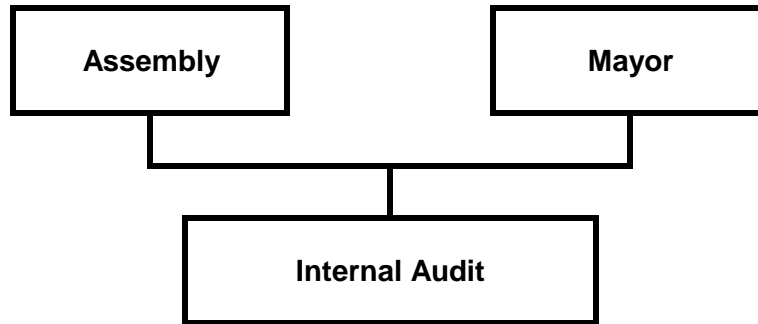


# Internal Audit



## Internal Audit

### Description

The primary focus of Internal Audit is to assist the Mayor and the Municipal Assembly in ensuring that proper accountability is maintained over public funds and to improve the efficiency and effectiveness of Municipal government within the constraints of the Anchorage Municipal Code.

To accomplish this, Internal Audit performs audits to ensure the reliability and integrity of financial records, compliance with established Municipal Policy and Procedures, accountability and protection of Municipal assets, and the achievement of program results. The responsibilities of Internal Audit are outlined specifically in Anchorage Municipal Code 3.20.

### Department Services

- Conduct independent operational audits of Municipal operations and activities
- Evaluate the reliability of internal accounting administrative controls
- Conduct compliance audits of grants and contracts
- Provide findings and recommendations for improved efficiency and effectiveness of Municipal operations and processes
- Provide management assistance to the Administration and Assembly
- Assist the external auditors with the annual financial and Federal and State Single audits
- Conduct Sunset Audits of Boards and Commissions.
- In accordance with the concept of shared services, provide internal audit support to the Anchorage School District through one staff auditor fully funded by the School District

### Department Goals that Contribute to Achieving the Mayor's Mission:



#### **Administration – Make city government more efficient, accessible, transparent, and responsive to the citizens of Anchorage**

- Provide the Assembly and Mayor with objective information by completing the requested audits and special projects in the approved annual audit plan.
- Reduce expenses by providing audit staff hours to the external auditors for the annual financial and Federal and State Single audits.

## Internal Audit Department Summary

	2014 Actuals	2015 Revised	2016 Approved	16 v 15 % Chg
<b>Direct Cost by Division</b>				
Internal Audit	680,751	859,389	734,921	(14.48%)
<b>Direct Cost Total</b>	<b>680,751</b>	<b>859,389</b>	<b>734,921</b>	<b>(14.48%)</b>
<b>Intragovernmental Charges</b>				
Charges by/to Other Departments	(575,034)	(733,633)	(621,839)	(15.24%)
<b>Function Cost Total</b>	<b>105,716</b>	<b>125,756</b>	<b>113,082</b>	<b>(10.08%)</b>
Program Generated Revenue	(105,716)	(125,756)	(113,082)	(10.08%)
<b>Net Cost Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(205.43%)</b>
<b>Direct Cost by Category</b>				
Salaries and Benefits	668,588	841,972	717,504	(14.78%)
Supplies	469	1,400	1,400	-
Travel	-	1,500	1,500	-
Contractual/Other Services	5,696	8,017	8,017	-
Debt Service	-	-	-	-
Equipment, Furnishings	5,998	6,500	6,500	-
<b>Direct Cost Total</b>	<b>680,751</b>	<b>859,389</b>	<b>734,921</b>	<b>(14.48%)</b>
<b>Position Summary as Budgeted</b>				
Full-Time	5	5	5	-
Part-Time	1	1	1	-
<b>Position Total</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>-</b>

**Internal Audit  
Reconciliation from 2015 Revised Budget to 2016 Approved Budget**

	Direct Costs	Positions		
		FT	PT	Seas/T
<b>2015 Revised Budget</b>	859,389	5	1	-
<b>2015 One-Time Requirements</b>				
- Remove ONE TIME - Executive cashout	(115,000)	-	-	-
<b>Changes in Existing Programs/Funding for 2016</b>				
- Salary and benefits adjustments	(9,468)	-	-	-
<b>2016 Continuation Level</b>	<b>734,921</b>	<b>5</b>	<b>1</b>	<b>-</b>
<b>2016 Proposed Budget Changes</b>				
- None	-	-	-	-
<b>2016 Approved Budget</b>	<b>734,921</b>	<b>5</b>	<b>1</b>	<b>-</b>

