

INTERNAL AUDIT REPORT

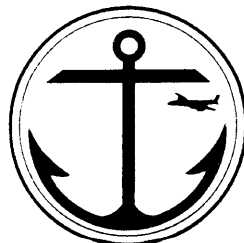
2012-03

2011 Parts, Fuel and Lubricants Inventory

Public Transportation 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 2012-03; 2011 Parts, Fuel and Lubricants Inventory; Public Transportation 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 inventory at Public Transportation. The objective of this audit was to determine if the year-end physical inventory of parts, fuel and lubricants was reasonably accurate and any adjustments necessary were properly entered into the financial records.

Based on our inventory observation, it is our opinion that the physical inventory was reasonably accurate. The parts physical inventory resulted in a final valuation of \$612,494.78. A net adjustment of \$1,976.80 was made to decrease PeopleSoft financial records to bring them in agreement with the physical count. The fuel and lubricants physical inventory resulted in a final valuation of \$186,062.64.

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

A handwritten signature in black ink, appearing to read 'Peter Raiskums', written over a horizontal line.

Peter Raiskums, 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 2012-03
2011 Parts, Fuel and Lubricants Inventory
Public Transportation Department

Introduction. The Public Transportation Department, maintains an inventory of parts, fuel, and lubricants. A physical inventory is performed annually and the PeopleSoft financial records are adjusted to the physical counts. The Public Transportation Department 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, fuel, 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 \$612,494.78. A net adjustment of \$1,976.80 was made to decrease the PeopleSoft records to bring them in agreement with the physical count. The fuel and lubricants physical inventory resulted in a final valuation of \$186,062.64.

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

Audit Staff:
Scott Lee