



Pittsburgh Regional Transit

TO: Performance Oversight Committee
Tom Burgunder
Laura Sohinki
Senator Lindsey Williams

FROM: Tia McClenney, Committee Chair

DATE: September 15, 2026

SUBJECT: Performance Oversight Committee – September 17, 2026

The next meeting of the Performance Oversight Committee is scheduled for Thursday, September 17, 2026, in the fifth-floor boardroom, and via Microsoft Teams, immediately following the 9:00 a.m. Finance Committee meeting. The agenda is as follows:

1. Roll Call
2. Approval of Minutes of the July 16, 2026 Performance Oversight Committee Meeting
3. Proposed Resolutions:
 - a) Awarding of Bids (Justin Cava)
4. FY 2026 Annual Physical Inventory Audit Report (Shawn McGurrin)
5. Adjourn

cc: Other PRT Board Members

PERFORMANCE OVERSIGHT COMMITTEE MEETING

July 16, 2026

Board Committee Members

Tia McClenney (in-person)
Laura Sohinki
Senator Lindsey Williams
Tom Burgunder (in-person)
Jen Liptak

Other Board Member

Stephanie Turman (in-person)
Dr. Chris Brussalis (in-person)
Bobbie Fan
Joe Totten
Emma Shoucair

Approval of Minutes:

The minutes of the June 18, 2026 Performance Oversight Committee meeting were approved.

Proposed Resolutions:

The Committee first reviewed four procurement items and determined the bids to be in accordance with PRT's procurement policies and procedures and the prices to be fair and reasonable.

The Performance Oversight Committee agreed to recommend authorizing the award of the four bids listed in the resolution for the total amount of \$1,347,427.84.

After presentation of the awarding of bids, a tentative schedule of upcoming solicitations was presented.

The final resolution discussed was seeking authorization to enter into agreements to provide state legislative strategy and advocacy services.

It was reported that PRT conducted a competitive procurement process to secure state legislative strategy and advocacy services to support its efforts related to state funding, policy, legislative, and regulatory matters. Seven proposals were received and evaluated by an eight-member committee representing multiple PRT departments.

Following proposal reviews and interviews, the committee identified Buchanan Ingersoll & Rooney, PC and Allegheny Strategy Partners as the two highest-rated firms. Both firms demonstrated strong knowledge of Pennsylvania government affairs, extensive legislative relationships, experienced personnel, and the ability to support PRT's strategic advocacy needs.

The Performance Oversight Committee agreed to recommend entering into agreements with the two firms with a combined not-to-exceed value of \$401,000. It was noted at the meeting that each agreement would have an initial two-year term with options to extend for up to two additional one-year periods at PRT's discretion.

With no further business, the meeting was adjourned.

PROPOSED RESOLUTION

AWARDING OF BIDS

1. Cleaning of Oil & Water Separators

Solicitation B26-07-41 was publicly advertised and ebusiness documents were distributed. A total of 843 suppliers were notified of the bid opportunity, four suppliers accepted the invitation, and two bids were received to provide all labor and supervision to remove the non-hazardous waste oil and sludge as well as the cleaning of the underground oil and water storage tanks at various PRT locations over a three-year period, with no renewal options available.

RECOMMENDATION: That a contract be awarded to the lowest, responsive and responsible bidder, Mountain State Resources & Equipment, in the estimated amount of \$577,656.20.

This pricing represents a 63 percent increase over the previous contract prices for these products three years ago. Staff has determined the pricing to be fair and reasonable and consistent with the funds budgeted.

2. Ready to Use Coolant/Antifreeze

Solicitation B26-07-40 was publicly advertised and ebusiness documents were distributed. A total of 438 suppliers were notified of the bid opportunity, three suppliers accepted the invitation, and three bids were received to supply pre-mixed coolant/antifreeze delivered in bulk to various PRT locations over a two-year period, with no renewal options available.

RECOMMENDATION: That a contract be awarded to the lowest, responsive and responsible bidder, Brenntag Lubricants Northeast, in the estimated amount of \$359,100.00.

This pricing represents a two percent increase over the previous contract prices for these products two years ago. Staff has determined the pricing to be fair and reasonable and consistent with the funds budgeted.

3. Coach Replacement Parts – Articulated Bus Bellows

Solicitation B26-07-46 was publicly advertised and ebusiness documents were distributed. A total of 374 suppliers were notified of the bid opportunity, one supplier accepted the invitation, and one bid was received to furnish and deliver replacement parts

for the maintenance of the bellows on PRT's New Flyer articulated buses over a two-year period, with no renewal options available.

In accordance with Procurement policies and procedures, a single bid survey was conducted.

RECOMMENDATION: That a contract be awarded to the lowest, responsive and responsible bidder, The Aftermarket Parts Company, LLC, in the estimated amount of \$467,480.40.

This pricing represents a six percent decrease over the previous contract prices for these products two years ago. Staff has determined the pricing to be fair and reasonable and consistent with the funds budgeted.

4. ISL Replacement Parts

Solicitation B26-05-32R was publicly advertised and ebusiness documents were distributed. A total of 275 suppliers were notified of the bid opportunity, two suppliers accepted the invitation, and two bids were received to furnish and deliver replacement engine parts utilized in the maintenance of PRT's buses fitted with Cummins ISL 9 engines over a two-year period, with no renewal options available. This solicitation was issued as a line-item award.

One bidder, J. David White Associates, Inc., was found to be non-responsive in accordance with the specifications as advertised.

RECOMMENDATION: That a contract be awarded to the lowest, responsive and responsible bidder for all items, Cummins, Inc., in the estimated amount of \$10,713,014.10.

A direct comparison could not be made as there was an addition of several line items that were not part of the previous contract. Staff has determined the pricing to be fair and reasonable and consistent with the funds budgeted.

5. Differential Gear Lubricant

Solicitation B26-05-26 was publicly advertised and ebusiness documents were distributed. A total of 304 suppliers were notified of the bid opportunity, three suppliers accepted the invitation, and two bids were received to furnish and deliver differential gear lubricant used in the maintenance of PRT's bus and rail fleet over a two-year period, with no renewal options available.

RECOMMENDATION: That a contract be awarded to the lowest, responsive and responsible bidder, Jack Rich, Inc., in the estimated amount of \$161,626.62.

This pricing represents a 24 percent increase over the previous contract prices for these products two years ago. Staff has determined the pricing to be fair and reasonable and consistent with the funds budgeted.

