

Office of the City Auditor and Clerk

Internal Audit



CITY-WIDE INVENTORY OBSERVATION

Audit #23-01

Audit Conducted by:

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Hayden Gaston, CIA, Manager, Internal Auditor

A handwritten signature in blue ink that reads "Shayla Griggs".

Audit Reviewed and Approved by:
Shayla Griggs, City Auditor and Clerk

Report Issued: January 12, 2023

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#23-01 Fiscal Year End 2022 Citywide Inventory Observation Report

Purpose and Scope

This report is based upon the observations of inventory counts for the City's major inventory accounts. This report is limited in detail to those departments observed. We did not perform test counts, verify inventory costs or other audit procedures. We are therefore not expressing an opinion on compliance with City and facility policies and procedures.

The scope of this report is limited to include only observations from one City inventory, and reviews of three departmental inventory reports.

Due to Hurricane Ian, City offices were closed at noon on September 27, 2022 and did not reopen until Monday, October 3, 2022. This impacted our normal inventory observations for Utilities, Public Works-Fuel and Sarasota Police Department.

Observations and Reviews

One (1) inventory count was observed:

1. Utilities

Six (6) additional inventory reports were received and reviewed:

2. Sarasota Police Department Quartermaster
3. Public Works - Fuel
4. Payne Park Tennis Center
5. Van Wezel Performing Arts Hall
6. R.L. Taylor CC
7. Bobby Jones Gold Course

The following table summarizes inventory information by Department or Division:

Department or Location	Automated System in Use?	Ending Inventory Balance as of 9/30/2022	Percent of Reported 2022 Inventory Balance
Utilities	Yes	\$247,390.50	69.1%
SPD Quartermaster	Yes	\$21,647.96	6.00%
Public Works - Fuel	Yes	\$79,081.92	22.1%
Payne Park Tennis Ctr	No	\$1,516.11	.4%
Van Wezel PAH	No	\$2,772.42	.8%
R. L. Taylor CC	No	\$994.61	.3%
Bobby Jones Golf Course	Yes	\$4,652.70	1.3%
Total Inventory Value	-	\$358,056.22	100%

Utilities

On October 13, 2022, Utilities Department Finance Manager conducted the inventory with the auditor observing. Due to Hurricane Ian, this count was delayed and was past the normal year end observations timeline. Five (5) separate sections within the department currently maintain inventory items valued at more than \$1,000 each. Divisions within Utilities with inventory:

1. Water Distribution Warehouse
2. Lift Station Warehouse
3. Wastewater Sewer Collection Warehouse
4. Water Treatment Warehouse
5. Collection Systems Warehouse

Each department has locked storage areas for maintaining stores. Video cameras have been installed throughout the facility with two locations available for onsite monitoring. All inventoried items were properly secured, located, and identified during the inventory.

Each division within Utilities orders inventory on its own and notifies the Utilities Finance Manager of items placed into service or additional purchases of new items into inventory. All inventory purchased is received at one central location by Utility Stores.

Sarasota Police Department Quartermaster

On September 26, 2022, Sarasota Police Department Quartermaster supplies were inventoried by the SPD Finance Manager and Quartermaster Inventory Supervisor using a blind count. Property remains in the same secure storage area as in prior years. Due to Hurricane Ian, the auditors were not present for the physical count for this year's inventory.

Public Works - Fuel

IA usually observes the fuel storage tank dip stick measurement for year end, however due to Hurricane Ian, we were closed and unable to perform this. Veeder-Root measurement readings from 9/30/22 were obtained. Deliveries are received two to three times monthly for gasoline, and twice monthly for diesel. Delivery drivers stick measure tanks after each delivery to confirm delivery amount. Unleaded fuel on hand was measured at 11,748 gallons; diesel at 12,567 gallons with a combined total value of \$79,081.92.

Other Facilities

Payne Park Tennis Center's year-end inventory report was reviewed for completeness. No issues with this inventory report were identified.

The Van Wezel Performing Arts Hall Fiscal year-end inventory report was reviewed for completeness. No issues with this inventory report were identified.

The R.L. Taylor CC and Bobby Jones Golf Course year-end inventory reports were reviewed for completeness. No issues with these inventory reports were identified.