



February 22, 2002

**Internal Audit Report 2002-3  
2001 Parts Inventory  
Public Transportation Department**

**Introduction.** The Municipality of Anchorage maintains an inventory of parts 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. The audit was conducted in accordance with generally accepted government auditing standards, except for the requirement of an external quality control review, and accordingly, included tests of accounting records and such other auditing procedures as we considered necessary in the circumstances. The audit was performed during January 2002. The audit was requested by Public Transportation Department management.

**Overall Evaluation.** Based on our review, it is our opinion that the physical inventory was reasonably accurate and the adjustments were properly entered into the financial records. The physical inventory resulted in a final parts' valuation of \$330,100.05, with net adjustments of \$427.24 to increase the inventory subsystem and \$5,661.75 to decrease the PeopleSoft financial records.

Internal Audit Report 2002-3  
2001 Parts Inventory  
Public Transportation Department  
February 22, 2002

**Discussion With Responsible Officials.** The results of this audit were discussed with appropriate Municipal officials on February 6, 2002.

Audit Staff:

Brian J. Spink, CIA, CBA, CFSA

Eric A. Kachler, CIA