OFFICE OF INSPECTOR GENERAL

Clerk of the Circuit Court and County Comptroller
St. Johns County, Florida

AUDIT REPORT

Audit # FY25-AP002

St. Johns County Fire Rescue - Inventory Management System

Brooke Tefft
Inspector General

September 15, 2026
Date Issued

Brandon J. Patty
Clerk of the Circuit Court
and County Comptroller

Brooke Tefft
Inspector General

Office of Inspector General

Clerk of the Circuit Court & County Comptroller
St. Johns County, Florida

September 15, 2026

The Honorable Chairman and Members of the Board of County Commissioners

The Office of Inspector General has completed an audit of the Fire Rescue Department's internal controls for inventory management.

We wish to formally acknowledge and extend our sincere appreciation to the staff of the Fire Rescue and County Administration Departments for their exemplary cooperation and assistance throughout the course of this audit engagement.

This audit was performed in accordance with the Global Internal Audit Standards of the Institute of Internal Auditors (IIA) and the Principles and Standards for Offices of Inspector General established by the Association of Inspectors General (AIG).

We believe that the recommendations in this report will support the St. Johns County Board of County Commissioners in its continued commitment to delivering reliable, effective, and efficient services to residents while maintaining the highest standards of governance and compliance with all applicable laws and regulations.

Respectfully,

Brooke Tefft
Inspector General

cc:
Brandon J. Patty, Clerk of the Circuit Court and County Comptroller
Joy Andrews, County Administrator
Brad Bradley, Deputy County Administrator
Jesse Dunn, Deputy County Administrator
Sean McGee, Fire Rescue Chief

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I. EXECUTIVE SUMMARY

This audit evaluated the accuracy and effectiveness of internal controls for the inventory management system utilized by the Fire Rescue operational division of the St. Johns County Fire Rescue Department (SJCFR). The audit finds that the SJCFR inventory management system aligns well with existing policies and functions effectively, requiring only minor improvements to further mitigate risks. The audit identified seven findings, each with recommendations to improve resource tracking and support SJCFR's mission to serve the community effectively.

Key findings included a lack of policies and procedures for inventory management, the discovery of expired supplies, discrepancies between the PSTrax inventory management software and physical counts, incomplete inventory checks, retention of obsolete items, purchasing discrepancies, and insufficient separation of duties.

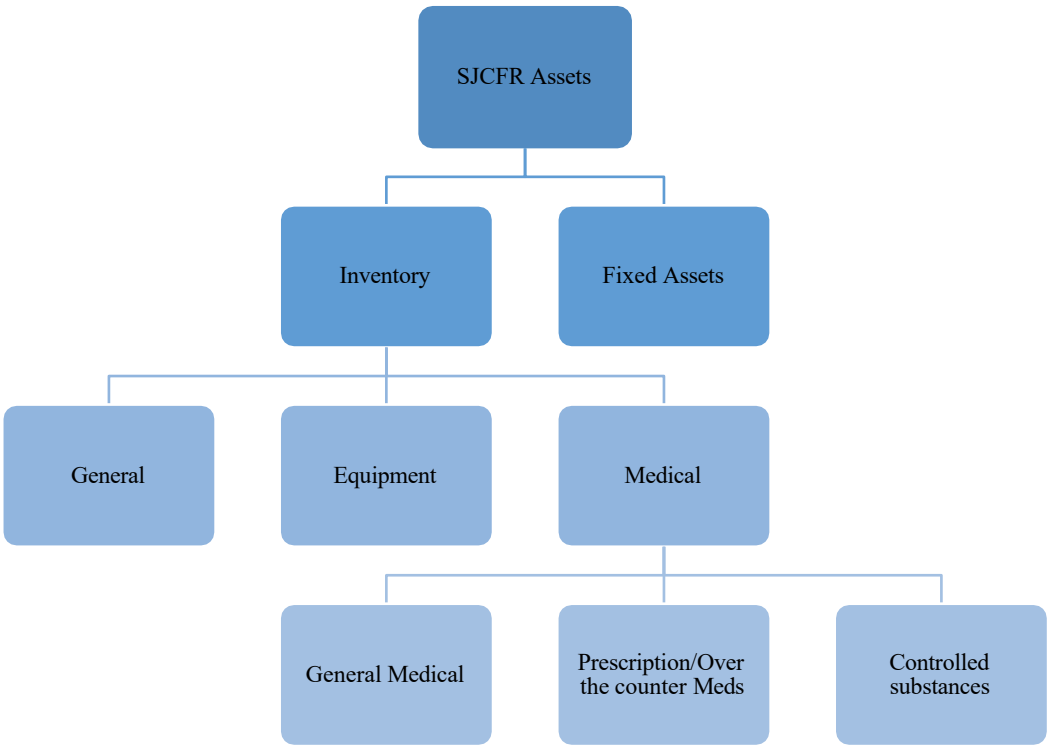
II. PURPOSE

Based on the 2025 County-wide Risk Assessment, the Office of Inspector General (OIG) 2025 Annual Audit Plan included an audit of the inventory management system for the Fire Rescue Operational Division of the St. Johns County Fire Rescue Department (SJCFR).

