's investment in infrastructure.
Countywide Road Maintenance Division

This division's responsibilities include maintenance of the roadway landscaping, mowing, grading, tree trimming, repair and replacement of guardrail and handrail maintenance.

Stormwater Management Division

The Stormwater Management Division constructs and maintains the waterways and drainage structures within the County's jurisdiction, including street sweeping, and maintenance of canals, lakes, ditches, and culverts. This division maintains stormwater facilities in compliance with the Southwest Florida Water Management District (SWFWMD) and Florida Department of Environmental Protection (FDEP) permits, as well as in an aesthetically pleasing condition.
Mosquito Control Division

The Mosquito Control Division provides for an environment as free of mosquitoes as possible for the comfort and well-being of the public. It monitors the environment for the presence of any mosquito-transmitted diseases and takes proper abatement actions. Mosquito Control uses an integrated pest management program, focusing on source reduction. This division also provides educational presentations to the general public. This division services all of Pinellas County including municipalities.

Vegetation Management Division
The Vegetation Management Division controls aquatic weeds in the County's ponds, canals, ditches, and creeks. This division also provides chemical spraying of the right of way, mitigated and planted stormwater sites, and harvesting and removal of weeds.

Traffic Engineering, Signs and Marking Division

This division is responsible for the sign installation, road marking, and striping throughout the County. The division also manufactures road signs.
Scope and Methodology

At the request of the County Administrator, we have conducted an audit of the Public Works and Transportation Controls over Inventory of Materials and Supplies. Our scope covered internal control evaluation, which confirmed existence of the inventory, adequacy of security over the County assets and adherence to proper inventory levels.

The objectives of our audit were to:

1. Evaluate the segregation of duties over the inventory.
2. Confirm the inventory items exist and are owned by Public Works.
3. Evaluate the safeguarding of the inventory.
4. Determine that the inventory levels are properly related to department needs.

In order to meet the objectives, we interviewed department management and staff and reviewed supporting documentation to obtain a clear understanding of the processes and procedures used to maintain the inventories. We tested, on a sample basis, the related processes of the inventory function. The adequacy of internal controls was evaluated and tested. We performed such other audit procedures as we considered necessary in the circumstances.

Our audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing and the Standards for Offices of Inspector General, and accordingly, included such tests of records and other auditing procedures, as we considered necessary in the circumstances. The audit period was October 1, 2009 to July 30, 2010. However, transactions and processes reviewed were not limited by the audit period.

Overall Conclusion

The inventory policies and procedures are adequate and there are proper internal controls and separation of duties present in the inventory processes. Inventory records were confirmed to the existing inventory held. All inventories are stored at secure locations at several locations. The inventory materials and supplies were sufficient to support the operations.

Our audit did not identify any audit findings. Therefore, there are no Opportunities for Improvement presented in this report.

Our audit was neither designed nor intended to be a detailed study of every relevant system, procedure, or transaction. Accordingly, our review may not be all-inclusive of all areas where improvement may be needed.
DIVISION OF INSPECTOR GENERAL

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PINELLAS COUNTY, FLORIDA

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