



Why We Did This Audit

The Office of Transportation had the highest risk score in our 2013 risk assessment. Risk factors related to the size and complexity of the office and indicators related to planning and performance, including large budget-to-actual variances in fiscal year 2012. The Mayor's 311 Customer Service Tactical Advisory Team also expressed concern about inventory management.

What We Recommended

To improve the accuracy of inventory data and inventory management processes, the commissioner of public works should:

- Ensure that the Office of Transportation develops written policies and procedures for inventory management, including comprehensive physical inventory counts.
- Ensure that transportation works with procurement to create procedures for identifying and disposing of surplus and obsolete inventory.
- Consider purchasing a barcode system to facilitate more efficient and accurate inventory tracking.

The commissioner of public works should work with the Department of Information Technology to:

- Create a process for tracking surplus inventory in the Hansen 8 database.
- Develop reports in Hansen 8 to allow Office of Transportation staff to better manage its inventory.
- Provide training for Office of Transportation staff responsible for managing inventory on how to generate customized reports.

To improve the security of inventory, the commissioner of public works should:

- Repair the perimeter fencing at the North Avenue facility and ensure that the lights covering the inventory area of the Claire Drive yard are functioning.
- Install cameras in all inventory areas identified in the security assessment.
- Install key card access to the inventory areas of the Claire Drive and North Avenue facilities.

For more information regarding this report, please contact Stephanie Jackson at 404.330.6678 or sjackson@atlantaga.gov

Performance Audit:

Department of Public Works

Office of Transportation Inventory Management

What We Found

The Office of Transportation's recorded inventory is inaccurate, which leaves the office vulnerable to loss or theft. As of February 2014, the office's records showed \$13.7 million in inventory on hand. In a sample of 68 randomly selected items, the quantities on hand differed from the amounts recorded in inventory for all but one item. Staff was unable to locate about one-third of the items we selected, which included building materials, tools, and supplies. Overall, the office was unable to account for about 78,000 individual items from our sample at a value of over \$2.1 million. Most of the dollar variance was from asphalt, which the office does not store on site.

The Office of Transportation does not conduct comprehensive inventory counts and could not produce adequate documentation of adjustments made during their inventory count. The office also does not track or remove surplus items from the recorded or physical inventory. Management requires no regular reports about the quantity and value of inventory on hand or the accuracy of physical inventory counts. The office was unable to provide us with written inventory management policies that include detailed work processes and physical inventory count procedures.

The office transitioned to an updated version of its inventory management module in December 2013. No staff was able to produce inventory reports at the beginning of the audit. The Office of Transportation needs additional support and training to achieve the benefits of the new system.

Public works staff conducted a physical security assessment of transportation facilities in 2013 that found the facilities lacked security equipment and infrastructure. Transportation has implemented some recommendations from the assessment but not all. North Avenue has a downed fence and non-functional cameras. Claire Drive appears more secure although it lacks exterior cameras and had non-functional lights above an external inventory area.