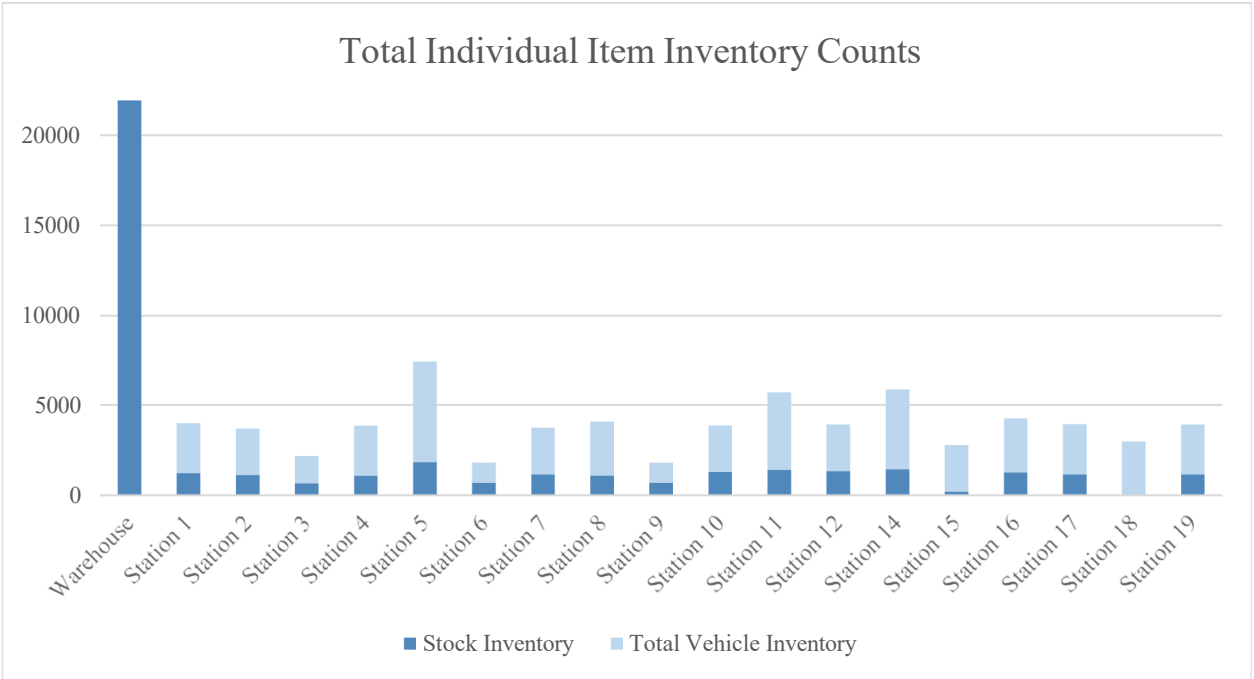
III. BACKGROUND

The SJCFR includes an operational and training section, a fire prevention division, a marine rescue division, and a division dedicated to public education. The SJCFR mission is "To SERVE those in need," and its core values encompass professional excellence, integrity, communication, diversity, respect, health and safety, teamwork and leadership, community, and innovation. The SJCFR currently employs approximately 460 personnel and operates 18 fire stations, along with its headquarters, which houses the inventory warehouse. The inventory warehouse is the central location for inventory storage, although stock is also held at each station and the apparatuses assigned to them (See Appendix A).

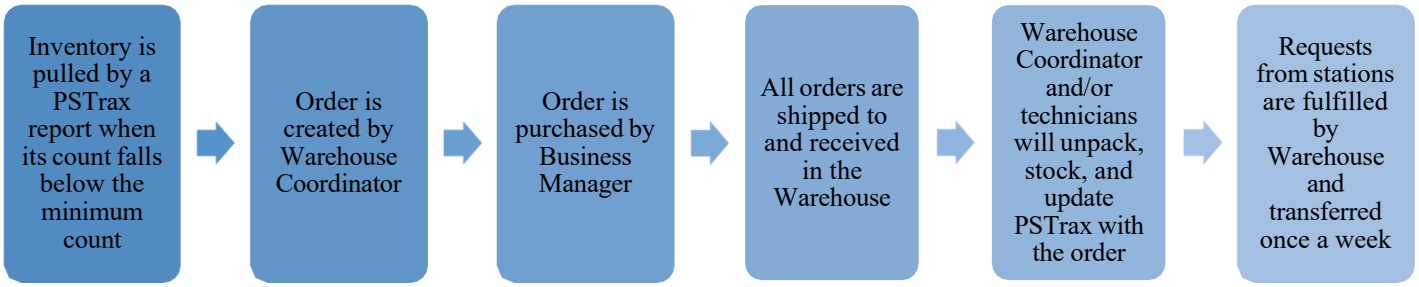
The types of inventories handled by the SJCFR can be categorized as follows:



The SJCFR is responsible for purchasing, maintaining, tracking, and disposing of inventory. This audit will focus on general supplies and medical supplies, excluding controlled substances. The following table shows the total inventory at each location, comprising over 90,000 individual supply items, as of April 25, 2025.



The inventory management process for general and medical supplies is outlined as follows.



The following positions within the department are responsible for the inventory process.

Job Title	Role related to the inventory process
Fire Chief	Responsible for SJCFR as a whole.
Chief of Administrative Services	Responsible for all admin-related departments, including finance, purchasing, procurement, and budget.
Deputy Chief Fire Rescue	Responsible for the inventory of controlled substances, including the purchase, tracking, disposal, and documentation.
Chief of Logistics	Responsible for all assets, including inventories for all departments of SJCFR, fixed assets, and controlled substances/medication inventory.
Captain of Logistics	Responsible for the warehouse, warehouse personnel, and inventory systems used.
Warehouse Coordinator	Direct supervisor of the warehouse technicians. Responsible for the purchase, intake, transfer, tracking, maintenance, and disposal of the general, medical, and fixed assets within the warehouse, including all updates and reports within the PSTrax computer system.
Warehouse Technicians	Responsible for the intake, transfer, and maintenance of general and medical supplies within the warehouse, including logging changes within the PSTrax computer system.
Fire Department Coordinator	Responsible for all badge access, including activation and deactivation.
Finance Coordinator	Responsible for the final step in the purchasing of inventory and the keeper of receipts/invoices.
Bunker Gear Manager	Lieutenant responsible for the purchase, intake, assignment, tracking, and inspection of bunker gear.

The inventory management software program used is PSTrax. PSTrax manages all inventory held within the warehouse, station supply rooms, and apparatuses. Its capabilities include, but are not limited to, the count on hand, the maximum and minimum ranges, expiration dates for equipment such as bunker gear and controlled substances, average dollar cost per supplier, supplier used, and report creation. Access levels to PSTrax are granted on a position basis, and the connection to personnel emails enables notifications for expired assets, transfers required, or low stock levels. The Bunker Gear Manager or the Captain of Logistics will input new employees and assign access levels. The Warehouse Coordinator is the only employee authorized to change required inventory counts.

IV. OBJECTIVE, SCOPE, AND METHODOLOGY

The primary objective was to assess the accuracy and effectiveness of internal controls for the inventory management system across the SJCFR warehouse, stations, and apparatuses.

Specific audit objectives were:

- To assess the accuracy between the PSTrax inventory software system and the physical inventory located at the SJCFR warehouse, SJCFR stations, and SJCFR vehicles, including the documentation of expiration dates, transfers between locations, and shipments of additional inventory.
- To assess the effectiveness of the internal controls in place for damaged or expired inventory located within the SJCFR warehouse, SJCFR stations, and SJCFR vehicles.
- To assess the effectiveness of the internal controls in place for the separation of duties of SJCFR personnel related to purchases and inventory procedures.

The scope of this audit covered any general and medical inventory, excluding controlled substances, located in the SJCFR Headquarters warehouse, SJCFR fire stations, and SJCFR vehicles. Also included in the scope were any computer systems and inventory-related purchasing invoices/packing slips (purchase receipts). A physical inventory count was conducted on April 25, 2025, for the warehouse, and on May 8, 2025, for the station and apparatuses. The period under review for the reports on weekly counts (warehouse and stations), shift change checklists (vehicles), and purchase receipts was from January 15, 2025, through April 15, 2025.

Audit procedure to accomplish these objectives included:

- Obtained and reviewed policies, procedures, and related requirements.
- Interviewed the appropriate staff.
- Reviewed records and reports.
- Observed the daily operations and completed a process walk-through.
- Detailed testing of the following areas:

Sample Description	Population	Sample Size	Criteria
Station Selection	18	1	Inventory Volume
Warehouse Inventory Count	494	217	Confidence Level: 95% Margin of Error: 5%
Station #5 Inventory Count	289	141	Confidence Level: 90% Margin of Error: 5%
Station #5 Apparatus Inventory Count	1,618	409	Confidence Level: 90% Margin of Error: 5%
Purchasing Testing	Jan 15, 2025- Apr 15, 2025	Jan 23, 2025 Feb 04, 2025 Mar 04, 2025 Apr 02, 2025	Purchase Volume
Transfer Testing to Station #5	Jan 15, 2025- Apr 15, 2025	Jan 15, 2025- Apr 15, 2025	All included
Weekly/Daily counts of Warehouse, Station #5, and assigned apparatuses	Jan 15, 2025- Apr 15, 2025	Jan 15, 2025- Apr 15, 2025	All included
Internal controls in place for damaged inventory	All included.	All included.	All included
Internal controls in place for the separation of duties and succession training	All included.	All included.	All included

V. STATEMENT OF AUDITING STANDARDS

This audit was conducted in accordance with the Global Internal Audit Standards and with the Principles and Standards for Offices of Inspector General. Those standards require the OIG to plan and perform the audit to obtain sufficient and appropriate evidence, providing a reasonable basis for our findings and conclusions based on our audit objectives. The OIG believes the evidence obtained provides a reasonable basis for our findings and conclusions, which are based on our audit objectives.