6. Police Vehicles (COSTARS STATE SCHEDULE)

The Commonwealth of Pennsylvania Department of General Services Cooperative Purchasing Program (COSTARS) had awarded a contract under the respective State Schedule COSTARS-013 for the purchase of Emergency Responder Vehicles. The effective date of the contract is from December 1, 2025 through December 1, 2026, and PRT wishes to “piggy-back” and make purchases under the terms and conditions of the contract.

Therefore, PRT wishes to purchase one unmarked Ford Police Interceptor and eight marked Police Interceptors under the terms and conditions of the respective Contract No. 013-E25-328 awarded to Tom Masano Ford, Inc. These vehicles will be utilized by Port Authority Police for its day-to-day operations.

RECOMMENDATION: That this cooperative contract be awarded under the same terms and conditions of PA DGS COSTARS Contract No. 013-E25-328 – Emergency Responder Vehicles to Tom Masano Ford, Inc., in the estimated amount of \$542,181.00.

Staff has determined that the pricing on the Pennsylvania State Schedule to be fair and reasonable and consistent with the funds budgeted.

7. Lease and Operation of the Wabash Parking Facility (Change Order)

At its September 2020 meeting, the Board authorized Port Authority of Allegheny County d/b/a Pittsburgh Regional Transit (PRT) to enter into a contract with PPG Public Parking to lease the PRT-owned Wabash HOV Parking Facility located on West Carson Street and to provide all operational and day-to-day maintenance services for public parking at this facility. The initial base term of the contract was for a period of two years through December 31, 2022, for total rent in the amount of \$156,000.00 payable in equal monthly installments by PPG Public Parking to PRT over the two-year term, with options to extend the contract further at PRT’s sole discretion.

At its July 2025 meeting, and following the exercise of previous option years, the Board authorized PRT to extend the term of the contract through December 31, 2026, with the option to extend the contract for one additional year at PRT’s sole discretion and subject to the parties’ agreement on a rental rate for any such additional contract term extension.

To date, Contractor has continued to satisfactorily provide the operational and maintenance services required under the contract. Due to anticipated future funding challenges, which could impact PRT’s continued operation and future ownership and maintenance of the adjacent Wabash HOV Tunnel and larger site that includes the Wabash HOV Parking Facility, staff is requesting to exercise the option and extend the

contract an additional one-year period at this time, through December 31, 2027, for the total rental amount of \$108,000.00 payable by PPG Public Parking to PRT in equal monthly installments.

RECOMMENDATION: That the contract be amended with PPG Public Parking to further extend the term of the contract through December 31, 2027, for a total rental amount payable in equal monthly installments of \$108,000.00.

Staff has determined that the rental amount, which represents a 12.5 percent increase over the current annual rental amount being paid by PPG Public Parking to PRT, is fair and reasonable and consistent with the anticipated revenues budgeted, for the continued leasing and operation of the Wabash HOV Parking Facility.

8. Bus Procurement (Change Order)

At its July 29, 2022 meeting, PRT's Board authorized agreements with New Flyer of America, Inc (New Flyer) for the purchase of 107 new 60-foot low floor articulated transit buses. At its June 23, 2023 meeting, PRT's Board authorized an amendment to include the purchase of 30 new 40-foot low floor diesel buses with options to purchase up to 270 additional 35 and/or 40-foot, low floor, diesel buses, battery electric buses and 50 additional 60-foot low floor articulated and/or Bus Rapid Transit styled low floor diesel and/or battery electric buses and associated components, training, special tools and equipment over a five-year period.

There is a need for PRT to exercise these options in order to continue the process of replacing existing vehicles in the fleet which are 12 years old, have in excess of 500,000 miles and have reached the end of their useful life. Staff has identified the need for six additional 60-foot articulated battery electric powered buses, 56 60-foot articulated clean diesel buses, 40 35-foot clean diesel buses to continue PRT's coach replacement program. Additionally, staff has identified changes the builds that better align with the needs of the agency which include, but are not limited to, adding an air purifier, a stanchion support for the Just Ride Validator, a push button window release and removing trash hooks and exterior Ad frames. Pricing for these buses would be as contracted with the applicable Producer Price Index (PPI) at the time of the purchase.

RECOMMENDATION: That a contract amendment be executed with New Flyer in the estimated amount of \$94,112,640.82, which increases the total not to exceed amount to \$184,768,061.16.

Pricing received for the purchase of these buses is in accordance with the existing approved contract from June 2022. Staff has determined this price to be fair and reasonable and consistent with the funds budgeted.

RESOLUTION

RESOLVED, that recommendations as set forth in the report are accepted and that the chief executive officer, chief legal officer, chief innovation officer, chief financial officer and/or controller be, and hereby are, authorized and directed to execute such documents on behalf of Port Authority of Allegheny County d/b/a Pittsburgh Regional Transit as shall be required for the entry of proper contracts covering those items recommended for acceptance.

**Pittsburgh Regional Transit
Procurement Summary**

September 25, 2026

Item	Description	Number Of Bids	Lowest Responsive Bidder	Award Amount	2nd Bidder Amount	Annual Percentage Change to Previous Purchase
1	Cleaning of Oil & Water Separators	2	Mountain State Resources & Equipment	\$577,656.20	\$756,979.91	63%
2	Ready to Use Coolant/Antifreeze	3	Brenntag Lubricants Northeast	\$359,100.00	\$462,600.00	2%
3	Coach Replacement Parts - Articulated Bus Bellows	1	The Aftermarket Parts Company, LLC	\$467,480.40	N/A	6%
4	ISL Replacement Parts	2	Cummins, Inc	\$10,713,014.10	N/A	6%
5	Differential Gear Lubricant	2	Jack Rich, Inc	\$161,626.62	\$208,233.30	24%
6	Police Vehicles (CoStars)	N/A	Tom Masano Ford, Inc	\$542,181.00	N/A	N/A
7	Lease & Operation of Wabash Parking Facility (Option Year)	N/A	PPG Public Parking	\$108,000.00	N/A	N/A
8	Bus Procurement (Change Order)	N/A	New Flyer of America, Inc	\$94,112,640.82	N/A	N/A
Total Purchases				\$107,041,699.14		



Pittsburgh Regional Transit

INTERNAL AUDIT DEPARTMENT

Audit of the Annual Physical Inventory

Fiscal Year 2026

XX 2026

Performance Audit

Audit of the FY 2026 Annual Physical Inventory

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Audit of the FY 2026 Annual Physical Inventory

EXECUTIVE SUMMARY

INTRODUCTION

Port Authority of Allegheny County d/b/a Pittsburgh Regional Transit (PRT) internal auditors observed the fiscal year (FY) 2026 annual physical inventory (Inventory). The Physical Inventory count is coordinated by the Materials Management personnel. Its purpose is to ensure that the on-hand quantity for each inventory item is accurately recorded in the PeopleSoft financial system so that transit operations are supported by having materials and supplies available when needed. This Inventory was performed from February 27, 2026 through March 1, 2026. For FY 2026, through period 10, total material and supply expenditures were approximately \$43.2 million or 9.1% of budgeted expenses (per the unaudited financial statements as of April 30, 2026).

