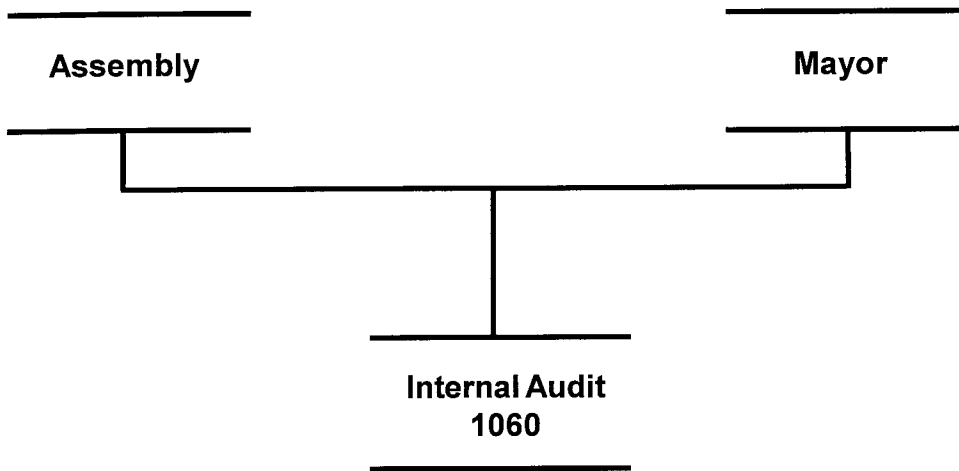


INTERNAL AUDIT

INTERNAL AUDIT





Department of Internal Audit

Our Mission: To provide the Assembly and Mayor with objective information to ensure that a high degree of public accountability is maintained and government operations are efficient and effective

Core Services

- Conduct independent operational audits of Municipal operations and activities
- Evaluate the reliability of internal accounting and administrative controls
- Conduct compliance audits of grants and contracts
- Provide findings for improved efficiency and effectiveness of Municipal processes
- Provide management assistance to the Administration and Assembly through special studies
- Assist the external auditors in the annual financial and Federal and State single audits

Direct Services

- Direct Services are provided by Divisions. Internal Audit does not have any Divisions.

Focus Areas

- Issue at least three audit reports and three special project reports per auditor per year
- 90% or greater management concurrence with audit findings
- Provide 480 audit hours assistance to the external auditors, which will result in tax dollar savings of approximately \$32,640 for 2002 (\$100 per hour external cost versus an average of \$32 in-house)

We will measure our success by:

- Percent of audit report findings concurred with by agency management (note that responses are only required on audit findings, not on special projects)

2001	Q1-2002	Q2-2002	Q3-2002	Q4-2002
100%	100%	100%	100%	

- Tax dollar savings by Internal Audit providing support to external auditors (calculated by the total number of hours the audit staff worked for the external auditors multiplied by the savings rate of \$68 per hour)

2001	Q1-2002	Q2-2002	Q3-2002	Q4-2002
\$47,226	\$23,664	\$9,214	\$68	

- Audit Reports and Special Projects completed per auditor. (Reports efficiency of audit services.)

	2001	Q1-2002	Q2-2002	Q3-2002	Q4-2002
Audit Reports	3	1.34	1	2	
Special Projects	6	0	3.5	2.5	

- Ask a Question about Department of Internal Audit
- Make a Comment about Department of Internal Audit

Questions and Comments about Department of Internal Audit

Investing for Results

- Explain more...
- Letter from the Mayor...
- Results by Department

Priorities

- Public Safety
- Economic Growth
- Quality of Life
- Individual & Family Development
- Spirit of Community

**Internal Audit
Costs Allocated to Core Services**

Core Services	Total Service Cost
Conduct independent operational audits of Municipal operations and activities	\$69,958
Evaluate the reliability of internal accounting and administrative controls	\$59,963
Conduct compliance audits of grants and contracts	\$39,975
Provide findings for improved efficiency and effectiveness of Municipal processes	\$29,981
Provide management assistance to the Administration and Assembly through special studies	\$116,626
Assist the external auditors in the annual financial and Federal and State Single audits	\$29,517
Total Department Costs	\$346,020

2003 Resource Plan

Department: Internal Audit

Division	Financial Summary		Personnel Summary							
	2002	2003	2002 Revised				2003 Approved			
	Revised	Approved	FT	PT	Temp	Total	FT	PT	Temp	Total
Internal Audit	381,000	346,020	4	1		5	4	1		5
Operating Cost	381,000	346,020	4	1	0	5	4	1	0	5
Add Debt Service	0	0								
Direct Organization Cost	381,000	346,020								
Charges From/(To) Others	(202,940)	(217,590)								
Function Cost	178,060	128,430								
Less Program Revenues	0	0								
Net Program Cost	178,060	128,430								

2003 Resource Costs by Category

Division	Personal Services	Supplies	Other Services *	Capital Outlay	Total Direct Cost
Internal Audit	345,440	1,900	5,080		352,420
Operating Cost	345,440	1,900	5,080	0	352,420
Less Vacancy Factor	(6,400)				(6,400)
Add Debt Service					0
Total Direct Organization Cost	339,040	1,900	5,080	0	346,020

* Travel budgeted by this department within the Other Services category is \$2,780

2003 Budget Highlights

- Maintains current staffing levels.

