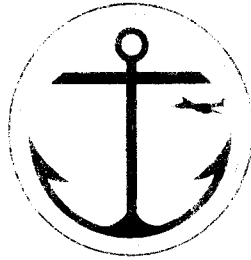


Municipality of Anchorage



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Rick Mystrom, Mayor

OFFICE OF THE INTERNAL AUDITOR

March 14, 2000

Internal Audit Report 2000-3 1999 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 \$318,447.93 as of December 31, 1999. The value of the inventory was based on a weighted average unit cost. A net adjustment of \$3,082.78 was made to increase the subsystem to agree to the physical count and a net adjustment of \$23,377.54 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.

Audit Staff:
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