

Municipality  
of  
Anchorage



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*Rick Mystrom, Mayor*

OFFICE OF THE INTERNAL AUDITOR

January 12, 1995

**Internal Audit Report 95-01  
1994 Parts and Fuel Inventory  
Municipal Light and Power Utility**

**Introduction.** The Municipality of Anchorage maintains an inventory of parts and fuel at the Municipal Light and Power Utility (ML&P). The inventory was counted in November 1994 and the financial records were adjusted to the physical counts. ML&P uses the Municipal Financial Information System's (FIS) inventory subsystem.

**Scope.** Our audit objectives were to determine if the physical inventory of parts and fuel was reasonably accurate and correcting adjustments were properly entered in the financial records. The audit included tests of inventory counts, accounting records, and such other auditing procedures as we considered necessary in the circumstances.

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**Overall Evaluation.** The physical inventory of parts and fuel was reasonably accurate and all adjusting entries were made as required. Total inventory at ML&P was recorded at \$3,299,295 as of November 1994. This included the value of the warehouse inventory and fuel. The value of the warehouse inventory was based on a weighted average unit cost. Fuel inventory was measured as of the inventory date and valued at the most recent invoice price.



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