OBJECTIVES, SCOPE AND METHODOLOGY

The audit objectives were to determine the adequacy of internal controls for the Inventory and to determine if:

- Items were accurately counted,
- Dollar variances of at least \$250.00 (\$150.00 at the garage inventory locations) and a quantity variance of at least 10 percent were resolved and recorded correctly in PeopleSoft,
- Adjustments to on-hand quantities were properly recorded in PeopleSoft, and
- The cut-off process was properly followed for requisitions and receipts issued before and after Inventory. The cut-off is the time at which system processing of requisitions and receipts is suspended in PeopleSoft. The purpose of the cut-off testing is to determine if:
 - Items that were physically received and placed in stock prior to the start of counting were included in PeopleSoft's on-hand quantities,
 - Items that were physically received and not placed in stock prior to the start of counting were not included in PeopleSoft's on-hand quantities,
 - Requisitions that were filled and shipped prior to the start of counting were processed in PeopleSoft so that the on-hand quantities in the system are reduced prior to counting,
 - Items removed from stock after counting has begun (emergency requisitions) are added to the physical count if the item was removed from stock before it was counted,
 - Items physically received while the Inventory is in progress are held at the receiving dock instead of being placed in Inventory, and

Audit of the FY 2026 Annual Physical Inventory

- Employees do not resume filling requisitions, stocking items and processing requisitions and receipts in PeopleSoft until after the Inventory is finalized and the cut-off is ended.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

We observed the employees as they counted the inventory items, and we tested inventory counts and the cut-off process at the Manchester, South Hills Village, South Hills Junction, and the Auto Shop locations. We tested the accuracy of the inventory cut-off process by tracing a sample of requisitions and receipts to the transaction history records in PeopleSoft to ensure that they were processed in PeopleSoft at the correct time in relation to the cut-off. We also assisted in resolving variances. In addition, at these four locations and at East Liberty and Collier operating locations, we tested the accuracy of on-hand quantities recorded by the employees conducting the Inventory by independently counting a sample of inventory items and comparing our counts with the counts on the count sheets.

The scope of the audit was the FY 2026 Physical Inventory, and the full methodology used to accomplish the audit objectives is shown in Attachment A. For additional information related to Pittsburgh Regional Transit's Inventory Business Process refer to Attachment B.

STATEMENT OF OPINION

In our opinion, in general, the FY 2026 Inventory was conducted in a manner that provides reasonable assurance that inventory items were accurately counted, adjustments to on-hand quantities were recorded correctly in PeopleSoft, the cut-off process was properly followed for requisitions and receipts issued before and after Inventory and significant variances were resolved and recorded correctly in PeopleSoft. Note that the FY 2026 Annual Physical Inventory audit resulted in three advisory comments.

STRENGTHS NOTED DURING THE AUDIT

Strengths noted during the audit included the following:

- 1) Compared to last year's audit - the percentage of accurate statistical counts increased at Manchester and South Hills Village locations. The percentage of statistical and judgmental counts at the Auto Shop remained 100%.
- 2) In general, the overflow stock notices were effectively used and typically placed for items with overflow stock.

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- 3) The new emergency requisition process that was implemented during the Annual Physical Inventory allowed Internal Auditors to adequately identify and trace the depletions in the PeopleSoft system.

ADVISORY COMMENT 1 – LOAD STAGED ITEMS PANELS MISSING

The Load Staged Items Panels from PeopleSoft were not provided to Internal Audit. Internal Audit was provided with process monitor panels that did not depict whether the load staged items had been cleared from the panel or not. Internal Audit could not verify that the Load Staged Items were cleared.

The Load Staged Items panel depicts items received but not yet put on the shelf. It is to be cleared and show “No matching values were found” to ensure that the system quantity matches what is on the shelf/floor before the location is shutdown in PeopleSoft.

BUSINESS IMPACT

If the Load Staged Items process is not verified to be clear, discrepancies in the inventory count compared to the what the system portrays can arise. This can lead to items unnecessarily reaching the variance reports – causing exaggerated variances, and materials management and shop supervisors to recount items that may have otherwise been correct.

RECOMMENDATION

We recommend that Materials Management emphasize the importance of the verification of the cleared Load Staged Items process to ensure an accurate capture of the current inventory environment to facilitate a cleaner initial variance report and less recounts.

MANAGEMENT RESPONSE

Materials Management concurs with the recommendation and will ensure that the Load Staged Items panels will be viewed, cleared, and panel screenshots provided to Internal Audit prior to location shut down during future annual physical inventories.

ADVISORY COMMENT 2 – NEW KEYER NOT TRAINED / INSTRUCTED

A Customer Service Clerk volunteered to key inventory counts at Manchester on the Saturday of the Annual Physical Inventory. The Customer Service Clerk had no prior training or experience performing this function and was not provided with any written or verbal instructions beforehand. A Senior Buyer stepped away from their workstation to give the Customer Service Clerk verbal keying instructions and then monitored them to ensure their competency.

Employees new to the function of keying inventory counts should be provided with instruction and made familiar with the process prior to the start of the Annual Physical Inventory.

Audit of the FY 2026 Annual Physical Inventory

BUSINESS IMPACT

A lack of training and familiarity can cause a higher quantity of keying errors, creating misleading variance reports and unnecessary item recounts.

When an employee must take unplanned time away from their workstation, it can cause a delay in the completion of the inventory keying process.

RECOMMENDATION

We recommend that Materials Management develop instructions and implement a training procedure for employees new to the inventory keying process.

MANAGEMENT RESPONSE

Materials Management concurs with the recommendation and will develop instructions and implement a training procedure for employees new to the inventory keying process.