VI. FINDINGS AND RECOMMENDATIONS

►►Finding #1: Opportunities for improvement in inventory management procedures.

The SJCFR outlined their known ways of working during a walkthrough of the inventory process and provided the relevant policies, procedures, SOPs, and guidelines for the audit. SJCFR also complies with all county policies related to the purchase of assets and supplies, as well as state laws, the National Fire Protection Association 1910, and the Department of Health Regulations for ambulances. The following policies and guidelines were provided during the audit, including those issued by Lexipol, the software system used to manage them.

Policy/Guideline	Date Initiated	Description
Guideline 702: Property and Supplies	Lexipol Issue Date: 02/05/2025 Earliest "issue" date: 07/01/2001 (SOP 131)	• Department-issued equipment responsibilities. • Inventory control for lost, stolen, or damaged equipment. • The process for ordering supplies to stations, including the use of the Station Supply Order form, as well as non-stock supplies, uniforms, PPE, and medical supply cabinets. • Expired drugs (not related to controlled substances). • Reference to video SOPs
Policy 212: Physical Asset Management	Lexipol Issue Date: 02/05/2025 Earliest "issue" date: 02/05/2025	• Definition of physical assets. • Responsibilities include developing a physical asset management plan to track assets, maintaining accurate records, implementing an inventory control system, and routine internal and external audit practices. • Procedures for surplus and obsolete assets, disposal of assets, and a routine inventory report.
Policy 501: Controlled Substance Accountability	Lexipol Issue Date: 05/15/2025 Earliest "issue" date: 07/01/2001 (SOP 134)	• Procedures for the supply, use, and accountability of controlled substances.
Policy 215: Fiscal Monitoring and Accountability	Lexipol Issue Date: 07/08/2025 Earliest "issue" date: 07/08/2025	• Guidelines for the department's fiscal administration, accounts receivable management, and billing/coding compliance. • Conducting periodic audits of department financial operations.
Policy 213: Purchasing and Procurement	Lexipol Issue Date: 02/05/2025 Earliest "issue" date: 02/05/2025	• Guidelines for the purchasing and procurement of goods and services. • A review of proposed purchases to determine the most appropriate method of procurement, as well as an annual review to assess compliance.
Guideline 703: Reporting Apparatus, Equipment, and Station Needs	Lexipol Issue Date: 02/05/2025 Earliest "issue" date: 07/01/2001 (SOP 131)	• Reporting of repair or needs requests for apparatus, equipment, or stations.
Policy 700: Vehicle Inspections, Testing, Maintenance, and Security	Lexipol Issue Date: 04/16/2025 Earliest "issue" date: 07/01/2001 (SP 151)	• Guidelines for the testing, inspection, repair, maintenance, and security of vehicles and apparatus. • Daily inspections of apparatus to be completed in PSTrax.
Guideline 701: Daily Vehicle Inspection	Lexipol Issue Date: 02/05/2025 Earliest "issue" date: 07/01/2001 (SOP 130)	• Daily vehicle inspection by the assigned crew with a review of the check sheet by the station officer each morning. • Spare Apparatus inventory to be completed daily and maintained in the same manner as the front-line vehicle.
Training Videos	Multiple	• Video names: Up one level, Getting started with PSTrax, Medic training video: controlled substances module (vial tracking), Medic/Admin training video: controlled substances module (vial tracking), Uniform Ordering using PSTrax, User Training video: Inventory module, User Training video: PPE module, User Training video: SCBA module, and User Training video: Vehicle & Station modules

Upon reviewing the above policies and guidelines, areas were identified where the documentation could be improved. Known ways of working are communicated to personnel in training; however, the following are examples of policies and procedures that have not been created or integrated into current practices.

- Count of the inventory in comparison to what is recorded in PSTrax, including a rotational count of the warehouse.
- A review of the purchased or requested inventory for fraud, waste, or abuse.

The following are observations and potential risks noted during the audit due to the lack of written policies and procedures.

- During the sample count of the warehouse inventory, it was noted that stock was transferred from the warehouse to a station; however, this transfer was not recorded in PSTrax at the time of transfer. This resulted in an overstatement of 20 bags of Oil Dry in the PSTrax system.
- While sample testing was being completed at the warehouse location, printer ink was removed from inventory by an employee without informing the Warehouse Coordinator. This resulted in an overstatement of stock in the PSTrax system.
- A bottle in the medical supply cabinet was found broken during the audit. The bottle was removed from the physical inventory and placed in a safe location until it could be appropriately disposed of in a glass sharps container. The bottle was not removed from the PSTrax inventory at that time. An understanding of how to handle spills, broken glass, and the required documentation is needed.
- Without reviewing supplies purchased or requested on a scheduled basis, there is a risk of fraud, waste, and abuse within the warehouse or stations.

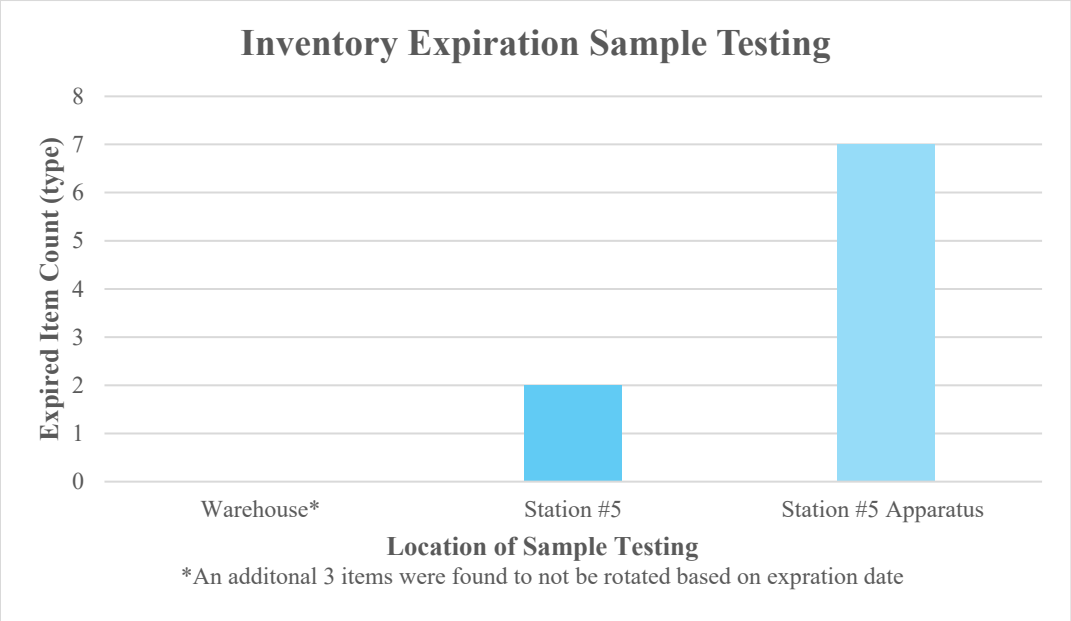
To ensure effective succession planning, it is essential to establish proper policies, procedures, and standard operating procedures (SOPs). By doing so, the risk of knowledge loss can be mitigated.

