

CITY OF ALLENTOWN
PHYSICAL INVENTORY OBSERVATION – Municipal Golf Course
Date of Report: January 11, 2021

Opened in 1952, the Allentown Municipal Golf Course is a year-round 18-hole municipal golf course that is City owned and operated. The golf course includes a Clubhouse, Proshop, Driving Range, Greens and a restaurant.

Yearly the Proshop retail inventory is counted and the perpetual inventory is adjusted to reflect the physical count. The perpetual retail inventory reflected a total cost value of \$18,593.93 as of 12/28/2020. The total retail value of the inventory after the physical count was \$18,633.58.

OBJECTIVE

The audit objective of the physical inventory observation was:

1. To obtain reasonable assurance as to the accuracy of the inventory count.
2. To evaluate the reasonableness of the value of the inventory.
3. To identify any potential internal control weaknesses including but not limited to the physical security of the inventory.
4. To ensure that the inventory is accurately recorded and safeguarded.

PROCEDURES

This audit was conducted in accordance with generally accepted governmental auditing standards and utilized an approach that included staff interviews, reviews of documents and reports, and physical observation.

These procedures included observing the count of the inventories, performing tests of the counts and prices, and comparing the physical inventory count to the perpetual inventory. Items were selected for testing at random from the physical and from the completed count sheets and recounted. The recounted quantities were compared to the count sheets completed, the original perpetual inventory and adjusted inventory. Any discrepancies between the physical counts were validated with the Golf Course Personnel.

Thru discussion and observation the Internal Control Questionnaire was completed, and any potential internal control weaknesses were identified.

FINDINGS, RECOMMENDATIONS AND RESPONSES

PHYSICAL INVENTORY

Based on the review performed, controls appear adequate and no exceptions were noted.