



**City of Winston-Salem**  
**Budget and Performance Management: Internal Audit Division**  
**Quarterly Work Plan Update – Q1 FY 2023**

**Reports and Memos Issued During the First Quarter of Fiscal Year 2022 – 2023:**

- Year-End Inventory Observations (5 Separate Locations and Reports) – Performed physical inventory counts and verified recorded cost values.
  - Central Warehouse Inventory Observation Memo Report
  - Fleet Services Physical Inventory Observation Memo Report
  - Manson Meads Inventory Observation Memo Report
  - Thomas Water Plant Inventory Observation Memo Report
  - WSTA Physical Inventory Observation Memo Report
- Internal Audit Powell Bill Memo Report – Examined expenditures to be reported to the NCDOT for accuracy and compliance with state laws and regulations.
- RICOH Printing Services Contract Audit – Assessed vendor’s delivery, tested amounts invoiced, tested compliance with agreement terms, and assessed the effectiveness of City administrative management.
- Central Warehouse Division Purchasing Practices Audit – Examined purchasing card, purchase order, and request for check transactions for compliance with City administrative policies.

Copies of all Internal Audit reports can be found on the City’s website (<https://www.cityofws.org/208/Internal-Audit>).

**Selected Findings/Observations for City Council Consideration:**

- Fleet Services Physical Inventory Observation – Internal Audit found that inventory quantity records were incorrect for 39 items, or 44.32% of the sample selected.

**Status of Projects in Progress:**

- Employee Compensation Compliance Audit – Planning stage complete. Internal Audit staff is identifying and evaluating controls over employee salary adjustments and pay plans. Staff is also testing compliance with the personnel resolution and City administrative policies. Audit is expected to be completed in February 2023.
- Fleet Services Inventory Controls Review – Planning stage complete. Internal Audit staff is identifying and evaluating controls over inventory management. Review is expected to be completed in November 2022.
- Controls over Personal Identifying Information Summary – Planning stage complete. Internal Audit staff is gathering corrective action information from departments. Summary is expected to be completed in November 2022.