Recommendations:	• Establish written policies and procedures for all operational activities. Such documentation ensures that practices are implemented consistently across the organization, thereby enhancing overall efficiency. Furthermore, it provides a framework for service continuity during employee turnover, serving as an invaluable operational guide. By providing clarity and accountability, comprehensive documentation not only mitigates risks associated with knowledge gaps but also enhances the organization's overall effectiveness. Review and update policies as necessary to cover any gaps in the inventory control process.
Management Response:	See Appendix B

►►Finding #2: Management of expired inventory and incomplete inventory rotation.

During the inventory walkthrough, SJCFR staff emphasized that all expired products must be removed from shelves and disposed of. It was also noted that all products with expiration dates should be rotated so that the oldest items are at the front and the newer items are at the back. Expired items were found at Station #5, and on the apparatus tested. Product rotation was not completed for 3 items in the warehouse. The following table depicts these findings. (Table 1)

Table 1



The following items were not rotated based on the expiration date at the warehouse.

- Laryngoscope Blade, Mac 4, Disposable, Large Adult
- etoc2/o2 nasal canula adult
- Valved-Tee Adapter -15mmOD/15mmID

The following items were found to be expired at Station #5.

- Glucometer Control Solution, Hi-Low
- Airway, Size 2.5 Supraglottic, Large Pediatric (I-Gel)

The following items were found to have expired on the apparatus tested at Station #5.

- OB Kits
- Amidate
- Olaes 4" Bandages
- Chest Seals (2 pk)
- Olaes 4" Bandages

Recommendations:	• SJCFR Drafted Guideline 702.10 "Expired drugs and medical equipment will be removed from central and station medical storerooms and wasted, or otherwise disposed of, in an appropriate manner (the exception is narcotics)." Expired supplies, whether general or medical, should be removed and disposed of by the expiration date if they are not intended for use in training purposes. • Conduct a rotational physical inventory count and inspection of all locations. This includes counting different sections on a weekly or monthly basis until the entire inventory has been reviewed. • Review current procedures for completing warehouse and station inventory counts, including verification of expiration dates.
Management Response:	See Appendix B

►►Finding #3: Daily and weekly checks were not completed.

According to the known ways of working, the inventory stored at the warehouse and stations at SCJFR is to be reviewed weekly and reported in the PSTrax system. During testing, the following was identified.

- A weekly inventory check at the SJCFR Warehouse was not completed between April 3, 2025, and April 15, 2025.
- A weekly inventory check at Fire Station #5 is completed on both General Supplies and Medical Supplies; however, a general supply check was not completed between January 19, 2025, and February 2, 2025.

According to the known ways of working, Policy 700, and Guideline 701, the inventory stored on any apparatus at SCJFR is to be reviewed at least once a day and reported in the PSTrax system. During testing, the following was identified for the apparatuses assigned to Station #5.

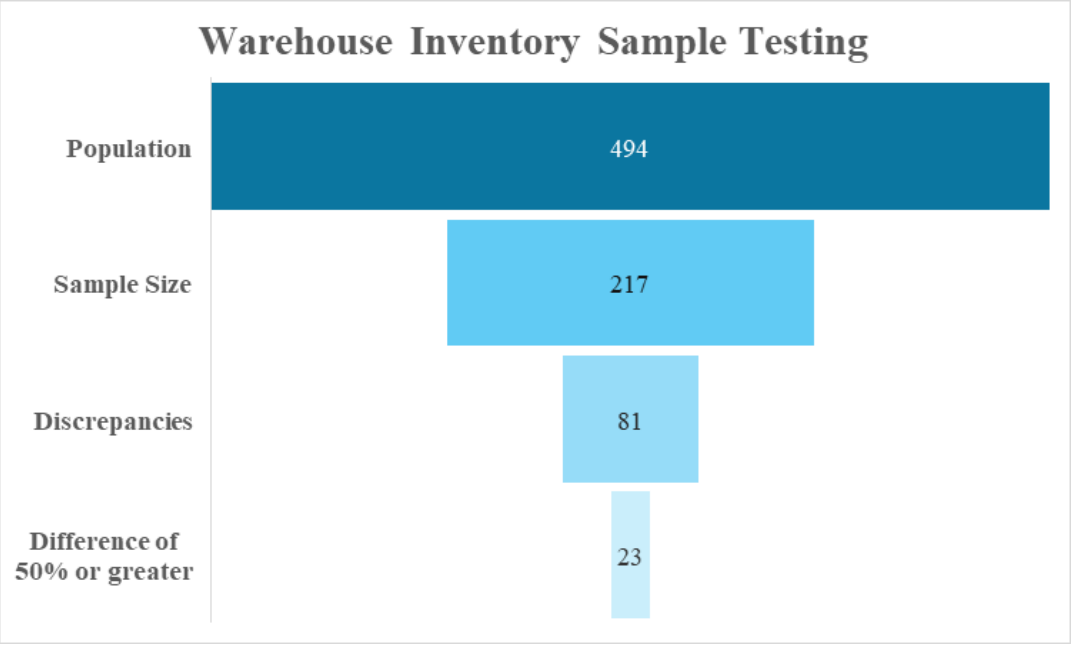
- There were 28 days in which a daily shift checklist was not completed. These dates were between January 15, 2025, and April 15, 2025, for the Heavy Rescue Squad apparatus.
- There were 20 days in which a daily shift checklist was not completed. These dates were between January 15, 2025, and April 15, 2025, for the Rescue Ambulance #1 apparatus.
- There were 25 days in which a daily shift checklist was not completed. These dates were between January 15, 2025, and April 15, 2025, for the Rescue Ambulance #2 apparatus.

Recommendations:	• Update policies to include a weekly count of inventory that a separate individual then reviews. • Provide additional training to those who work at each station, on each apparatus, and those who provide review
Management Response:	See Appendix B

►►Finding #4: Differences between the quantity recorded in the PSTrax computer system and the physical count conducted.