ADVISORY COMMENT 3 – FALSE VARIANCE REPORTS

The South Hills Junction (141FS) and the South Hills Village (144RC) initial variance reports produced a large quantity of items that were not on the inventory count sheets. At 141FS, the first ten of 26 pages of the first variance report contained mostly items that were not on the counters count sheets. For these items, the variation reports indicated a 'Count Qty' of "0" had been keyed, while the 'System Quantity' generally indicated that the items had a 'System Qty' higher than 0. Materials Management identified this issue at the time the reports were generated. Materials Management instructed the keyers to enter each item identified to not be on the count sheets 'System Qty' as the 'Count Qty', on the first 10 pages. This process was also done at 144RC. Following discussions with Assistant Manager of Inventory, the Manager of Administrative Applications, and PeopleSoft Senior Developer Consultant, the cause seems to be within the PeopleSoft system, dealing with cost parameters and or with items that were previously prepopulated on count sheets.

When the variation reports are generated, they should only contain items that were counted and keyed into the system during shutdown.

BUSINESS IMPACT

If the initial result of the variation reports continue to contain many perceived errors due to the system using the incorrect criteria, Materials Management will have to repeat the manual process of comparing the variation report to the count sheets during future physical inventories. This is time-consuming and opens the process to the possibility of items not being recounted when in fact they should be. This process also does not appear to be the best utilization of the keyers time on site.

RECOMMENDATION

We recommend that Materials Management collaborate with PeopleSoft Developer Consultant(s) and if possible, adjust the cost parameters of the variation report and add the prepopulated items back to

Audit of the FY 2026 Annual Physical Inventory

the count sheets to identify the cause and mediate what is creating the issue within the inventory count variation reports.

MANAGEMENT RESPONSE

Materials Management concurs with the recommendation and will collaborate with PeopleSoft Developer Consultant(s) and if possible, adjust the cost parameters of the variation report and add the prepopulated items back to the count sheets to identify the cause and mediate what is creating the issue within the inventory count variation reports.

FOLLOW UP ON OUTSTANDING RECOMMENDATIONS FROM PREVIOUS AUDITS

There were no outstanding audit recommendations from the previous audit. All recommendations from the previous audit were implemented/closed.

INTRODUCTION

Port Authority of Allegheny County d/b/a Pittsburgh Regional Transit (PRT) internal auditors observed the fiscal year (FY) 2026 annual physical inventory (Inventory). The Physical Inventory count is coordinated by the Materials Management personnel. Its purpose is to ensure that the on-hand quantity for each inventory item is accurately recorded in the PeopleSoft financial system so that transit operations are supported by having materials and supplies available when needed. This Inventory was performed from February 27, 2026 through March 1, 2026. For FY 2026, through period 10, total material and supply expenditures were approximately \$43.2 million or 9.1% of budgeted expenses (per the unaudited financial statements as of April 30, 2026).

OBJECTIVES, SCOPE AND METHODOLOGY

The audit objectives were to determine the adequacy of internal controls for the Inventory and to determine if:

- Items were accurately counted,
- Dollar variances of at least \$250.00 (\$150.00 at the garage inventory locations) and a quantity variance of at least 10 percent were resolved and recorded correctly in PeopleSoft,
- Adjustments to on-hand quantities were properly recorded in PeopleSoft, and
- The cut-off process was properly followed for requisitions and receipts issued before and after Inventory. The cut-off is the time at which system processing of requisitions and receipts is suspended in PeopleSoft. The purpose of the cut-off testing is to determine if:
 - Items that were physically received and placed in stock prior to the start of counting were included in PeopleSoft's on-hand quantities,
 - Items that were physically received and not placed in stock prior to the start of counting were not included in PeopleSoft's on-hand quantities,
 - Requisitions that were filled and shipped prior to the start of counting were processed in PeopleSoft so that the on-hand quantities in the system are reduced prior to counting,
 - Items removed from stock after counting has begun (emergency requisitions) are added to the physical count if the item was removed from stock before it was counted,
 - Items physically received while the Inventory is in progress are held at the receiving dock instead of being placed in Inventory, and
 - Employees do not resume filling requisitions, stocking items and processing requisitions and receipts in PeopleSoft until after the Inventory is finalized and the cut-off is ended.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

We observed the employees as they counted the inventory items, and we tested inventory counts and the cut-off process at the Manchester, South Hills Village, South Hills Junction, and the Auto Shop locations. We tested the accuracy of the inventory cut-off process by tracing a sample of requisitions and receipts to the transaction history records in PeopleSoft to ensure that they were processed in PeopleSoft at the correct time in relation to the cut-off. We also assisted in resolving variances. In addition, at these four locations and at the Collier and East Liberty operating locations, we tested the accuracy of on-hand quantities recorded by the employees conducting the Inventory by independently counting a sample of inventory items and comparing our counts with the counts on the count sheets.

The scope of the audit was the FY 2026 Inventory and the full methodology used to accomplish the audit objectives is shown in Attachment A.

For additional information related to Pittsburgh Regional Transit's Inventory Business Process refer to Attachment B.

STATEMENT OF OPINION

In our opinion, in general, the FY 2026 Inventory was conducted in a manner that provides reasonable assurance that inventory items were accurately counted, adjustments to on-hand quantities were recorded correctly in PeopleSoft, the cut-off process was properly followed for requisitions and receipts issued before and after Inventory and significant variances were resolved and recorded correctly in PeopleSoft. Note that the FY 2026 Annual Physical Inventory audit resulted in three advisory comments.

STRENGTHS NOTED DURING THE AUDIT

Strengths noted during the audit included the following:

- 1) Compared to last year's audit - the percentage of accurate statistical counts increased at Manchester and South Hills Village locations. The percentage of statistical and judgmental counts at the Auto Shopped remained 100%.
- 2) In general, the overflow stock notices were effectively used and typically placed for items with overflow stock.
- 3) The new emergency requisition process that was implemented during the Annual Physical Inventory allowed Internal Auditors to adequately identify and trace the depletions in the PeopleSoft system.

RESULTS OF TEST COUNTS**SUMMARY OF SYSTEMATICALLY SELECTED TEST COUNTS**

Based on our statistically valid sample and a margin of error of plus or minus 5%, we are 95% confident that the true accuracy rate of item counts in the population is between 89.18% and 99.18%.

Using attribute sampling for a population size of 11,858 items with an average cost of at least \$7.00, a statistically valid sample of 378 items was selected for testing. Internal Audit Department personnel counted each remaining item in the statistical sample and compared our count to the count recorded on the count sheets. Any discrepancies were resolved by having storeroom personnel recount item count discrepancies. We noted 22 errors (an overall accuracy rate of 94.18%).

