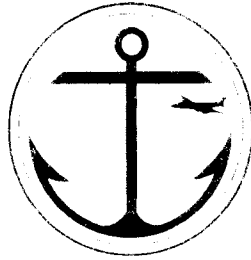


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*Rick Mystrom, Mayor*

OFFICE OF THE INTERNAL AUDITOR

March 14, 2000

## **Internal Audit Report 2000-2 1999 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 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 inventory was recorded at \$357,326.14 as of December 31, 1999. The value of the inventory was based on a weighted average unit cost. A net adjustment of \$391.56 was made to decrease the inventory records in the GEMS2000 subsystem to agree to the physical count and a net adjustment of \$38,348.84 was made to decrease the PeopleSoft records to adjust the records to the physical count. Based on the results of the work performed, it is our opinion that the physical inventory was reasonably accurate.

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

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