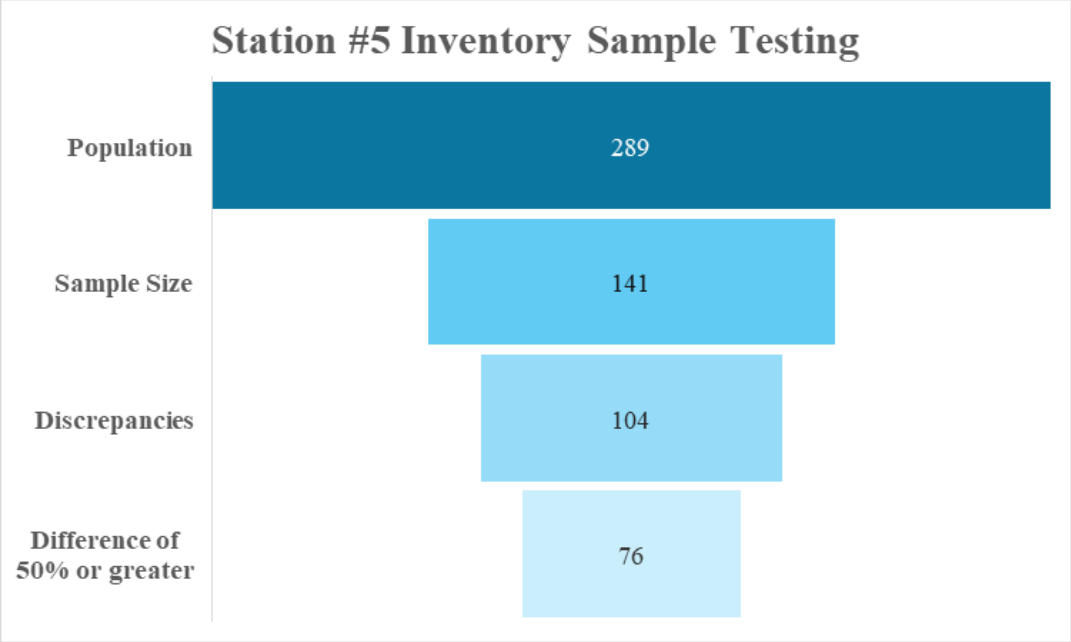
The SJCFR warehouse had a total of 494 item types stocked on the day of sample testing. Of these, 217 were selected for sampling, and 81 were found to have discrepancies between the numbers in the PSTrax computer system and those from the physical count. Among those 81 items, 23 had a 50% or greater difference between the quantity reported on hand and the count during the audit, including 15 that were understated and 8 that were overstated. Overall, 63% of the sample counted were accurate. (Table 2)

Table 2



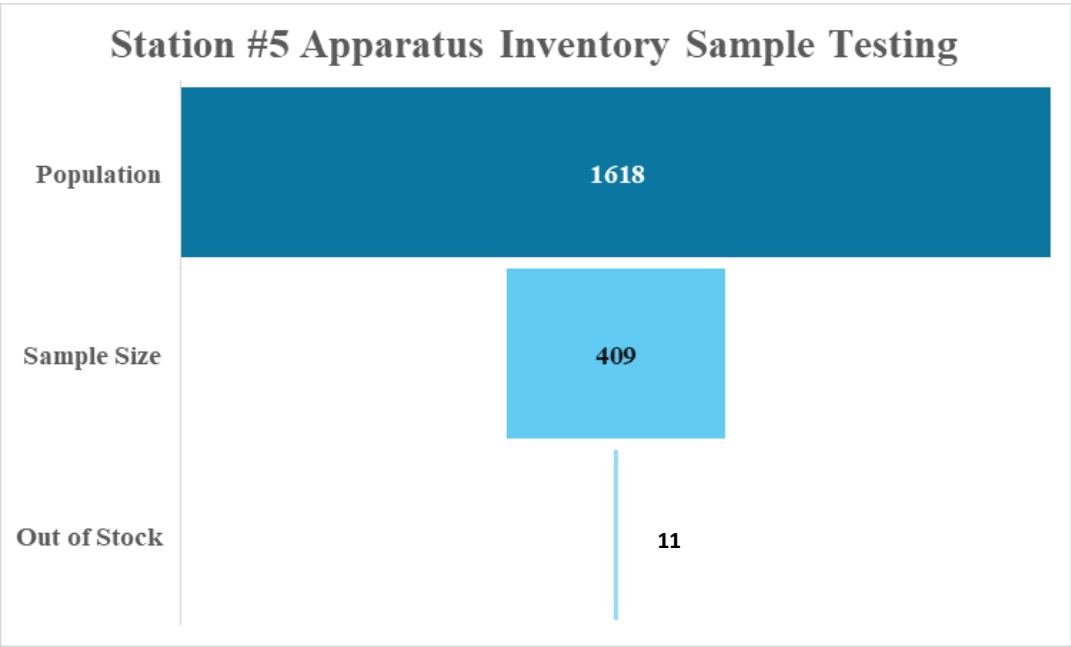
SJCFR Station #5 had a total of 289 item types stocked on the day of sample testing. Of these, 141 were selected for sampling, and 104 were found to have discrepancies between the numbers in the PSTrax computer system and those from the physical count. Among these 104 items, 76 had a 50% or greater difference between the quantity reported on hand and the count during the audit, with 39 items understated and 37 overstated. Overall, 37% of the sampled items were accurate. (Table 3)

Table 3



The apparatuses selected for sampling at SJCFR Station #5 contained a total of 1,618 items in stock. Of these, 409 were selected for sampling. On the day of the physical count, several items in the sample were duplicate types, located at different locations throughout the apparatus. It was also noted that duplicate item types appeared in a different checklist function created by the report that provided the population count. Unlike the warehouse and station inventory, the apparatus inventory count is not tracked in the PSTrax computer system. Instead, the apparatus inventory relies on an electronic checklist to confirm that items are present and in acceptable condition. Testing procedures for these items focused on verifying their presence and ensuring none were expired or damaged. A total of 11 items were found to be out of stock during testing; 9 were corrected immediately. (Table 4).

Table 4



Recommendations:	• Conduct a comprehensive physical inventory count for all locations regularly to ensure the accuracy of inventory records. Such systematic counts are essential for identifying discrepancies between physical quantities and recorded amounts, thus fostering accountability and minimizing the risks of loss, theft, or mismanagement of supplies. • Conduct a rotational physical inventory count and inspection of all locations. This includes counting different sections on a weekly or monthly basis until the entire inventory has been reviewed. • Review current procedures for completing warehouse and station inventory counts, including verification of expiration dates.
Management Response:	See Appendix B

►►<u>Finding #5: Unexplained purchasing discrepancies.</u>

The SJCFR uses the PSTrax software system to generate a "Below Min" Report. This report notifies the Warehouse Coordinator when certain items fall below the minimum stock level. Based on that report, the Warehouse Coordinator orders stock from approved vendors, receives the shipment, and completes the restock PSTrax activity as the items are being shelved. PSTrax then produces the restock report. All receipts, invoices, and packing slips are stored and maintained by the Warehouse Coordinator as paper copies for 3 months, then given to the Finance Coordinator for long-term storage. Examples of these procedures were seen during the walkthrough.

Out of the 4 weeks selected for testing, 257 purchases were made to restock inventory. Of those, 14 items showed a discrepancy between the amount ordered, as recorded by the Warehouse Coordinator on the "Below min" report, and the amount purchased on the invoice. An additional 32 items revealed discrepancies between the amounts purchased on the invoices and those recorded in the restock reports (Table 5). A total discrepancy value of $8,750.96 was calculated (Table 6). No explanation has been provided for the discrepancies in any of the reports or invoices provided.

