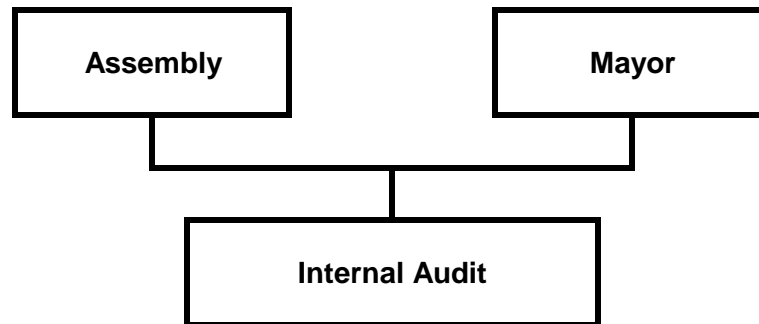


Internal Audit



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 Proposed | 16 v 15 % Chg |
|-------------------------------------|-----------------|-----------------|------------------|------------------|
| Direct Cost by Division | | | | |
| Internal Audit | 680,751 | 859,389 | 734,921 | (14.48%) |
| Direct Cost Total | 680,751 | 859,389 | 734,921 | (14.48%) |
| Intragovernmental Charges | | | | |
| Charges by/to Other Departments | (575,034) | (733,633) | (621,839) | (15.24%) |
| Function Cost Total | 105,716 | 125,756 | 113,082 | (10.08%) |
| Program Generated Revenue | (105,716) | (125,756) | (113,082) | (10.08%) |
| Net Cost Total | - | - | - | (205.43%) |
| Direct Cost by Category | | | | |
| 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 | - |
| Direct Cost Total | 680,751 | 859,389 | 734,921 | (14.48%) |
| Position Summary as Budgeted | | | | |
| Full-Time | 5 | 5 | 5 | - |
| Part-Time | 1 | 1 | 1 | - |
| Position Total | 6 | 6 | 6 | - |

Internal Audit

Reconciliation from 2015 Revised Budget to 2016 Proposed Budget

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

Internal Audit Division Summary

Internal Audit
(Fund Center # 106000)

| | 2014 Actuals | 2015 Revised | 2016 Proposed | 16 v 15 % Chg |
|--|-----------------|-----------------|------------------|------------------|
| Direct Cost by Category | | | | |
| 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 | - |
| Manageable Direct Cost Total | 680,751 | 859,389 | 734,921 | (14.48%) |
| Debt Service | - | - | - | - |
| Non-Manageable Direct Cost Total | - | - | - | - |
| Direct Cost Total | 680,751 | 859,389 | 734,921 | - |
| Intragovernmental Charges | | | | |
| Charges by/to Other Departments | (575,034) | (733,633) | (621,839) | (15.24%) |
| Function Cost Total | 105,716 | 125,756 | 113,082 | (10.08%) |
| Program Generated Revenue by Fund | | | | |
| Fund 101000 - Areawide General | 105,716 | 125,756 | 113,082 | (10.08%) |
| Program Generated Revenue Total | 105,716 | 125,756 | 113,082 | (10.08%) |
| Net Cost Total | - | - | - | (205.43%) |
| Position Summary as Budgeted | | | | |
| Full-Time | 5 | 5 | 5 | - |
| Part-Time | 1 | 1 | 1 | - |
| Position Total | 6 | 6 | 6 | - |

Internal Audit Division Detail

Internal Audit

(Fund Center # 106000)

| | 2014 Actuals | 2015 Revised | 2016 Proposed | 16 v 15 % Chg |
|--|-----------------|-----------------|------------------|------------------|
| Direct Cost by Category | | | | |
| 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 | - |
| Manageable Direct Cost Total | 680,751 | 859,389 | 734,921 | (14.48%) |
| Debt Service | - | - | - | - |
| Non-Manageable Direct Cost Total | - | - | - | - |
| Direct Cost Total | 680,751 | 859,389 | 734,921 | (14.48%) |
| Intragovernmental Charges | | | | |
| Charges by/to Other Departments | (575,034) | (733,633) | (621,839) | (15.24%) |
| Program Generated Revenue | | | | |
| 406625 - Reimbursed Cost-NonGrant Funded | 27,403 | - | - | - |
| 430030 - Restricted Contributions | 78,313 | 125,756 | 113,082 | (10.08%) |
| Program Generated Revenue Total | 105,716 | 125,756 | 113,082 | (10.08%) |
| Net Cost | | | | |
| 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%) |
| Net Cost Total | - | - | - | (205.43%) |

Position Detail as Budgeted

| | 2014 Revised | | 2015 Revised | | 2016 Proposed | |
|--|--------------|-----------|--------------|-----------|---------------|-----------|
| | 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 | - |
| Position Detail as Budgeted Total | 5 | 1 | 5 | 1 | 5 | 1 |

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.

