

Memorandum



City of Winston-Salem
P.O. Box 2511
Winston-Salem, NC 27102
Citylink 311 (336.727.8000)
Fax 336.734.1224
www.cityofws.org

TO: Dewey Williard, Accounting Services Manager
FROM: Paul Sherman, Internal Auditor
DATE: July 8, 2022
SUBJECT: Physical Inventory Observation – WSTA
CC: Lee Garrity, Kelly Latham, Donna Woodson, John Ashford, Lisa Winston, Scott Tesh

On June 30, 2022, a physical observation of the year-end inventory of supplies at WSTA was performed.

Scope: The purpose of the physical observation was to determine the accuracy of detailed records for supply inventories. The scope of work performed included a count of items on hand. Unit prices were agreed to invoices. Sampling techniques were used. The internal control environment was reviewed, but the effectiveness of individual internal accounting control procedures was not tested or evaluated. The existence of surplus units or the impairment of carrying values was not evaluated.

Findings: No material weaknesses in the internal control environment were noted. Physical counts of a sample of the quantities on hand and verification of unit dollar values produced no material variances. Total year-end supply inventory values were as follows:

	<u>2022</u>	<u>2021</u>
Warehouse	\$287,909.78	\$259,727.72
Gasoline	\$ 15,979.29	\$ 8,392.44
Diesel	\$ 76,566.33	\$ 12,728.93
Motor Oil	\$ 13,463.16	\$ 10,395.00

Conclusion: Inventories of supplies at WSTA are reasonably recorded in the detailed inventory records at June 30, 2022.

Paul J. Sherman