Location	Number of Items with an Average Cost of at Least \$7	Number of Test Counts	Number of Count Discrepancies	Number of Accurate Counts	Percentage of Accurate Counts
Manchester	8,113	254	11	243	96%
South Hills Village	1,803	56	2	54	96%
South Hills Junction	1,722	64	6	58	91%
Auto Shop	220	7	0	7	100%
Totals	<u>11,858</u>	<u>381</u>	<u>19</u>	<u>362</u>	95%

Of these 381 test counts, 362 items had a unit of measure of “each”, and 19 items had a unit of measure of something other than “each” such as “case” or “set”. For the 19 items with a unit of measure of something other than “each” such as “case” or “set”, we determined that 3 of the items was incorrectly counted by the inventory count crews (an accuracy rate of 83%). For the 362 items with a unit of measure of “each”, we determined that 16 of the items were incorrectly counted by the inventory count crews (an accuracy rate of 96%).

SUMMARY OF JUDGMENTALLY SELECTED TEST COUNTS

In addition to the systematically selected test counts from our sample, 350 judgmentally selected test counts were performed by Internal Audit Department personnel during the Inventory. Of these 350 counts, 324 counts were determined to be correct, and 26 counts were incorrect (an overall accuracy rate of 93%). The tables below summarize the results of the testing.

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Count of Each and Other than Each	Number of Test Counts	Number of Count Discrepancies	Number of Accurate Counts	Percentage of Accurate Counts
Manchester	100	11	89	89%
South Hills Village	50	2	48	96%
South Hills Junction	50	0	50	100%
Auto Shop	50	0	50	100%
Collier	50	3	47	94%
East Liberty	<u>50</u>	<u>10</u>	<u>40</u>	<u>80%</u>
Total Count of Each and Other than Each	<u>350</u>	<u>26</u>	<u>324</u>	<u>93%</u>

Of these 350 judgmental test counts, 327 items had a unit of measure of “each”, and 23 items had a unit of measure of something other than “each” such as “case” or “set”. For the 23 items with a unit of measure of something other than “each” such as “case” or “set”, we determined that 1 of the items were incorrectly counted by the inventory count crews (an accuracy rate of 96%). For the 327 items with a unit of measure of “each”, we determined that 25 of the items were incorrectly counted by the inventory count crews (an accuracy rate of 92%).

Note that the accuracy rates discussed above estimate the accuracy of the counts that are made by the inventory count crews. This accuracy rate should not be compared with the Main Shop-Materials Management Department's estimate of the accuracy rate at which the on-hand quantities of inventory items are maintained in PeopleSoft's records.¹

¹Materials Management staff calculates their accuracy rate, which is reported on the Recap of Inventory Results – Inventory Accuracy report, for items with an average cost of at least \$7.00 by dividing the number of items with no variances and the number of items with minor variances as determined by the Materials Management staff, by the total number of items with an average cost of at least \$7.00. The Materials Management staff defines a minor variance for the Manchester, South Hills Village, and South Hills Junction warehouses locations as one that is less than \$250.00 in value and 10% in quantity. For the Auto Shop, a minor variance is defined as one that is less than \$50.00 in value and 5% in quantity. For the garage locations, a minor variance is defined as one that is less than \$150.00 in value and 10% in quantity.

RESULTS OF CUT-OFF TESTING

The requisitions and receipts before and after inventory were reviewed for Manchester, South Hills Junction, South Hills Village, and the Auto Shop. Of the 80 requisitions and receipts reviewed as part of the inventory cut-off testing, all were processed according to the cut-off instructions.

Summary of Cut-Off Testing Results

Location	Number of Requisitions and Receipts Examined	Number Processed According to Cut-Off Instructions	Number Not Processed According to Cut-Off Instructions	Comment/Description of Requisitions and Receipts
Manchester	20	20	0	No exceptions noted.
South Hills Junction	20	20	0	No exceptions noted.
South Hills Village	20	20	0	No exceptions noted.
Auto Shop	20	20	0	No exceptions noted.
Totals	80	80	0	

ADVISORY COMMENT 1 – LOAD STAGED ITEMS PANELS MISSING

The Load Staged Items Panels from PeopleSoft were not provided to Internal Audit. Internal Audit was provided with process monitor panels that did not depict whether the load staged items had been cleared from the panel or not. Internal Audit could not verify that the Load Staged Items were cleared.

The Load Staged Items panel depicts items received but not yet put on the shelf. It is to be cleared and show “No matching values were found.” to ensure that the system quantity matches what is on the shelf/floor before the location is shutdown in PeopleSoft.

BUSINESS IMPACT

If the Load Staged Items process is not verified to be clear, discrepancies in the inventory count compared to the what the system portrays can arise. This can lead to items unnecessarily reaching the variance reports – causing exaggerated variances, and materials management and shop supervisors to recount items that may have otherwise been correct.

RECOMMENDATION

We recommend that Material Management emphasize the importance of the verification of the cleared Load Staged Items process to ensure an accurate capture of the current inventory environment to facilitate a cleaner initial variance report and less recounts.

MANAGEMENT RESPONSE

Material Management concurs with the recommendation and will ensure that the Load Staged Items panels will be viewed, cleared, and panel screenshots provided to Internal Audit prior to location shut down during future annual physical inventories.

Target Date: FY 2027 Annual Physical Inventory.

ADVISORY COMMENT 2 – NEW KEYER NOT TRAINED / INSTRUCTED

A Customer Service Clerk volunteered to key inventory counts at Manchester on the Saturday of the Annual Physical Inventory. The Customer Service Clerk had no prior training or experience performing this function and was not provided with any written or verbal instructions beforehand. A Senior Buyer stepped away from their workstation to give the Customer Service Clerk verbal keying instructions and then monitored them to ensure their competency.

Employees new to the function of keying inventory counts should be provided with instruction and made familiar with the process prior to the start of the Annual Physical Inventory.

BUSINESS IMPACT

A lack of training and familiarity can cause a higher quantity of keying errors, creating misleading variance reports and unnecessary item recounts.

When an employee must take unplanned time away from their workstation, it can cause a delay in the completion of the inventory keying process.

RECOMMENDATION

We recommend that Materials Management develop instructions and implement a training procedure for employees new to the inventory keying process.

MANAGEMENT RESPONSE

Materials Management concurs with the recommendation and will develop instructions and implement a training procedure for employees new to the inventory keying process.

Target Date: FY 2027 Annual Physical Inventory.