Table 5

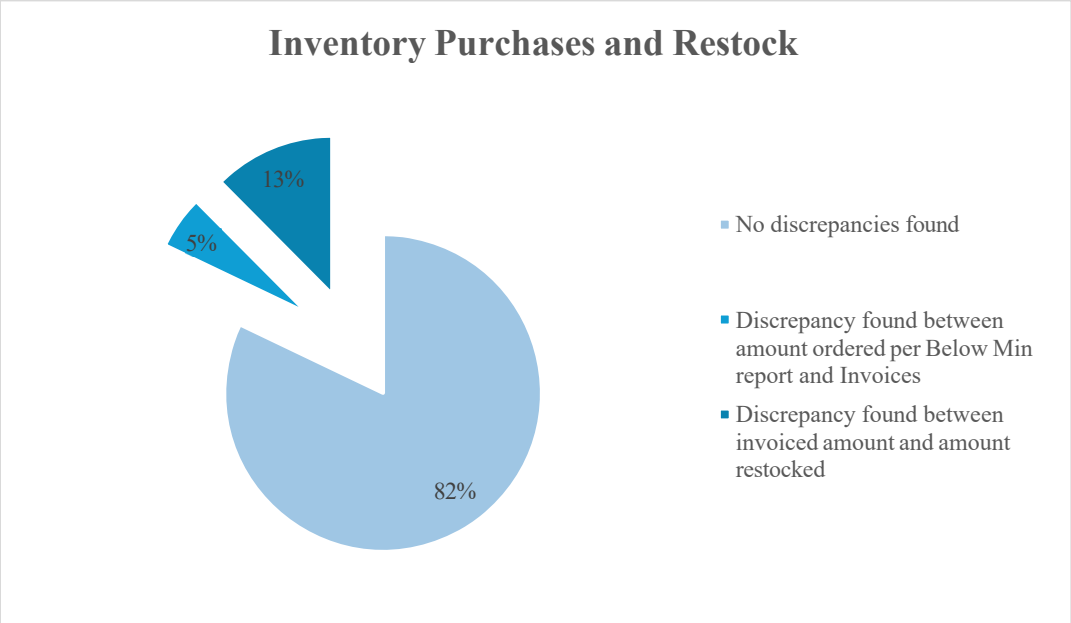
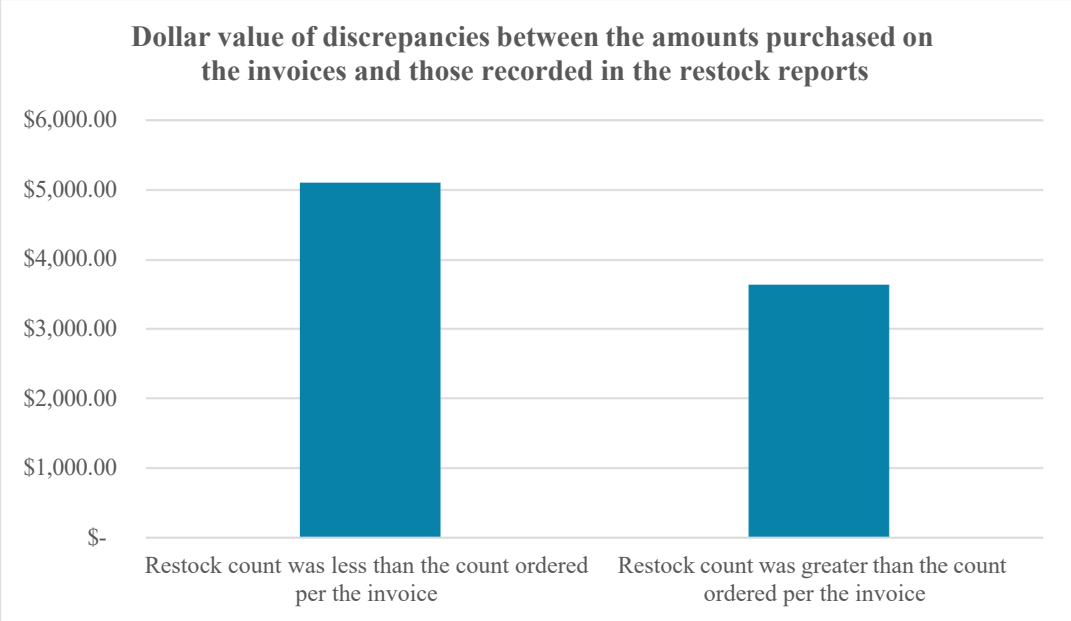


Table 6



Recommendations:	• Update any policy related to purchasing to ensure discrepancies are reviewed, and an explanation is provided. • Have a review completed of purchased and restocked amounts after completion of each week.
Management Response:	See Appendix B

►►Finding #6: Lack of separation of duties.

Segregation of duties is a key principle of internal controls that aims to mitigate the risks associated with errors and fraud. By assigning key responsibilities to different individuals, organizations can prevent any one person from compromising the integrity and accuracy of inventory management processes. This is especially important when considering the steps involved in inventory management, including inventory counts, placing purchase orders, stocking, transfers, and reviewing reports.

During testing, it was found that although a team, including the Warehouse Coordinator, warehouse technicians, and Captain of Logistics, has access to and participates in the inventory process, the Warehouse Coordinator has access to all steps and is often involved in the entire process. The Warehouse Coordinator completed the following steps during testing.

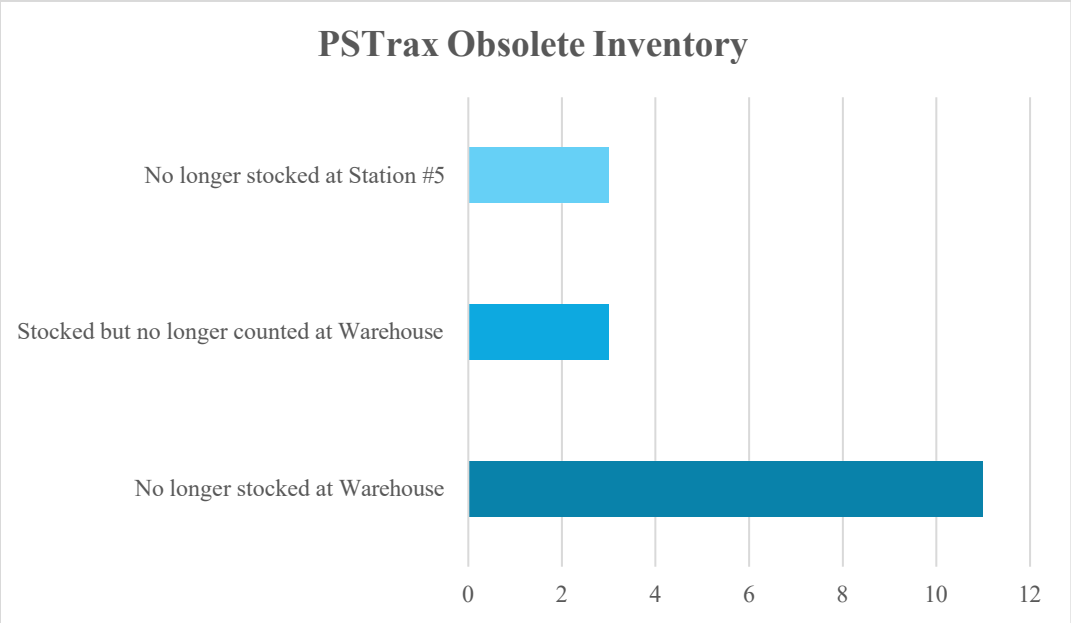
- Individuals who completed the "Below Minimum Supplies Report"
- Individuals who completed RESTOCK reports (January-April)
- Individuals who completed Transfer reports to Station #5 (January-April)
- Individuals who completed the weekly warehouse inventory count
- Individuals who completed the weekly station inventory count

Recommendations:	• Assign tasks or responsibilities to different individuals to ensure a proper review of each step. • Update policy on inventory-related separation of duties. Review how tasks could be separated based on staff abilities and capacity.
Management Response:	See Appendix B

►►Finding #7: Inventory that is no longer in use is not being properly recorded and managed.

