

Municipality
of
Anchorage



P.O. Box 196650
Anchorage, Alaska 99519-6650
Telephone: (907) 343-4438

Rick Mystrom, Mayor

OFFICE OF THE INTERNAL AUDITOR

March 29, 1996

**Internal Audit Report 96-03
1995 Parts and Fuel Inventory
Fleet Services Division
Department of Property & Facility Management**

Introduction. The Municipality of Anchorage maintains an inventory of parts and fuel at the Department of Property and Facility Management, Fleet Services Division. A physical inventory is performed annually and the financial records are adjusted to the physical counts. The Fleet Services Division maintains their own inventory sub-system.

Scope. The objectives of this audit were to determine if the physical inventory counts of parts and fuel at the Fleet Services Division were reasonably accurate and proper adjustments were made to the financial records. The audit was conducted in accordance with generally accepted government auditing standards and accordingly, included tests of inventory counts, accounting records and such other auditing procedures as we considered necessary in the circumstances. Specifically, we

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observed the physical inventory, performed random test counts and verified the adjusting entries.

Overall Evaluation. The parts and fuel inventory was recorded at \$442,661 for the Fleet Services Division as of December 31, 1995. The value of the inventory was based on a weighted average unit cost. Based on the results of the work performed, it is our opinion that the physical inventory was reasonably accurate and proper adjusting entries were made.

Audit Staff:

Jane Harper
Brenda Applegate