



**Manatee County**

**Clerk of the Circuit Court and Comptroller**

*R.B. "Chips" Shore*

P.O. Box 25400 • Bradenton, Florida 34206 • (941) 749-1800 • FAX (941) 741-4082 • [www.clerkofcourts.com](http://www.clerkofcourts.com)

## MEMORANDUM

To: Larry White, Director of Convention and Visitors Department

From: R. B. "Chips" Shore, Clerk of the Circuit Court and Comptroller

Date: February 5, 2002

Subject: Civic Center Events Services Division - Inventory Follow-up Audit

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The Internal Audit Department has completed a follow-up audit based on the Clerk of the Circuit Court's Audit Report of the Events Services Division – Inventory, issued on September 12, 2000. The follow-up consisted of reviewing the management action plans included in the original audit report to ensure corrective actions have been implemented by the Civic Center.

We are pleased with management's response to issues raised in our original audit report. Internal Audit believes that the procedures implemented are the beginning to improving the accountability over the Department's inventory operations. Management is prepared for the next phase of implementation that will complete the cycle of inventory controls. During the meeting of January 29, 2002, your management staff together with the Internal Audit Department staff, agreed on the following action plan:

1. An inventory software program is recommended to facilitate in the maintaining of a perpetual inventory system. The inventory software will incorporate the Event Usage Reports that are currently in use to document what inventory is used per event. While improvement is needed to ensure that these reports are fully completed and authorized by a supervisor, these reports can be used to relieve the amount of inventory in the computer system. The system would then attach the current unit prices of the items used and the cost of an event can be determined by just adding labor cost. This would enable management to determine on a per event basis whether the Civic Center is meeting its targeted 40% overhead contribution, as contained in the Board Resolution R-96-222.

**Management Action Plan:** Management will work with the Information Systems Department to obtain an inventory software package. Management will review and customize the software to meet the needs of the Civic Center. Upon its implementation, management will begin using the software to record and control the liquor inventory. Once the liquor inventory is fully transitioned and operational, management will include concession inventory. Management anticipates that implementation conversion to the new software will be accomplished by September 30, 2002.

2. The Civic Center currently counts inventory of food and liquor on a quarterly basis. These inventory counts have not been effective because the inventory counts are neither complete nor consistent. With the implementation of an inventory software system, management will be able to compare the physical inventory counts to the perpetual inventory system, allowing management to investigate any discrepancies.

**Management Action Plan:** Management believes the implementation of the inventory software system will improve the effectiveness of the physical counting process. After implementation, new policies and procedures will be developed to guide employees in the counting process, and administration in the system's input requirements and investigations of discrepancies. Implementation is expected 60 days after implementation of the new inventory software system.

3. The Civic Center generates quarterly reports to management. As a result of the inaccurate inventory information and errors in calculations, the quarterly reports had erroneous information. With the implementation of the inventory software system, reports can be generated from the information already in the system. This should streamline the current reporting process for the Accounting Section.

**Management Action Plan:** Management believes the implementation of the inventory software system will improve the efficiency and effectiveness of the reporting process. Implementation is expected 60 days after implementation of the new inventory software system.

4. Civic Center Employees, police and firemen receive a 50% discount on food and beverages while working events. In addition, employees receive free water and Powerade. Management believes that it is not efficient for these workers to leave the premises while working an event when food and beverages are available at the Civic Center.

**Management Action Plan:** Management will obtain Board of County Commissioners' approval within six months to allow for the continuation of these practices.

5. The following findings were other issues discussed where management has agreed to strengthen its controls and establish policies and procedures where necessary within 60 days.
  - a. During certain events, special prices were given on alcohol, which did not comply with the alcohol pricing schedule (i.e. for promoters). Management will update their internal policies and procedures manual to allow for the special pricing of liquor under certain circumstances upon the written approval of the management staff.
  - b. Procedures are needed for bartenders which includes but not limited to: the canceling and voiding of transactions, commingling monies, using their own tools, keeping personal items, and speciality drink prices. Management will develop specific instructions for bartenders that will be laminated for bartenders' reference.

We would like to thank you and your staff for the attention given to the audit findings and the cooperation given to the Internal Audit staff. Another follow-up audit will be scheduled after the implementation of the Management Action Plan.

RBS/RJO/MDB

CC: Board of County Commissioners  
Ernie Padgett, County Administrator  
Elliott Falcione, Convention and Visitors Bureau Facilities Manager  
Josh Weinstein, Convention and Visitors Bureau Operations Manager  
Anne Vanwormer, Convention and Visitors Bureau Business Manager



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## MEMORANDUM

TO: City Desk Editor, Bradenton Herald  
City Desk Editor, Manatee AM  
Islander Bystander  
Sid Thomas, Editor  
WHNZ, Newsroom

FROM: R. B. "Chips" Shore, Clerk of the Circuit Court, County Comptroller and Auditor

DATE: February 6, 2002

RE: Announcement of the Release of an Internal Audit Follow-up Memorandum

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My office is releasing today the Internal Audit Follow-up memorandum for the Civic Center Events Services Division, which was performed as of April 30, 2001. Copies may be obtained by contacting the Internal Audit Department at (941) 741-4017. Copies of the report can either be mailed or picked up at the Internal Audit Department Office.