

OFFICE OF THE CITY AUDITOR AND CLERK

INTERNAL AUDIT



CITY-WIDE INVENTORY OBSERVATION

AUDIT #21-01

Audit Conducted by:

Mark Sulloway, Senior Internal Auditor
Hayden Gaston, CIA, Manager, Internal Audit

Audit Reviewed and Approved by:

A handwritten signature in blue ink that reads "Shayla Griggs". The signature is written in a cursive style.

Shayla Griggs, City Auditor and Clerk

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#21-01 Fiscal Year End 2020 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 three City inventories, two inventory supply total viewings, and reviews three departmental inventory reports.

Observations and Reviews

Three (3) inventory counts were observed:

1. Public Works - Fuel
2. Sarasota Police Department Quartermaster
3. Utilities

Two (2) inventory supply totals / without inventory counts were observed:

4. Bobby Jones Golf Course
5. Payne Park Tennis Center

Three (3) additional inventory reports were received and reviewed:

6. Municipal Auditorium and Payne Park Auditorium
7. Robert L. Taylor Community Complex
8. Van Wezel Performing Arts Hall

The following table summarizes inventory information by Department or Division:

Department or Location	Automated System in Use?	Ending Inventory Balance as of 9/30/2020	Percent of Reported 2020 Inventory Balance
Public Works - Fuel	Yes	\$44,873.67	29%
SPD - Quartermaster	Yes	\$24,773.14	16%
Utilities	Yes	\$73,947.06	48%
Bobby Jones Golf Course	Yes	\$5,283.11	3%
Payne Park Tennis Center	No	\$140.68	0%
Municipal Auditorium & Payne Park Auditorium	No	\$257.93	0%
Robert L. Taylor Community Complex	No	\$3,977.56	3%
Van Wezel Performing Arts Hall	No	\$776.49	1%
Total City-Wide Inventory	N/A	\$154,029.64	100%

Public Works Fuel

On October 2, 2020, Manager Maintenance Service with the auditor observing both diesel and unleaded gasoline tanks were measured and compared with Veeder-Root fuel sensor system readings. Veeder-Root measurement readings from 9/30/20 were also 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 14,174 gallons; diesel at 12,576 gallons with a combined total value of \$43,147. Observed inventory counting procedures appeared to be in accordance with current policies and procedures.

Sarasota Police Department

On September 25, 2020 Sarasota Police Department Quartermaster supplies were inventoried by the SPD Finance Manager and Quartermaster Inventory Supervisor using a blind count with the auditor observing. Inventory has been further consolidated from prior years. Property remains in the same secure storage area as in prior years. Observed inventory counting procedures appeared to be in accordance with current policies and procedures.

Utilities

On September 30, 2020, Utilities Department Finance Manager conducted the inventory with the auditors observing. Four (4) separate sections within the department currently maintain inventory items in excess of \$1,000 each. The divisions within Utilities with inventory:

1. Water Distribution Warehouse
2. Lift Station Warehouse
3. Wastewater Sewer Collection Warehouse
4. Water Treatment 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 on its own and is not in every case notifying the Utilities Finance Manager of items placed into service or additional purchases of new items into inventory. All inventory purchased is received by Utility Stores. An inventory reporting policy for items ordered/used has not been established. Management is currently in the process of updating policies and procedures and advised additional policies are being implemented to identify and report materials used and ordered by the individual sections.

Bobby Jones Golf Course Pro Shop

On September 24, 2020, General Manager Parks & Recreation Department (and last golf course manager) and the auditor reviewed the remaining inventory on the last afternoon of Pro Shop clearance sale due to long term course closure for extensive course renovations. A limited amount of golfing equipment remained for sale at time of observation.

Payne Park Tennis Center

The City took over operations of tennis center this year from Sarasota County.

On September 25, 2020, Tennis Center Supervisor with the auditor reviewed the inventory on hand and available storage facilities. Security based on the value of the inventory appeared adequate. The facility currently has only tennis balls and water/sport beverages for sale.

Other Facilities

Fiscal year-end inventory reports for Municipal Auditorium with Payne Park Auditorium, Robert L. Taylor Community Complex, and the Van Wezel Performing Arts Hall were also reviewed for completeness. No issues with these inventory reports were identified.