During testing at the warehouse and station, it was discovered that multiple items were still recorded in the PSTrax system, even though they were no longer in use. Many of these items date back to the start of the COVID-19 pandemic in 2020. Other items were still stocked but are no longer counted, as they were deemed obsolete for the same reason. These examples both caused a discrepancy between PSTrax and the physical count.

Table 7



Recommendations:	• Implement a standardized procedure for identifying, recording, and managing obsolete inventory in both the inventory storage location and the PSTrax computer system. • Conduct a rotational physical inventory count and inspection of all locations. This includes counting different sections on a weekly or monthly basis until the entire inventory has been reviewed.
Management Response:	See Appendix B

Appendix A

Appendix A: Apparatuses assigned to each Station

Station 1

- Ladder 1, 105' Pierce Aerial ladder truck with Advanced Life Support (ALS)

Station 2

- ALS suppression engine
- ALS transport ambulance

Station 3

- ALS suppression engine
- Watercraft 3

Station 4

- Heavy Rescue Squad
- 1500-gallon water tanker

Station 5

- Heavy Rescue Squad 5
- Tower truck
- Rescues R-51 and 5
- Brush 5
- Battalion 2

Station 6

- ALS suppression engine
- Marine response vehicles

Station 7

- ALS suppression engine
- ALS transport ambulance
- Marine rescue response vehicles

Station 8

- ALS suppression engine
- ALS transport ambulance
- 2.5-ton brush truck

Station 9

- ALS engine
- Marine Rescue response vehicle

All images were used from the St. Johns County website. "https://www.sjcfl.us/sjcfr-stations/"

		
Station 10	**Station 11**	**Station 12**
° ALS suppression unit ° ALS transport ambulance	None	° ALS suppression engine ° ALS transport ambulance ° Rehab unit ° SCBA trailer
		
Station 14	**Station 15**	**Station 16**
° ALS suppression engine ° 2 ALS transport ambulances ° Tanker 14, 2500 gallon	° ALS suppression engine ° ALS transport ambulance ° 1500-gallon water tanker ° Mass Casualty Incident trailer	° Hazardous Materials Response ° Explosive Ordnance Disposal unit ° ALS engine ° ALS transport ambulance
		
Station 17	**Station 18**	**Station 19**
° Heavy Rescue Squad ° ALS transport ambulance ° 2.5-ton truck wildland/urban	° ALS suppression engine ° ALS transport ambulance	° Tower 19 ° ALS transport ambulance

All images were used from the St. Johns County website. “https://www.sjcfl.us/sjcfr-stations/”

Appendix B

July 10, 2026

Ms. Brooke Tefft, Inspector General
Office of Inspector General (OIG)
St Johns County Clerk of the Circuit Court

RE: Audit Report titled St. Johns County Fire Rescue – Inventory Management System (FY25 – AP002)

Dear Ms. Tefft,

On behalf of St. Johns County, I want to thank you for your audit of the St. Johns County Fire Rescue (SJCFR) inventory management system (Audit Report FY25-AP002 titled St. Johns County Fire Rescue – Inventory Management System). Please consider this letter an official management response to the findings identified by the Office of Inspector General (OIG) of the St. Johns County Clerk of the Circuit Court.

The SJCFR management and staff, County senior management, and Compliance Officer have reviewed the audit report. The County concurs with the OIG's overall conclusion that "*... the audit findings indicate that the SJCFR inventory management system is satisfactory under current policies and procedures and recommends minimal enhancements to mitigate risks.*"

This response letter addresses the Audit's findings and recommendations and provides a management action plan to further strengthen controls over the inventory management system.

I. Finding #1: Inadequate policies for inventory management

The County does not concur with the OIG's key finding that there is "*...the lack of policies and procedures for inventory management...*," and Finding #1 of inadequate policies for inventory management.

To substantiate Finding #1, the auditors stated that they received and reviewed a comprehensive list of department policies and guidelines documents. The auditors also noted that SJCFR staff outlined their procedures for completing daily inventory tasks, and acknowledged that SJCFR staff comply with relevant County policies, state laws, the National Fire Protection Association 1910, and Department of Health regulations. Afterward, the auditors compiled a table listing the department-specific policies, guidelines documents, and training videos they received, including a brief description of each policy. The SJCFR staff considers this information to be sufficient to demonstrate that the department manages its inventory under adequate policies and procedures.

Furthermore, after several years of configuration and implementation, on February 5th, 2025, SJCFR launched new policy and procedures management software to manage all required policies and procedures. The software organizes department-specific policies and procedures in a logical way and includes acknowledgment features that ensure staff review and confirm their understanding of the policy documents. The SJCFR also engaged legal services through the new software provider to benefit from a team of industry-specialized policy writers when creating new policies and updating existing ones.

After completing the document review and walk-through, the auditors offered the following two examples that they had identified as policies and procedures that had not been created or integrated into current practices:

- Count of the inventory in comparison to what is recorded in the inventory system [system name intentionally removed], including a rotational count of the warehouse.
- A review of the purchased or requested inventory for fraud, waste, or abuse.

SJCFR staff reviewed these two examples and provided the following clarifications to demonstrate that equally efficient alternatives have always been in place and that procedural knowledge is delivered to staff based on assigned responsibilities and authorized levels of system access.

- Count of inventory, including a rotational count of the warehouse

  SJCFR policy already requires a weekly physical inventory of all general and medical supplies at each fire station, along with a daily review of each apparatus inventory using an electronic checklist. To enhance warehouse inventory oversight, the SJCFR management will ensure that staff conducts monthly sample counts of the most frequently used or most valuable items to verify the accuracy of the inventory management system's records.

- Review of purchased or requested inventory for fraud, waste, or abuse.

  The Warehouse Supervisor periodically runs trend reports from the inventory management system to identify how often supplies move through the warehouse. Trend reports demonstrate patterns in inventory movements and allow easy identification of any inconsistencies in the pattern's range that can be reviewed further.

The SJCFR management does not concur that the root cause of the Finding #1 observations in the warehouse is the lack of written policies and procedures, but rather the nature of the public safety emergency operations and the need for periodic reinforcement of procedures through refresher staff training.

