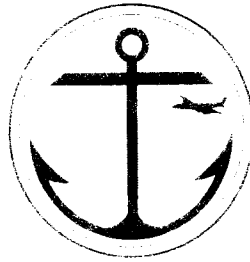


# Municipality of Anchorage



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*Rick Mjstrom, Mayor*

1998-03-04 10:00 AM

March 4, 1999

**Internal Audit Report 99-04  
1998 Parts, Tires and Lubricants Inventory  
Fleet Services Division  
Property and Facility Management**

**Introduction.** The Municipality of Anchorage maintains an inventory of parts, tires and lubricants at Fleet Services Division, Property and Facility Management. A physical inventory is performed annually and the financial records are adjusted to the physical counts. Fleet Services Division maintains their own inventory subsystem.

**Scope.** We observed the year-end inventory performed at Fleet Services Division. The objectives were 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 inventory was recorded at \$389,026.82 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:  
Lily Li