

INTERNAL AUDIT REPORT

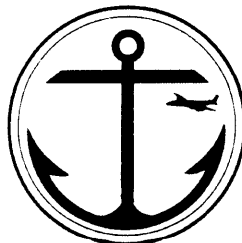
2012-02

2011 Parts, Tires and Lubricants Inventory

Fleet Maintenance Section
Maintenance and Operations Division
Public Works Department

March 8, 2012

MUNICIPALITY OF ANCHORAGE
Internal Audit Department
632 W 6th Avenue, Suite 600
P.O. Box 196650
Anchorage, Alaska 99519-6650
<http://www.muni.org/audit>



OFFICE OF THE INTERNAL AUDITOR
Peter Raiskums, CIA, CFE, CGFM
Director
Phone: (907) 343-4438
Fax: (907) 343-4370
E-Mail: raiskumspw@muni.org

MUNICIPALITY OF ANCHORAGE



Office of the Internal Auditor
632 W. 6th Ave.. Suite 600

Phone: 907-343-4438
Fax: 907-343-4370

Mayor Dan Sullivan

March 8, 2012

Honorable Mayor and Members of the Assembly:

I am pleased to present for your review **Internal Audit Report 2012-02; 2011 Parts, Tires and Lubricants Inventory; Fleet Maintenance Section; Maintenance and Operations Division; Public Works Department**. A brief summary of the report is presented below.

In accordance with the 2011 Audit Plan, we have completed an audit of the annual parts, tires and lubricants inventory at Fleet Maintenance. The objective of this audit was to determine if the year-end physical inventory was reasonably accurate and any adjustments necessary were properly entered into the PeopleSoft financial records.

The physical inventory resulted in a final valuation of \$355,751.84. The value of the inventory was based on a weighted average unit cost. A net adjustment of \$13,036.76 was made to decrease PeopleSoft financial records to bring them in agreement with the physical count. Based on our inventory observation, it is our opinion that the physical inventory was reasonably accurate.

There were no findings or recommendations in connection with this audit.

A handwritten signature in black ink, appearing to read "Peter Raiškums".

Peter Raiškums, CIA, CFE
Director, Internal Audit

MUNICIPALITY OF ANCHORAGE



Office of the Internal Auditor
632 W. 6th Ave., Suite 600

Phone: 907-343-4438
Fax: 907-343-4370

Mayor Dan Sullivan

March 8, 2012

Internal Audit Report 2012-02
2011 Parts, Tires and Lubricants Inventory
Fleet Maintenance Section
Maintenance and Operations Division
Public Works Department

Introduction. The Fleet Maintenance Section of the Maintenance and Operations Division, Public Works Department, maintains an inventory of parts, tires, and lubricants. A physical inventory is performed annually and the PeopleSoft financial records are adjusted to the physical counts. The Fleet Maintenance Section maintains their inventory records on the FleetFocus M5 system.

Objective and Scope. The objective of this audit was to determine if the year-end inventory of parts, tires, and lubricants was reasonably accurate and adjustments were properly entered into the financial records. Specifically, we observed the year-end inventory, performed inventory counts based on random and judgmental samples, and verified that adjusting entries were processed accurately.

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 the period of January 2012.

Overall Evaluation. Based on our inventory observation, it is our opinion that the physical inventory was reasonably accurate. The physical inventory resulted in a final valuation of \$335,751.84. The value of the inventory was based on weighted average unit cost. A net adjustment of \$13,036.76 was made to decrease the PeopleSoft records to the physical count.

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

Audit Staff:
Scott Lee