

**Municipality
of
Anchorage**



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Rick Mystrom, Mayor

OFFICE OF THE INTERNAL AUDITOR

March 2, 1995

**Internal Audit Report 95-04
1994 Parts and Fuel Inventories
Transit Department
Department of Property & Facility Management**

Introduction. The Municipality of Anchorage maintains inventories of parts and fuel at the Transit Department and the Fleet Services Division of the Department of Property and Facility Management. These inventories were counted in October 1994 and January 1995 and the financial records were adjusted to the physical counts. The Transit Department and the Department of Property and Facility Management maintain their own inventory sub-systems.

Scope. Our audit objectives were to determine if the physical inventory counts of parts and fuel at the Transit Department and the Fleet Services Division of the Department of Property and Facility Management were reasonably accurate and correcting adjustments were properly input into 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 parts and fuel inventories were recorded at \$465,681.41 for the Transit Department and \$493,354.06 for the Fleet Services Division of the Department of Property and Facility Management as of December 31, 1994. The value of the inventories was based on a weighted average unit cost. Based on the results of the work performed, it is our opinion that the physical inventories were reasonably accurate, and correcting adjustments were properly input into the financial records.



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