ADVISORY COMMENT 3 – FALSE VARIANCE REPORTS

The South Hills Junction (141FS) and the South Hills Village (144RC) initial variance reports produced a large quantity of items that were not on the inventory count sheets. At 141FS, the first ten of 26 pages of the first variance report contained mostly items that were not on the counters count sheets. For these items, the variation reports indicated a 'Count Qty' of "0" had been keyed, while the 'System Quantity' generally indicated that the items had a 'System Qty' higher than 0. Materials Management identified this issue at the time the reports were generated. Materials Management instructed the keyers to enter each item, identified to not be on the count sheets

'System Qty' as the 'Count Qty,' on the first 10 pages. This process was also done at 144RC. Following discussions with Assistant Manager of Inventory, the Manager of Administrative Applications, and PeopleSoft Senior Developer Consultant, the cause seems to be within the PeopleSoft system, dealing with cost parameters and or with items that were previously prepopulated on count sheets.

When the variation reports are generated, they should only contain items that were counted and keyed into the system during shutdown.

BUSINESS IMPACT

If the initial result of the variation reports continue to contain many perceived errors due to the system using the incorrect criteria, Materials Management will have to repeat the manual process of comparing the variation report to the count sheets during future physical inventories. This is time-consuming and opens the process to the possibility of items not being recounted when in fact they should be. This process also does not appear to be the best utilization of the keyers time on site.

RECOMMENDATION

We recommend that Materials Management collaborate with PeopleSoft Developer Consultant(s) and if possible, adjust the cost parameters of the variation report and add the prepopulated items back to the count sheets to identify the cause and mediate what is creating the issue within the inventory count variation reports.

MANAGEMENT RESPONSE

Materials Management concurs with the recommendation and will collaborate with PeopleSoft Developer Consultant(s) and if possible, adjust the cost parameters of the variation report and add the prepopulated items back to the count sheets to identify the cause and mediate what is creating the issue within the inventory count variation reports.

Target Date: FY 2027 Annual Physical Inventory.

FOLLOW UP ON OUTSTANDING RECOMMENDATIONS FROM PREVIOUS AUDITS

There were no outstanding audit recommendations from the previous audit. All recommendations from the previous audit were implemented/closed.

FOLLOW UP ON OUTSTANDING RECOMMENDATIONS FROM PREVIOUS AUDITS

No observations/recommendations were made during the previous audit, and all prior recommended changes have been closed.

ACKNOWLEDGEMENTS

Members of the Internal Audit Department thank Scott Katonka, Assistant Manager of Inventory, Justin Cava, Director of Procurement, Frank Arzenti, Manager of Inventory Operations and Distribution, Betty Minigan, PeopleSoft Senior Developer Consultant, Dawn Hinzman, Manager of

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Administrative Applications, inventory counters, and data entry clerks for their cooperation and assistance during this audit.

Participating auditors were Hadiza Buhari, Shawn McGurrin, Neil Caponi, Austin Hamm, Monika Todd, and Zachary Metrosky.

Hadiza Buhari, Director, Internal Audit Department

Date

Disclaimer:

This report is intended solely for the information and use of Pittsburgh Regional Transit management for decision-making purposes. It is not intended for use by any other party.

ATTACHMENT A – SAMPLING METHODOLOGY AND CRITERIA

To accomplish the audit objectives, Internal Audit Department personnel (IA) determined the population, developed sampling methodology and performed statistical and judgmental test counts as follows:

Statistical Test Counts, PeopleSoft Queries, Cut-Off Testing and Emergency Requisitions

- 1) Generated the PeopleSoft PAG_WAREHOUSE_ACTIVE report, of the entire population of inventory items for Manchester, SHJ, Auto Shop and SHV before and after shut-down.
- 2) Generated the PeopleSoft PAG_WAREHOUSE_ACTIVE report in PeopleSoft to verify the integrity of inventory items data provided by the Assistant Manager of Inventory's to determine if the population on IA's report agreed with the Assistant Manager of Inventory's Count Sheet reports.
- 3) Generated the PeopleSoft INP7016 reports for specific inventory location (Manchester, SHV, SHJ and Auto Shop) to determine the populations of inventory items.
- 4) Generated the PeopleSoft INP7050 reports for specific inventory location (Manchester, SHV, SHJ and Auto Shop) to determine the populations of daily activity inventory items. This report was utilized when performing cut-off testing.
- 5) Generated the PeopleSoft PAG_Receipts reports for specific inventory location (Manchester, SHV, SHJ and Auto Shop) to determine the populations of received inventory items. This report was utilized when performing cut-off testing.
- 6) Generated and reviewed the PeopleSoft PAG_WAREHOUSE_ACTIVE report for the statistical test count to determine the actual population size (number of inventory items) with a unit price of at least \$7.00.
- 7) Utilized Review Transaction History and PRT Item Information panels in PeopleSoft to analyze selected inventory item activity.
- 8) Requested Emergency Requisition Logs for Manchester, South Hills Village, South Hills Junctions, and the Auto Shop. For the locations that processed emergency requisitions, Internal Audit reviewed and recounted those items and traced the inventory item to the Review Transaction History in PeopleSoft to determine the accuracy of the counts.
- 9) Utilized a sample size calculator to define the sample size with a confidence level of 95% and a precision percentage of plus or minus 5% to determine the total number of statistical test counts to be performed for Manchester, SHJ, Auto Shop and SHV.
 - a) Note that the footnote in the audit report describes how the Main Shop Materials Management Department personnel calculate their accuracy rate and define variances. Also, Main Shop-Materials Management Department personnel report the inventory count accuracy rates in the Recap of Inventory Results – Inventory Accuracy Report. Internal

Audit's accuracy rates discussed in the audit report should not be compared with the Main Shop-Materials Management Department's estimate of the accuracy rate at which the on-hand quantities of inventory items are maintained in PeopleSoft's records.

