



MEMO

OFFICE OF THE INTERNAL AUDITOR

To: All County Council Members and Executive Pollitt
From: Steve Roser
Date: June 27, 2014
Re: Roads Division Inventory

Message:

On June 18, 2014, IA performed scheduled follow-up for the Roads Division Inventory Audit (report dated August 22, 2013). Four open items remain:

Parts remaining after the December 2013 auction should be placed in perpetual inventory:

The project is mostly complete. Some parts for snowplows have problems with identification numbers. Management decided to charge out small parts (hardware, cable hooks, etc.). Year-end physical inventory will take place soon and IA will receive a copy of variance adjustments. Additionally, we obtained printed evidence of perpetual inventory from Roads Division.

Obsolete tires:

Roads Division still needs to address obsolete tires. The plan is to send a bulk tire sale to the government surplus website modeled after a scheme used successfully by Ocean City.

Drainage pipe overstock:

According to Roads Division, no new pipe purchases took place in FY 2014 and numerous projects involving pipe installation took place during the period. Year-end inventory is imminent and IA is to receive a copy when completed.

Tools inventory:

Roads Division established a tool inventory and provided evidence. The program is showing marginal success due to periodic lack of control in the shop. Special tools are under lock and key and management maintains a list. According to interviews, mechanics are open to tool allowance.

IA plans to schedule additional follow-up in 90 days.