

COUNTY OF PLACER

OFFICE OF AUDITOR-CONTROLLER

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June 8, 2012

Mr. Ken Grehm, Director Placer County Public Works Department 3091 County Center Drive, Suite 220 Auburn, CA 95603

Re: Year-End Inventory Count Review

Dear Mr. Grehm:

The Internal Audit Division of the Auditor-Controller's Office performed a review of the Fleet Services Division (Division) year-end inventory count made by the Public Works Department (Department) as of May 22, 2012 (Auburn) and May 24, 2012 (Tahoe). The objectives of our review were to obtain an understanding of the Division's internal controls over inventory reporting, its physical safeguards, monitoring, and usage tracking; assess the control risks; ensure inventory count is accurate and complete, and make recommendations for improvement.

Based on our review, which consisted of inquiries of Fleet Services staff regarding current processes, procedures employed by the Division, and physical inspection of inventory, we feel that due to the Division's extensive and ongoing efforts to strengthen internal controls over inventory safeguarding, recordkeeping, management, and financial reporting, the internal controls have improved and appear adequate to ensure inventory accuracy.

We appreciate the courtesy and cooperation of the Fleet Services Division staff and the Public Works Department throughout the course of this review.

Respectfully,

Nicole C. Howard, CPA

Assistant Auditor-Controller

cc: Chuck Gordon, Fleet Manager, Public Works Department

Cynthia Taylor, Senior Administrative Services Officer, Public Works Department

Andrew Sisk, Auditor-Controller

Placer County Audit Committee