- 10) Calculated a uniform interval by dividing the number of inventory items in the population by the total sample size for Manchester, SHV, SHJ and the Auto Shop. Inventory items were selected systematically throughout the population at the uniform interval.
- 11) Calculated the percentage of the number of items to be sampled to the total number of items in the population by dividing the total number of items to sample by the total number of items with unit prices of at least \$7.00 at four of the inventory locations (Manchester, SHV, SHJ, and Auto Shop).
- 12) Calculated the number of separate test counts for Manchester, SHJ, Auto Shop and SHV by multiplying the percentage to total number of items calculated for each location by the total number of items with a unit price of at least \$7.00 at the four inventory locations.
- 13) Systematically selected test counts by selecting a random number as a starting point for Manchester, SHJ, SHV and the Auto Shop locations at every nth interval (as calculated in 9 above). The interval represents the nth item that will be selected for our sample.
- 14) No statistical test counts were performed at the 2 garage locations (Collier and East Liberty).
- 15) Used the PeopleSoft reporting tool, Random Item Sampling (PAG_RUN_INP5052), the software selected the items for testing. This report was generated for each of the four locations (Manchester, SHV, SHJ and the Auto Shop) and it detailed the randomly selected test count items that Internal Audit identified to count/examine during the inventory.
- 16) If errors/discrepancies were detected, Internal Audit requested management confirm the accuracy of the item count. If a significant number of errors were noted, Internal Audit would discuss the number of errors with applicable management personnel and determine if recounts of items would be performed.
- 17) The results of statistical test counts were extrapolated over the entire population of inventory items with unit prices of at least \$7.00 as this sampling method gives each element (inventory item) in the population an equal opportunity of being selected.

Judgmental Test Counts

- 1) Completed Judgmental Test Count Sheets when observing the annual physical inventory. IA judgmentally selected inventory items to trace from the crews' count sheets to item bin locations (Manchester, SHV, SHJ, Auto Shop, Collier, and East Liberty) and from the item bin locations to crews' count sheets (Manchester, SHV and SHJ).
 - a) The Judgmental Test Count Sheets were used to document inventory items from the crews' count sheets to the item bin locations and verify that the accuracy of the item counted. Internal Audit judgmentally selects 100 items for Manchester, 50 items for SHJ, 50 items for

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SHV, 50 items at the Auto Shop and 50 items at Collier garage and 50 items at East Liberty garage. Internal Audit alternates the garage locations each annual physical inventory.

- b) The Inventory Checking Report was also used to document selected inventory items from item bin locations to the crews' count sheets and verify the accuracy of the item counted. Internal Audit judgmentally selects 10 items each at Manchester, SHJ and SHV. This reverse judgmental test count is not performed at the Auto Shop and the 2 garage locations (Collier and East Liberty).
- 2) Judgmentally chose numerous inventory items on the crews' inventory count sheets to test for accuracy. Internal Audit counted these items and determined if Internal Audit's count agreed with the quantities entered on the crews' count sheets.
- 3) Judgmentally counted a sample of inventory items at Manchester, SHJ, and SHV to determine if these items appeared on the count sheets and determined the accuracy of the counts.
- 4) In determining inventory items to judgmentally select to count, Internal Audit considered the unit of measure of "each" and "other than each" for the inventory items. Internal Audit also considered inventory items with larger quantities and items that were physically difficult to access (i.e., heavy items, hard-to-reach items).
- 5) If errors/discrepancies were detected, Internal Audit requested management confirm the accuracy of the item count. If a significant number of errors were noted, Internal Audit would discuss the number of errors with applicable management personnel and determine if recounts of items and/or sections of the storeroom or additional judgmental test counting would be performed.
- 6) If inventory items counted by Internal Audit did not appear on the count sheets, Internal Audit determined and documented the reason(s) for these items not appearing on the count sheets. In addition, if necessary, Internal Audit performed additional testing to determine if inventory items were properly included on the count sheets.
- 7) Determined if inventory item count corrections were reported to appropriate personnel so that the most accurate count was entered into the PeopleSoft inventory system.
- 8) The results of judgmental test counts were not extrapolated over the entire population of inventory items with unit prices of at least \$7.00 as this sampling method is a purposeful method where no randomization is used to eliminate any bias and inventory items in the population did not have an equal opportunity of being selected.

ATTACHMENT B – BUSINESS PROCESS

PHYSICAL INVENTORY PROCESS

Physical inventories are performed at all inventory locations on an annual basis. Items with an average unit price of at least \$7.00 are counted as part of the annual physical inventory. Inventory items are identified with a six-digit inventory number, a description, a unit of measure, and a specific bin location. Counts of inventory items with an average unit price less than \$7.00 are only performed if the inventory quantities in stock obviously differ from the inventory quantities in PeopleSoft as noted on the count sheets. Inventory items that have not moved for an extended period of time are sometimes pre-counted. Inventory count sheets are assigned to count crews or individual counters and Main Shop-Materials Management Department personnel verify that, upon completion, these sheets are accounted for and that counts are present for all items that require them. The count information is entered into PeopleSoft, and a report of all significant inventory variances is generated. Significant variances (greater than 10% in quantity or more than \$250.00 (\$150.00 at the garage inventory locations)) are recounted for accuracy, and adjustments to the original count are processed in PeopleSoft. Inventory items, which have not been counted, appear on the Missing Tag ID report, and all items on this report require that an item count be entered into the PeopleSoft in order to clear the item from the report.

The Manager of Inventory Operations & Distribution and Assistant Manager of Inventory, oversee the physical inventory to verify procedures are properly followed, material is properly counted, and questions related to specific items are resolved. At PRT's inventory locations, the Manager, Inventory Operations & Distribution, and Foremen/Supervisors review the inventory procedures and instructions with the inventory counters prior to the start of the actual annual physical inventory. Designated employees input the item counts into PeopleSoft.

The Internal Audit Department personnel review the inventory documentation (requisitions, receipts, emergency requisitions, count sheets, etc.) to determine if cut-off procedures have been followed, determine if inventory procedures are followed, and perform test counts based on both a statistically valid sample of inventory items and judgmentally selected inventory items to determine if counts on the inventory sheets are accurate. Internal Audit's identified test count differences are recounted by Internal Audit and appropriate personnel and the correct item count confirmed. Adjustments are recorded on IA's Inventory Checking Reports (aka Judgmental Test Count Sheets) or Statistical Count Sheet and the corrected counts are entered into PeopleSoft.

PEOPLESOFT SHUT DOWN

36 hours prior to a location beginning the physical counting of parts, Peoplesoft is shut off for conducting transactions which change quantity on hand. This includes receiving parts, issuing parts, and adjusting balance on hands. Vendors are notified via email to delay shipments until after the physical count is complete. Shipments that do arrive during the closure are staged and quarantined until after the count. All users have read only access to Peoplesoft.

EMERGENCY REQUESTIONS

During the shutdown, there will be emergency request for parts and supplies to keep the fleets maintained and in service. All facilities are notified of the start of the Peoplesoft shutdown and are informed of the process for the Stores Department to fulfill the requirements for the operation. The Stores Supervisors maintain a Log Sheet of the items moved from the shelf and delivered to Operations. A master log sheet is kept by the supervisors. A copy of the request is placed in the bin of the number of items removed. The counters should include the quantity on the card in the bin as the total items counted for the bin. The Stores Supervisors should *deplete* the emergency requests once the manager of the inventory returns Peoplesoft to Active.

