

<p>1.</p>	<p><u>ISSUE</u></p> <p>Improper Management of Stores Inventory</p> <p>In previous audit reports, Bath Fountain & Spa was advised to improve the internal controls over the management of its inventory records. However, Bath has not taken appropriate steps to reduce the risk of financial losses over the management of stock items. During the period under review, Bath purchased foods and drinks costing \$3.2 million for the restaurant: but the requisite certification that the items purchased were received and recorded was not done. The review identified differences between stock on hand and stock items in and out of the store was not recorded on the requisite perpetual system. Furthermore, Bath did not conduct routine or independent annual stock count, which would have which would have assisted management in identifying the discrepancies that may exist. Consequently, it could not be determined the basis on which Bath replenished stock items and determined the accuracy of the stock balances at a given time. The Ministry has committed to resolve the above mentioned weaknesses</p>	<p>On December 12, 2019, the Ministry’s Administrative team visited Bath Fountain in an effort to review the situation and take immediate corrective measures, in relation to stock management.</p> <p>A 2nd visit was made on February 18, 2020 with Manager Administration & Asset Mgt. .and Storekeeper/Administrator from the Ministry, with the Accountant and Storekeeper and Inventory Officer for Bath Fountain. The following have been instituted:</p> <ol style="list-style-type: none"> 1. All items as reported in the Auditor General Report that were purchased during the period have now been duly certified as being received satisfactory. 2. Aspects of record keeping of stock were being maintained, as there was a designated quire book being utilized as a requisition book, which captured the following information: <ul style="list-style-type: none"> - Date of issue - Description and quantities of items issued - Signatures of recipients of item/s issued from Stores <p>The Storekeeper at Bath Fountain was further instructed to institute the following in keeping with GOJ guidelines:</p> <ol style="list-style-type: none"> a) To utilize formal Stock Cards to maintain all relevant records, instead of the current Index cards which captured only some of the requisite information. <p><u>Implementation</u></p> <ol style="list-style-type: none"> 1. The formal stock cards have been purchased and are being utilized for uniformity of the maintenance of records within the Ministry and its Agencies. It is formatted to capture the requisite information and will reduce the time utilized for the ruling of the index cards.
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ISSUE

Improper Management of Fixed Assets Inventory

Bath Fountain Hotel & Spa was advised to improve the system of internal control over the management of its inventory records. Bath Fountain Hotel and Spa did not properly label items or furniture and equipment; the Master Inventory record was not consistently updated and the requisite location record Was not maintained. As such, in 88 instances, the AUGD was unable to reconcile assets seen on the inventory record. Bath's failure to implement proper controls over the management of fixed assets increases the risk of misappropriation of assets being undetected. The Ministry of Tourism has committed to resolve the above mention weaknesses.

On December 12, 2019 the Ministry's Office Management team consisted of the Manager Administration and Asset Management and the Inventory Officer visited the Bath Fountain and met with the Accountant and the Storekeeper/Inventory Officer. They conducted an assessment of the Inventory and Asset Management System in an effort to initiate corrective measures.

A plan of action was outlined, GOJ guidelines on Asset and Inventory were reviewed and timeframe for the completion of the various phases were discussed.

Follow-up meeting at Bath Fountain with following personnel was held on February 18, 2020: The following persons were present:

1. Manager Administration & Asset Mgt, Ministry of Tourism
2. Inventory Officer, Ministry of Tourism
3. Storekeeper, Ministry of Tourism
4. General Manager, Bath Fountain
5. Accountant, Bath Fountain
6. Storekeeping/Inventory Officer, Bath Fountain

Below are the progress thus far as it relates to Fixed Asset Inventory Mgt.:

- Selection of a Storekeeping/Inventory Officer engaged on February 3, 2020
- All fixed assets for the Bath Fountain are now documented.
- Coding of assets have commenced and is being monitored by the Inventory Officer from the Ministry.
- Location inventory records for all areas have been completed.
- The Master Inventory is currently being completed

Ongoing

1. Completion of coding of assets.
2. Laminating and mounting of Inventory Records to be completed by June 30, 2020.
3. Completion of Master Inventory, upon the completion of #1.
4. Continued monitoring by the Ministry Personnel via quarterly visits to Bath Fountain. No visit in Quarter 1 (April to June 2020), due to the COVID 19 pandemic, however continued monitoring via telephone discussions are regularly undertaken.

2.	<p><u>ISSUE</u></p> <p><u>Inadequate control over Inventory</u></p> <p>Milk River Bath Hotel and Spa did not maintain an updated Master Inventory record to account for inventory items under its custody. The records that were maintained did not accurately reflect balance of inventory items on hand at any given time. Additionally, accordingly to the Auditor-General, “we saw no evidence that periodic stock counts were conducted to determine the existence and condition of items; as well as to reconcile items found on hand with the inventory records. Milk River Hotel and Spa’s inability to maintain proper perpetual inventory system increases the risk of misappropriation of the entity’s assets.”... The Ministry has given a commitment to resolve the weakness identified.</p>	<p>On December 3, 2019, MOT personnel namely, the Storekeeper and Inventory Officer visited the hotel and met with the General Manager and the Storekeeper, with a view to assess and commence corrective measures in keeping with GOJ guidelines.</p> <p>The following have been instituted:</p> <ul style="list-style-type: none"> • All pertinent GOJ inventory template are currently being used to implement the recommendations of the Auditor General. • Inventory has been completed on all items up to March 25, 2020 • Master Inventory is partially completed • Stock cards have been updated to reflect the stock as at March 25, 2020 • Measures have been put in place to ensure records are maintained daily for the main stores, weekly for the bar and monthly for Housekeeping items. It should be noted that the entity was closed due to the COVID 19 pandemic • The Ministry will reinforce monitoring and conduct quarterly visit to ensure completion and compliance, visit have been delayed to the COVID 19 Pandemic. However continued monitoring via telephone discussions are undertaken.
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