



**DATE:** August 19, 2020  
**TO:** Hanna Cockburn, Director of Transportation  
**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:

<u>Name of Inventory</u>	<u>Physical Inventory at 6/30/20</u>	<u>Physical Inventory at 6/30/19</u>	<u>Increase (Decrease) to G/L 2019-2020</u>	<u>Increase (Decrease) to G/L 2018-2019</u>	<u>% of Variance 2019-2020</u>	<u>% of Variance 2018-2019</u>
<b><u>Lawson System:</u></b>						
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%
<b><u>Faster System:</u></b>						
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%
<b><u>Manual/Other:</u></b>						
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
<b>TOTAL</b>	<b>\$ 7,188,695</b>	<b>\$ 6,700,706</b>				

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

GDOT Warehouse (101-0000-00.1600):

Field Operations and Transportation (GDOT) shared a warehouse facility since 2002 when the departments were created from the Public Works department. Prior to the decision to separate the two in November 2018, the combined inventory was reported as GDOT Inventory in General Ledger account 101-0000-00.1600.

GDOT Warehouse uses the Lawson Inventory Control System for receiving, tracking, and issuing inventory throughout the year. Warehouse personnel have done an excellent job with controlling and securing its inventory. The Department established a maximum acceptable inventory variance of +/- 1% for this inventory. This year's reconciliation identified a less than 1% variance and resulted in a gain of \$3.65 being recorded to adjust the ending unadjusted inventory balance to actual at fiscal year ended June 30, 2020; compared to a less than 1% variance and a gain of \$717.72 at June 30, 2019. Combined inventories (Field Operations and Transportation) identified a less than 1% variance and \$950.12 gain at June 30, 2018.

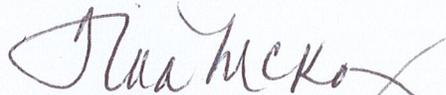
**Findings:** None.

**Recommendations:** None

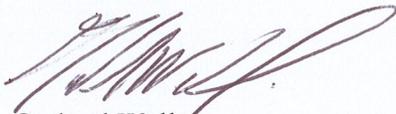
We would like to thank the staff at Transportation for their cooperation and courtesy. If you have any questions or concerns, please contact us at 373-2823.



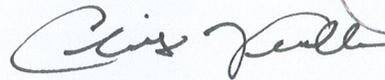
Len Lucas  
Internal Audit Director



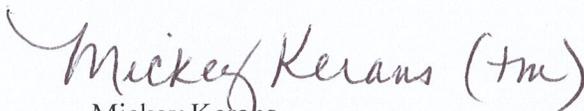
Tina McKoy  
Internal Auditor



Garland Wells  
Internal Auditor



Chris Venable  
Internal Auditor



Mickey Kerans  
Internal Auditor

Cc: Larry Davis, Assistant City Manager  
Kimberly Sowell, Assistant City Manager