



**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.manateeclerk.com](http://www.manateeclerk.com)

## MEMORANDUM

To: Jim Seuffert, Financial Management Department Director

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

Date: March 3, 2004

Subject: Fuel Services Section Follow-up Audit #1

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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 to the Financial Management Department's Fuel Services Section, issued on September 4, 2002. The follow-up consisted of reviewing corrective actions implemented by the Fuel Services Section for the areas where we provided constructive criticism and recommendations.

We are pleased with management's response to issues raised in our original audit report. The procedures established for areas such as reconciliations and stick dippings have resulted in improved accountability for usage variances and improved monitoring of fuel level reading devices. Internal Audit believes these controls have significantly improved the efficiency and accountability over the operations of the Fuel Services Section.

Management has addressed all of the areas where improvements were recommended; however, a couple of areas still require further attention. During the meeting of February 24, 2004, your management staff, together with the Internal Audit Department staff, agreed on the following action plans:

1. The Fuel Services Section compiles monthly reports that compare the quantity of fuel billed to fuel used. When the variances exceed the established threshold of 1,000 gallons, the variances are investigated, documented and adjusted when appropriate. Testing revealed that the documentation was not always evident when variances exceeded 1,000 gallons, although management stated that investigations were performed.

**Management Action Plan:** Management has implemented procedures that require the documentation of the results of investigations performed when fuel quantity differences exceed the threshold 1,000 gallons. The documentation procedure became effective as of August 2003.

2. The current documentation and supervisory review procedure for changes made to fuel usage data does not provide reasonable assurance that unauthorized changes to the data will be uncovered during routine Fuel Services review and supervision. While no evidence was discovered to indicate that unauthorized changes occurred, Management should have this ability to monitor all changes made to the system and determine those changes that required further investigation.

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**Management Action Plan:** Management will continue working with Internal Audit and Trak Engineering to configure a system audit trail that serves management's tracking needs as well as its data management needs in an efficient and effective manner. Management anticipates a resolution by August 2004.

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. An additional follow-up will be scheduled after the implementation of the Management Action Plans.

RBS/RJO/MDB/WPA

cc: Board of County Commissioners  
Ernie Padgett, County Administrator  
Robert Cuthbert, Financial Management Division Manager  
Jack Hamilton, Purchasing Operations Manager

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