II. Finding #2: Management of expired inventory and incomplete inventory rotation

The SJCFR management concurs that expired supplies should be promptly removed and disposed of, ensuring no expired inventory remains on shelves. SJCFR policy mandates a weekly physical inventory of all general and medical supplies at each fire station. The required medical supplies include various items used during emergency response. Some items must be kept in stock but are rarely used during emergencies, and items in this category were found to have expired during the inventory walk-through. Additionally, staff observed that two expired items at sampled fire station #5 make up 0.7% of the total inventory on hand, while five expired items on the tested apparatus account for only 0.03% of the total inventory.

Actionable Item	Target Time	Responsible staff
Provide refresher training for fire station staff, emphasizing the importance of weekly inventory checks of supplies and the need to rotate medical supplies based on their expiration dates.	Completed	SJCFR staff
Reinforce compliance with the weekly supply inventory check policy.	Ongoing	SJCFR Station Supervisory staff
Write the expiration date on medical supply packaging with a black marker for clear visibility.	Ongoing	SJCFR Station staff who are responsible for supplies

III. Finding #3: Daily and weekly checks were not completed

The SJCFR has a policy requiring daily review of each apparatus inventory using an electronic checklist. The audit report found an inconsistency in the submission of checklists. The SJCFR leadership always emphasizes the importance of operational readiness and safety. To reinforce accountability for completed daily apparatus checklists and ensure timely submission of documentation to verify completion, the following procedures were implemented immediately:

Actionable Item	Target Time	Responsible staff
The deadline for submitting the daily electronic checklist was established. The report showing submitted and missing checklists is generated immediately after the deadline and then shared with management for review and follow-up.	Completed	SJCFR Chief of Operations, Deputy Chiefs, Battalion Chiefs, and Captains

IV. Finding #4: Differences between the quantity recorded in the [system name intentionally removed] computer system and the physical count conducted.

Management understands that conducting a comprehensive physical inventory count at all locations regularly is considered best practice to ensure the accuracy of inventory records. All fire stations perform weekly inventory reviews to request needed items from the warehouse for delivery on the scheduled day. All fire apparatuses are required to maintain a daily inventory of supplies using an electronic checklist. The warehouse employs an electronic inventory management system that enables staff to record requested, ordered, received, and distributed supplies, ensuring items are available when needed. Given the nature of services provided by SJCFR during emergency responses, item deliveries often happen simultaneously to meet urgent needs, which can challenge the limited warehouse staff's ability to record them in real time. However, after reviewing current warehouse procedures and assessing staff availability, a process to improve inventory data accuracy was identified and implemented.

Actionable Item	Target Time	Responsible staff
Create a manual log of emergency inventory movements to document later entries into the inventory management system and account for items' final location.	Completed	SJCFR Warehouse staff

V. Finding #5: Unexplained purchasing discrepancies.

The County Compliance Officer collaborated with the SJCFR Warehouse Supervisor, the SJCFR Captain of Logistics, and the SJCFR Business Manager to examine the restock discrepancies identified by the auditors during their testing of ordered inventory versus purchased and recorded inventory. The quantities of items ordered, shipped, received, invoiced, and approved for payment were checked and matched to ensure accuracy. No discrepancies were identified. The inconsistencies in restock entries within the inventory management

system were pinpointed and compared against reported audit discrepancies. It was concluded that there were inconsistent restock data entries for the tested dates and that some adjustments recorded only final counts, missing inventory movement between locations, which created the appearance of unmatched items. To ensure the accuracy and consistency of restock transactions recorded in the inventory management system, the following steps will be implemented:

Actionable Item	Target Time	Responsible staff
Modify inventory restock delivery recording procedures to account for the full inventory cycle for each item, delivery timing, and prompt emergency inventory delivery updates.	Third & fourth quarters of FY 2026	SJCFR Warehouse Supervisor, SJCFR Captain of Logistics
Update training materials for new procedures	Third & fourth quarters of FY 2026	SJCFR Training Section
Train warehouse staff on the updated procedures	Third & fourth quarters of FY 2026	SJCFR Training Section
Run weekly reports for 4 to 6 weeks and reconcile restock delivery records with purchase documentation to ensure transaction accuracy.	End of fourth quarter of FY 2026	SJCFR Warehouse staff, SJCFR Captain of Logistics, County Compliance Officer

VI. Finding #6: Lack of separation of duties.

Management recognizes that segregation of duties is a strong internal control with many benefits; however, it can be especially challenging to implement in smaller departments, in this case the SJCFR Logistics Section, due to limited resources. The SJCFR Logistics Section employs compensating controls for inventory management to reduce risk when a single person must perform multiple incompatible roles, such as ordering, receiving, and recording inventory. At the start of each fiscal year, SJCFR's financial staff opens purchase orders for inventory restocking during the year based on approved budget amounts. The Warehouse Supervisor orders restocking supplies using approved purchase orders. Each restocking order report from the

inventory management system is downloaded in Excel format to a shared folder accessible by both the Warehouse Supervisor and the SJCFR financial staff. Each item has the quantity ordered specified in the spreadsheet. As items are delivered, the Warehouse Supervisor highlights them in the spreadsheet, indicating that the item has been received, and the invoice can be paid. SJCFR financial staff prepares the invoices, and the Chief for Administrative Services approves them for payment. The packing slips from each delivery are retained by the Warehouse Supervisor for three (3) months if any reconciliations are needed.

Management proposes strengthening the existing compensating controls by conducting more frequent management reviews of inventory management transactions and, as time permits, training Logistics Technicians on inventory management tasks, starting with receiving and recording inventory.

Actionable Item	Target Time	Responsible staff
Conduct a monthly warehouse purchasing activities review	Ongoing	SJCFR Captain of Logistics and Business Manager
Conduct a monthly trend report review	Ongoing	SJCFR Captain of Logistics and Business Manager
Explore the inventory management system functionality regarding procurement automation	Complete by the end of FY2026	SJCFR Warehouse staff and management
Train Logistics Technicians on receiving and recording inventory in the inventory management system	Completed	SJCFR Training
Implement the task of receiving and recording inventory transactions into the inventory management system by Logistics Technicians. Assess the feasibility of further dividing the duties as performance results become available over time.	Ongoing	SJCFR management
Logistics Technicians conduct monthly sample counting of the most frequently used or most valuable items in the warehouse, and management reviews the results.	Ongoing	SJCFR Logistics Technicians and SJCFR management

VII. Finding #7: Inventory that is no longer in use is not being properly recorded and managed.

Management concurs that at the time of the audit, the backlog of supplies directly tied to the COVID-19 pandemic existed. Items were in the warehouse, but their data was not consistently loaded into the inventory management system. To improve accountability over expired supplies, the following steps were implemented:

Actionable Item	Target Time	Responsible staff
Create an "Expired" supplies container within the inventory management system to record expired items.	Completed.	SJCFR Warehouse Supervisor
Periodically review data in the "Expired" container for trends to identify any needed adjustments to ordered quantities early.	Ongoing.	SJCFR Warehouse Supervisor and the Captain of Logistics
Review and confirm that all unused COVID-19 pandemic supplies identified during the audit are either stored for future use, used, or disposed of appropriately.	Complete by the end of FY 2026.	SJCFR Warehouse staff and management

As always, St. Johns County appreciates the opportunity to strengthen our internal controls and related policies and procedures.

Please do not hesitate to contact me if you need any additional clarification.

Sincerely,

Olga Rabel,
St. Johns County Compliance Officer

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