



City Auditor

DATE: January 20, 2006

TO: Christopher Brady, City Manager  
Debbi Dollar, Deputy City Manager

FROM: Gary Ray, Acting City Auditor *GR*

SUBJECT: 2005 City Vehicle Auctions – Fleet Support Services

We reviewed the cash receipts and related records from sales of vehicles during the calendar year 2005. This review encompassed sales of retired vehicles and salvage vehicles by Fleet Support Services. The purpose was to determine that the sales were properly accounted for and that applicable City policies and internal controls were followed.

The reviews were performed in accordance with internally developed review procedures and included such tests of records and data as were considered necessary.

Based on our review, the vehicle sales were properly accounted for, the auctions were conducted in accordance with Management Policy # 205, and the proceeds deposited accurately represented the auction results.

The total net proceeds received from the auctions during 2005 were \$119,862.20.

cc: Rich Lorig, General Services Manager  
Pete Scarafiotti, Fleet Support Services Director  
Bob Atwood, Assistant Fleet Support Services Director

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## Audit Report

**Department:** General Services/Fleet Support Services

**Audit Subject:** Retired Vehicle Auction

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**Title:** **Cash Receipt/Compliance Audit**

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**Date Completed:** January 20, 2006

**Purpose:** We reviewed the cash receipts and related records from the retired City vehicle auctions conducted during 2005. The purpose was to determine that the sales were properly accounted for and that applicable City policies were followed.

**Scope:** To accomplish this objective, we:

- Tested cash receipt documentation from the auctions conducted during 2005.
- Conducted various City staff interviews.
- Performed other tests or inquires deemed necessary in the circumstances.

**Comments:** In response to our recommendation from the 2004 Vehicle Auction audit, Fleet Support Services has instructed Insurance Auto Auctions to send auction proceeds directly to Customer Service. This results in a proper segregation of duties between the receipt of the funds and the other functions related to the auctions.

We thank the Fleet Support staff for their cooperation during the Retired Vehicle Auction audit.

**Conclusion:** Based on our review, the sales of retired vehicles were properly accounted for, the auctions were conducted in accordance with Management Policy #205, and the proceeds deposited accurately represented the auction results.

**Significant Recommendations:** None.