COUNT ADJUSTMENTS

After the completion of the data entry for the variance reports, the supervisor of the counts agrees that all items on the report have been counted and checked for accurate counts, the manager of the process concludes the count by making the adjustments in Peoplesoft.

PEOPLESOFT TURNED BACK ON

Upon the completion of the inventory adjustments from the physical counts, the manager of the inventory returns Peoplesoft to Active. At this point, all items can be transacted and daily reports run.

PUTAWAY PROCESS

When an inventory item arrives at the receiving dock, the receiver takes possession of it and enters the item information (item description, vendor, quantity, stock #, etc.) into PeopleSoft, which then stages the batch of items that are to be placed into the inventory. The stockperson then places the items into the correct bin in inventory. At the Manchester and SHJ locations, the Storeroom Supervisor runs a process called "Complete Putaway" which increases the on-hand quantities for all items that are in the staged batch status. At the SHJ location, the "Complete Putaway" process is done at the time of receiving the item. At the SHV location, the "Complete Putaway" process is run automatically as part of the receiving process.

DEPLETION PROCESS

When an item needs to be removed from inventory, the employee who needs the item initiates the process by submitting a material stock requested in PeopleSoft. PeopleSoft includes this item on its pick list, which is generated nightly. After the item has been picked from the shelf, the Storeroom Supervisor/Garage Foreman/Receiver provides feedback to PeopleSoft to update the system that the item is no longer in inventory. At SHV, a batch process runs every half hour to look for new material stock requests, and a Pick Sheet prints at the stockperson's printer. The stockperson then fulfills the order and closes the order in the system by performing the "Material Picking Feedback" process, which confirms, ships and depletes the items that have been fulfilled. At all locations, the depletion process is run nightly to automatically reduce on-hand quantities for which feedback has been entered into PeopleSoft.

WORK ORDER SYSTEM

PRT has an operational work order system. The documentation obtained from the current work order system is based on the information entered into the Work Order System by appropriate PRT personnel.

DOCUMENTATION OF PROCESS FOR RECORDING INVENTORY ADJUSTMENTS

Inventory adjustments are recorded based on the results of annual physical inventories and periodic cycle counts. In addition, if inventory items are determined to be obsolete, the obsolete inventory is sold or scrapped, and the inventory quantities are reduced within the system.

Cycle counts are periodically performed by receivers at the operating locations. At the bus garage operating locations, if the cycle count is greater than the quantity in the system, an inventory adjustment is processed. Conversely, if the cycle count is less than the quantity in PeopleSoft, a requisition is completed for the missing item(s), and the quantity difference is charged to the applicable garage and classified as inventory usage or consumption. Logs are maintained at each of the operating locations to record items removed from parts rooms if receivers are not on duty.

The Manager of Inventory Operations & Distribution and Assistant Manager of Inventory and appropriate Storeroom Supervisors/Garage Foreman have access to inventory item information, inventory reports, and to the history of inventory purchases, consumption, and adjustments.

SCRAP PROCESS AND METHOD UTILIZED TO IDENTIFY, CHARGE-OFF AND DISPOSE OF SCRAP

PRT implemented the following Materials Scrap Process:

- Fleet Approaching Retirement
 - Min/Max Adjusted at Division Parts Rooms and Central Stores (140CS)
- Excess sent back (Pink Slipped) to Central Stores (140CS) Bus Fleet Retired
 - Fleet no longer in Revenue Service off property
- Identify Obsolete Parts
 - Determine if parts from retired fleet can be used on other existing PRT fleets
 - Return items to Vendors, if possible
 - Try to sell to other Transit Agencies and through an Auction Site
- Finalize Obsolete List
 - Assistant Manager of Inventory compiles and approves final list of items to be scrapped
 - Items set to No-Replenish
 - Comments updated
- Scrap List sent to Central Stores Supervisor and Assistant Manager of Inventory

- Items are to be physically removed from Bin
- Bin label is removed
- Bin quantity is depleted in PeopleSoft
- Item Bin Location is transferred in PeopleSoft to the NONE Bin
- Once process is complete, Storeroom personnel are to notify the Assistant Manager of Inventory
- Scrap Process Completed at Warehouse/Parts Rooms
 - Assistant Manager of Inventory verifies the following:
 - Items Quantity has been depleted
 - Item is in the NONE Bin
- Inactivation Process
 - Assistant Manager of Inventory or Inventory Analyst will make items inactive in PeopleSoft.
 - Inactive Part at Business Unit (Ex. 140CS, 010RO)
 - Inactive Part at Global Level
 - *Inactive Item Status = Item can no longer be requested through replenishment or manual parts requests (MSR).
 - Run Change Item Status Report and check for errors.

EMPLOYEE ACCESS IN PEOPLESOFT TO ADD, DELETE AND MODIFY INVENTORY INFORMATION

Access to add, delete, and modify inventory information in PeopleSoft is available to the Manager of Inventory Operations & Distribution and Assistant Manager of Inventory, Inventory Operations & Distribution, and the Storeroom Foremen/Garage Foreman. The Manager of Inventory Operations & Distribution and Assistant Manager of Inventory currently have the ability to adjust inventory quantities and/or adjust unit prices of items in inventory.

All authorizations for access to PeopleSoft must be approved by the manager of the applicable department and must be processed by the security administrator. The security features are role-based and define a role, which is tied to the job title. Prior to utilizing PeopleSoft to add, delete or modify data, users must attend the required PeopleSoft training.

REPORTS TO MONITOR, PROCESS AND ACCOUNT FOR INVENTORY USAGE & ADJUSTMENTS

Reports are available to monitor the inventory process and to account for inventory usage/adjustments, which include Daily Activity Report (INP7050), Inventory Activity Report

(INP7051), Missing Tag ID reports, Physical Account Reconciliation Reports, requisition and receipts reports and other reports that provide inventory statistics, values, and adjustment histories.

POLICIES AND PROCEDURES

Policies and procedures related to conducting the annual physical inventory exist (written and verbal). There is currently a procedure related to proper segregation of duties. Generally, this procedure provides that the purchaser cannot enter receiving data or enter new vendors in PeopleSoft; however, there are some limited exceptions to this for employees in the Main Shop-Materials Management Department. A training manual is available to guide employees on using PeopleSoft to complete inventory transactions such as receiving and issuing stock items, creating bin locations, and transferring items between locations.