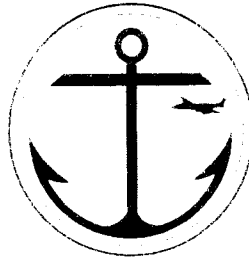


# Municipality of Anchorage



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*Rick Mjstrom, Mayor*

OFFICE OF THE INTERNAL AUDITOR

March 4, 1999

## **Internal Audit Report 99-02 1998 Parts, Fuel and Lubricants Inventory Public Transportation Department**

**Introduction.** The Municipality of Anchorage maintains an inventory of parts, fuel and lubricants at the Public Transportation Department. A physical inventory is performed annually and the financial records are adjusted to the physical counts. The Public Transportation Department maintains their own inventory subsystem.

**Scope.** We observed the year-end inventory at the Public Transportation Department. The objective was to determine if the year-end physical inventory was reasonably accurate. Specifically, we performed random test counts and verified that adjusting entries were processed.

**Overall Evaluation.** The parts, fuel and lubricants inventory at the Public Transportation Department was recorded at \$214,945.83 as of December 31, 1998. 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.

**Discussion With Responsible Officials.** The results of this audit were discussed with appropriate Municipal officials.

Audit Staff:  
Amy McCollum