

Memorandum

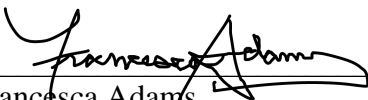
TO: Dewey Williard, Accounting Services Manager
FROM: Francesca Adams, Internal Auditor
DATE: July 6, 2022
SUBJECT: Physical Inventory Observation – R.A. Thomas Water Plant
CC: Kelly Latham, Bill Brewer, Christopher Kiger, Lee Garrity, Scott Tesh

On July 5, 2022, a physical observation of the year-end inventory of supplies at the R.A. Thomas Water Treatment Plant was performed. Internal Audit confirmed no adjustments were made to inventory value from June 30, 2022 to performance of the physical inventory observation.

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. The total year-end supply inventory value was \$8,180.36 compared to \$2,487.92 in 2021.

Conclusion: Inventories of supplies at the R.A. Thomas Water Treatment Plant are reasonably recorded in the detailed inventory records at June 30, 2022.



Francesca Adams