**Internal Audit**  
**Division Summary**  
**Internal Audit**  
(Fund Center # 106000)

	2014 Actuals	2015 Revised	2016 Approved	16 v 15 % Chg
<b>Direct Cost by Category</b>				
Salaries and Benefits	668,588	841,972	717,504	(14.78%)
Supplies	469	1,400	1,400	-
Travel	-	1,500	1,500	-
Contractual/Other Services	5,696	8,017	8,017	-
Equipment, Furnishings	5,998	6,500	6,500	-
<b>Manageable Direct Cost Total</b>	<b>680,751</b>	<b>859,389</b>	<b>734,921</b>	<b>(14.48%)</b>
Debt Service	-	-	-	-
<b>Non-Manageable Direct Cost Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Direct Cost Total</b>	<b>680,751</b>	<b>859,389</b>	<b>734,921</b>	<b>-</b>
<b>Intragovernmental Charges</b>				
Charges by/to Other Departments	(575,034)	(733,633)	(621,839)	(15.24%)
<b>Function Cost Total</b>	<b>105,716</b>	<b>125,756</b>	<b>113,082</b>	<b>(10.08%)</b>
<b>Program Generated Revenue by Fund</b>				
Fund 101000 - Areawide General	105,716	125,756	113,082	(10.08%)
<b>Program Generated Revenue Total</b>	<b>105,716</b>	<b>125,756</b>	<b>113,082</b>	<b>(10.08%)</b>
<b>Net Cost Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(205.43%)</b>
<b>Position Summary as Budgeted</b>				
Full-Time	5	5	5	-
Part-Time	1	1	1	-
<b>Position Total</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>-</b>

## Internal Audit Division Detail

### Internal Audit

(Fund Center # 106000)

	2014 Actuals	2015 Revised	2016 Approved	16 v 15 % Chg
<b>Direct Cost by Category</b>				
Salaries and Benefits	668,588	841,972	717,504	(14.78%)
Supplies	469	1,400	1,400	-
Travel	-	1,500	1,500	-
Contractual/Other Services	5,696	8,017	8,017	-
Equipment, Furnishings	5,998	6,500	6,500	-
<b>Manageable Direct Cost Total</b>	<b>680,751</b>	<b>859,389</b>	<b>734,921</b>	<b>(14.48%)</b>
Debt Service	-	-	-	-
<b>Non-Manageable Direct Cost Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Direct Cost Total</b>	<b>680,751</b>	<b>859,389</b>	<b>734,921</b>	<b>(14.48%)</b>
<b>Intragovernmental Charges</b>				
Charges by/to Other Departments	(575,034)	(733,633)	(621,839)	(15.24%)
<b>Program Generated Revenue</b>				
406625 - Reimbursed Cost-NonGrant Funded	27,403	-	-	-
430030 - Restricted Contributions	78,313	125,756	113,082	(10.08%)
<b>Program Generated Revenue Total</b>	<b>105,716</b>	<b>125,756</b>	<b>113,082</b>	<b>(10.08%)</b>
<b>Net Cost</b>				
Direct Cost Total	680,751	859,389	734,921	(14.48%)
Charges by/to Other Departments Total	(575,034)	(733,633)	(621,839)	(15.24%)
Program Generated Revenue Total	(105,716)	(125,756)	(113,082)	(10.08%)
<b>Net Cost Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(205.43%)</b>

### Position Detail as Budgeted

	2014 Revised		2015 Revised		2016 Approved	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Audit Technician	-	1	-	1	-	1
Internal Auditor	1	-	1	-	1	-
Principal Auditor	1	-	1	-	1	-
Staff Auditor	2	-	2	-	2	-
Staff Auditor - ASD	1	-	1	-	1	-
<b>Position Detail as Budgeted Total</b>	<b>5</b>	<b>1</b>	<b>5</b>	<b>1</b>	<b>5</b>	<b>1</b>

*Anchorage: Performance. Value. Results*

## Internal Audit Department

*Anchorage: Performance. Value. Results.*

### Mission

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 administrative controls
- Conduct compliance audits of grants and contracts
- Provide findings and recommendations for improved efficiency and effectiveness of Municipal operations and processes
- Provide management assistance to the Administration and Assembly
- Assist the external auditors I the annual financial and Federal and State Single audits

### Accomplishment Goals

- Provide the Assembly and Mayor with objective information by completing the requested audits and special projects in the approved annual audit plan
- Reduce expenses by providing audit staff hours to the external auditors for the annual financial and Federal and State Single audits

### Performance Measures

Progress in achieving goals will be measured by:

#### **Measure #1: The number of audit reports issued**

	2010	2011	2012	2013	2014	2015 Q1	2015 Q2
# issued	13	17	22	17	10	2	5

#### **Measure #2: The number of special projects completed**

	2010	2011	2012	2013	2014	2015 Q1	2015 Q2
# completed	11	10	4	24	14	1	7

#### **Measure #3: The number of audit findings in reports of audit with management concurrence.**

	2010	2011	2012	2013	2014	2015 Q1	2015 Q1
% management concurrence	100%	100%	90%	100%	100%	100%	100%



**Measure #4: Total number of staff hours provided to the external auditors**

	2010	2011	2012	2013	2014	2015 Q1	2015 Q2
# of staff hours to external auditors	518	545	500	525	501	197	222

**PVR Measure WC: Managing Workers' Compensation Claims**

Reducing job-related injuries is a priority for the Administration by ensuring safe work conditions and safe practices. By instilling safe work practices we ensure not only the safety of our employees but reduce the potential for injuries and property damage to the public. The Municipality is self-insured and every injury poses a financial burden on the public and the injured worker's family. It just makes good sense to WORK SAFE.

Results are tracked by monitoring monthly reports issued by the Risk Management Division.

