

March 12, 2003

Internal Audit Report 2003-3
2002 Parts, Tires and Lubricants Inventory
Fleet Maintenance
Facility and Fleet Maintenance
Maintenance and Operations

Introduction. The Fleet Maintenance section of Facility and Fleet Maintenance, Maintenance and Operations, maintains an inventory of parts, tires and lubricants. A physical inventory is performed annually and the PeopleSoft financial records are adjusted to the physical counts. Fleet Maintenance maintains their own inventory subsystem on GEMS 2000.

Scope. We observed the year-end inventory performed at Fleet Maintenance. The objective was to determine if the year-end physical inventory was reasonably accurate. Specifically, we performed random test counts and verified that adjusting entries were processed. The audit was conducted in accordance with generally accepted government auditing standards, except for the requirement of an external quality control review, and accordingly, included tests of accounting records and such other auditing procedures as we considered necessary in the circumstances. The audit was performed during the period of December 2002 through January 2003.

Overall Evaluation. The physical inventory resulted in a final inventory valuation of \$332,655.51. The value of the inventory was based on a weighted average unit cost. A net adjustment of \$4,195.52 was made to increase the PeopleSoft records to the physical count. Based on our inventory observation, it is our opinion that the physical inventory was reasonably accurate.

Internal Audit Report 2003-3
2002 Parts, Tires and Lubricants Inventory
Fleet Maintenance
Facility and Fleet Maintenance
Maintenance and Operations
March 12, 2003

Discussion With Responsible Officials. The results of this audit were discussed with appropriate Municipal officials on March 10, 2003.

Audit Staff:
Ellen Luellen