RECONCILIATION FROM 2002 REVISED BUDGET TO 2003 APPROVED BUDGET
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DEPARTMENT: INTERNAL AUDIT

	<u>DIRECT COSTS</u>	<u>POSITIONS</u>		
		<u>FT</u>	<u>PT</u>	<u>T/Seas</u>
2002 REVISED BUDGET:	\$ 381,000	4	1	0
2002 ONE-TIME REQUIREMENTS:				
- Increase for contractual costs to assist in MOA audit	(50,000)			
TRANSFERS (TO)/FROM OTHER AGENCIES:				
- None	0			
DEBT SERVICE CHANGES:	0			
CHANGES IN EXISTING PROGRAMS FOR 2003:				
- Salaries and benefits adjustments	15,240			
CONTINUATION LEVEL FOR 2003:	<u>\$ 346,240</u>	<u>4</u>	<u>1</u>	<u>0</u>
2003 PROGRAMMATIC CHANGES:				
- Reduce other services to meet funding line	(220)			
2003 PROPOSED BUDGET:	<u>\$ 346,020</u>	<u>4</u>	<u>1</u>	<u>0</u>
2003 AMENDMENTS:				
- None	0			
2003 APPROVED BUDGET:	<u><u>\$ 346,020</u></u>	<u><u>4</u></u>	<u><u>1</u></u>	<u><u>0</u></u>

2003 P R O G R A M P L A N

DEPARTMENT: INTERNAL AUDIT
PROGRAM: Internal Audit

DIVISION:

PURPOSE:

Provide the Assembly and Mayor with objective information to determine whether the required high degree of public accountability is maintained and assist management personnel in improving the efficiency and effectiveness of government operations and activities. (AMC 3.20.100)

2002 PERFORMANCES:

See Strategic Framework

2003 PERFORMANCE OBJECTIVES:

See Strategic Framework

RESOURCES:

	2001 REVISED			2002 REVISED			2003 BUDGET		
	FT	PT	T	FT	PT	T	FT	PT	T
PERSONNEL:	4	1	0	4	1	0	4	1	0
PERSONAL SERVICES	\$	313,990		\$	323,800		\$	339,040	
SUPPLIES		1,800			1,500			1,900	
OTHER SERVICES		5,650			55,700			5,080	
TOTAL DIRECT COST:	\$	321,440		\$	381,000		\$	346,020	

WORK MEASURES:

See Strategic Framework 0 0 0

2 SERVICE LEVELS ARE FUNDED FOR THE DEPARTMENT. THIS PROGRAM HAS LEVELS:
 1, 2

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MUNICIPALITY OF ANCHORAGE
 2003 DEPARTMENT RANKING

DEPT: 03 -INTERNAL AUDIT

DEPT	BUDGET UNIT/	SL	SVC
RANK	PROGRAM	CODE	LVL

1 1060-INTERNAL AUDIT
 0027-Internal Audit
 SOURCE OF FUNDS, THIS SVC LEVEL:
 TAX SUPPORT
 IGC SUPPORT

2 Add vacancy factor to reflect historical
 OF experience of salaries savings and
 2 budget at 2002 level.

PERSONNEL			PERSONAL	SUPPLIES	OTHER	DEBT	CAPITAL	TOTAL
FT	PT	T	SERVICE		SERVICES	SERVICE	OUTLAY	
0	0	0	6,400-	0	0	0	0	6,400-

2 1060-INTERNAL AUDIT
 0027-Internal Audit
 SOURCE OF FUNDS, THIS SVC LEVEL:
 TAX SUPPORT
 IGC SUPPORT

1 Determine whether government operations
 OF are adequately controlled and whether
 2 the required high degree of public
 accountability is maintained.

PERSONNEL			PERSONAL	SUPPLIES	OTHER	DEBT	CAPITAL	TOTAL
FT	PT	T	SERVICE		SERVICES	SERVICE	OUTLAY	
4	1	0	345,440	1,900	5,080	0	0	352,420

SUBTOTAL OF FUNDED SERVICE LEVELS, INTERNAL AUDIT

PERSONNEL			PERSONAL	SUPPLIES	OTHER	DEBT	CAPITAL	TOTAL
FT	PT	T	SERVICE		SERVICES	SERVICE	OUTLAY	
4	1	0	339,040	1,900	5,080	0	0	346,020

----- DEPARTMENT OF INTERNAL AUDIT

FUNDING LINE -----

. 346,020

TOTALS FOR DEPARTMENT OF INTERNAL AUDIT

, FUNDED AND UNFUNDED

PERSONNEL			PERSONAL	SUPPLIES	OTHER	DEBT	CAPITAL	TOTAL
FT	PT	T	SERVICE		SERVICES	SERVICE	OUTLAY	
4	1	0	339,040	1,900	5,080	0	0	346,020

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