GREENSBORO
NORTH CAROLINA

DATE: August 19, 2020

TO: Ednasha McCray, Director of Parks & Recreation

FROM: Internal Audit Division

SUBJECT: City Inventories – Fiscal Year Ended June 30, 2020
(No Response Required)

The Internal Audit Division has conducted inventory test counts and reconciled inventories to the June 30, 2020 balance sheets. The total of all inventories is $7,188,695. The results of the inventory reconciliations are as follows:

Name of Inventory	Physical Inventory at 6/30/20	Physical Inventory at 6/30/19	Increase (Decrease) to G/L 2019-2020	Increase (Decrease) to G/L 2018-2019	% of Variance 2019-2020	% of Variance 2018-2019
Lawson System:						
GDOT - Warehouse	$ 746,421	$ 634,590	$ 4	$ 718	0.001%	0.113%
Field Operations - Warehouse	$ 131,646	$ 227,123	$ 232	$ 36	0.176%	0.016%
Water Meter Shop	$ 166,952	$ 97,604	$ -	$ -	0.000%	0.000%
Water Resources City Yard	$ 1,686,592	$ 1,602,802	$ (321)	$ (721)	-0.019%	-0.045%
Coliseum Housekeeping	$ 43,637	$ 38,078	$ (5)	$ (73)	-0.011%	-0.192%
Osborne Parts	$ 2,669,234	$ 2,321,663	$ 89	$ 34	0.003%	0.001%
Faster System:						
Parks and Recreation - Parts	$ 22,481	$ 22,571	$ 75	$ 372	0.334%	1.650%
Field Operations - Right of Way Parts	$ 24,633	$ 21,318	$ 2,838	$ (2,912)	11.521%	-13.657%
Fire Garage	$ 303,661	$ 281,203	$ (652)	$ (1,333)	-0.215%	-0.474%
Field Operations - Landfill Parts	$ 16,984	$ 14,727	$ (16)	$ (1,645)	-0.094%	-11.167%
Greensboro Transit Authority - Parts	$ -	$ 88,395	$ -	$ (711)	na	-0.805%
Equipment Services - Parts	$ 521,294	$ 489,747	$ 5,389	$ 644	1.034%	0.132%
Equipment Services - Fuel	$ 99,119	$ 167,102	$ -	$ (7,755)	0.000%	-4.641%
Equipment Services - Diesel Exhaust Fluid	$ 621	$ 800	$ (868)	$ 495	-139.775%	61.900%
Equipment Services - Tire	$ 90,615	$ 84,976	$ 2,169	$ 2,024	2.394%	2.382%
Manual/Other:						
Gillespie Golf Merchandise*	$ 7,706	$ 7,964	$ (258)	$ (1,459)	na	na
Water Resources Chemical*	$ 532,790	$ 485,150	$ 47,640	$ 14,407	na	na
Information Technology - Telecom	$ 95,703	$ 85,813	$ (307)	$ 696	-0.321%	0.811%
Graphic Services - Print Shop*	$ 28,606	$ 29,080	$ (474)	$ 1,473	na	na
TOTAL	**$ 7,188,695**	**$ 6,700,706**				

*Purchases are expensed throughout the year. An adjustment is made to the inventory account to reflect the physical balance at year-end.

Parks & Recreation - Parts (101-0000-00.1610):

The Department established a maximum acceptable inventory variance of +/-2% for this inventory. This year's reconciliation identified a variance of less than 1% and resulted in a gain of $75.22 being recorded to adjust the ending unadjusted inventory balance to actual at fiscal year ended June 30, 2019; compared to a variance of 1.65% and a gain of $372.49 at June 30, 2019; and a variance of less than negative 1% and a loss of $180.90 at June 30, 2018.

Recommendations:

1. There should be two people taking the physical inventory: one is the caller and the other the recorder
2. Inventory count sheets should be signed and dated by the two people.

Gillespie Pro Shop (101-0000-00.1630)

Gillespie Pro Shop inventory is purchased and expensed throughout the year. Pro Shop staff performs a complete inventory count on merchandise weekly (every Monday). On June 25, 2020, Internal Audit visited the site to conduct test counts of inventory on hand.

The Gillespie Pro Shop staff keeps inventory in an orderly manner, allowing for an efficient and accurate count of inventory to be performed. The staff also appears to keep additional inventory secure.

This year's reconciliation resulted in a decrease of $258.14 being recorded to adjust the inventory account to actual at fiscal year ended June 30, 2020; compared to a decrease of $1,459.39 at June 30, 2019; and an increase of $2,469.57 at June 30, 2018.

Findings: None.

Recommendations: None.

We would like to thank the staff at Parks & Recreation for their cooperation and courtesy. If you have any questions or concerns, please contact us at 373-2823.

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Internal Audit Director

Tina McKoy
Internal Auditor

Garland Wells
Internal Auditor

Chris Venable
Internal Auditor

Mickey Kerans (tm)
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Internal Auditor

Cc: Larry Davis, Assistant City Manager
Chris Wilson, Assistant City Manager