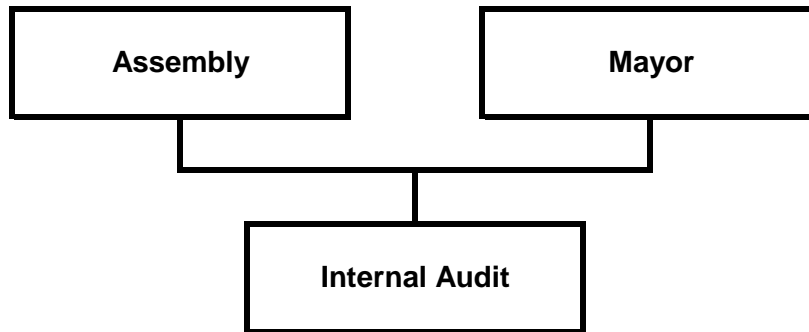


# Internal Audit



## 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**

- 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

	2017 Actuals	2018 Revised	2019 Approved	19 v 18 % Chg
<b>Direct Cost by Division</b>				
Internal Audit	584,823	734,928	775,646	5.54%
<b>Direct Cost Total</b>	<b>584,823</b>	<b>734,928</b>	<b>775,646</b>	<b>5.54%</b>
<b>Intragovernmental Charges</b>				
Charges by/to Other Departments	(498,249)	(600,290)	(639,157)	6.47%
<b>Function Cost Total</b>	<b>86,574</b>	<b>134,638</b>	<b>136,489</b>	<b>1.37%</b>
Program Generated Revenue	(103,051)	(134,638)	(136,489)	1.37%
<b>Net Cost Total</b>	<b>(16,477)</b>	<b>-</b>	<b>-</b>	<b>(100.00%)</b>
<b>Direct Cost by Category</b>				
Salaries and Benefits	576,859	722,895	763,613	5.63%
Supplies	650	1,331	1,331	-
Travel	1,328	1,500	1,500	-
Contractual/Other Services	5,986	9,202	9,202	-
Debt Service	-	-	-	-
<b>Direct Cost Total</b>	<b>584,823</b>	<b>734,928</b>	<b>775,646</b>	<b>5.54%</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 2018 Revised Budget to 2019 Approved Budget

	Direct Costs	Positions		
		FT	PT	Seas/T
<b>2018 Revised Budget</b>	734,928	5	1	-
<b>2018 One-Time Requirements</b>				
- Remove 2018 Prop - ONE TIME - Leave vacant Staff Auditor position open through March 2018	30,000	-	-	-
<b>Changes in Existing Programs/Funding for 2019</b>				
- Salaries and benefits adjustments	10,718	-	-	-
<b>2019 Continuation Level</b>	<b>775,646</b>	<b>5</b>	<b>1</b>	<b>-</b>
<b>2019 Proposed Budget Changes</b>				
- None	-	-	-	-
<b>2019 Approved Budget</b>	<b>775,646</b>	<b>5</b>	<b>1</b>	<b>-</b>

## Internal Audit Division Summary

### Internal Audit

(Fund Center # 106000, 106079)

	2017 Actuals	2018 Revised	2019 Approved	19 v 18 % Chg
<b>Direct Cost by Category</b>				
Salaries and Benefits	576,859	722,895	763,613	5.63%
Supplies	650	1,331	1,331	-
Travel	1,328	1,500	1,500	-
Contractual/Other Services	5,986	9,202	9,202	-
Equipment, Furnishings	-	-	-	-
<b>Manageable Direct Cost Total</b>	<b>584,823</b>	<b>734,928</b>	<b>775,646</b>	<b>5.54%</b>
Debt Service	-	-	-	-
<b>Non-Manageable Direct Cost Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Direct Cost Total</b>	<b>584,823</b>	<b>734,928</b>	<b>775,646</b>	<b>-</b>
<b>Intragovernmental Charges</b>				
Charges by/to Other Departments	(498,249)	(600,290)	(639,157)	6.47%
<b>Function Cost Total</b>	<b>86,574</b>	<b>134,638</b>	<b>136,489</b>	<b>1.37%</b>
<b>Program Generated Revenue by Fund</b>				
Fund 101000 - Areawide General	103,051	134,638	136,489	1.37%
<b>Program Generated Revenue Total</b>	<b>103,051</b>	<b>134,638</b>	<b>136,489</b>	<b>1.37%</b>
<b>Net Cost Total</b>	<b>(16,477)</b>	<b>-</b>	<b>-</b>	<b>(100.00%)</b>

#### Position Summary as Budgeted

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, 106079)

	2017 Actuals	2018 Revised	2019 Approved	19 v 18 % Chg
<b>Direct Cost by Category</b>				
Salaries and Benefits	576,859	722,895	763,613	5.63%
Supplies	650	1,331	1,331	-
Travel	1,328	1,500	1,500	-
Contractual/Other Services	5,986	9,202	9,202	-
<b>Manageable Direct Cost Total</b>	<b>584,823</b>	<b>734,928</b>	<b>775,646</b>	<b>5.54%</b>
Debt Service	-	-	-	-
<b>Non-Manageable Direct Cost Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Direct Cost Total</b>	<b>584,823</b>	<b>734,928</b>	<b>775,646</b>	<b>5.54%</b>
<b>Intragovernmental Charges</b>				
Charges by/to Other Departments	(498,249)	(600,290)	(639,157)	6.47%
<b>Program Generated Revenue</b>				
430030 - Restricted Contributions	103,051	134,638	136,489	1.37%
<b>Program Generated Revenue Total</b>	<b>103,051</b>	<b>134,638</b>	<b>136,489</b>	<b>1.37%</b>
<b>Net Cost</b>				
Direct Cost Total	584,823	734,928	775,646	5.54%
Charges by/to Other Departments Total	(498,249)	(600,290)	(639,157)	6.47%
Program Generated Revenue Total	(103,051)	(134,638)	(136,489)	1.37%
<b>Net Cost Total</b>	<b>(16,477)</b>	<b>-</b>	<b>-</b>	<b>(100.00%)</b>

### Position Detail as Budgeted

	2017 Revised		2018 Revised		2019 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*

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## Internal Audit Department

*Anchorage: Performance. Value. Results*

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### Performance Measures

Progress in achieving goals will be measured by:

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

	2014	2015	2016	2017	2018 Q1	2018 Q2	2018 Q3	2018 Q4
# issued	10	21	13	14	1	2		

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

	2014	2015	2016	2017	2018 Q1	2018 Q2	2018 Q3	2018 Q4
# completed	14	15	13	21	5	2		

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

	2014	2015	2016	2017	2018 Q1	2018 Q2	2018 Q3	2018 Q4
% management concurrence	100%	100%	100%	100%	100%	100%		

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

	2014	2015	2016	2017	2018 Q1	2018 Q2	2018 Q3	2018 Q4
# of staff hours to external auditors	501	472.5	347	444	36	222.5		