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## Internal Audit Department

*Anchorage: Performance. Value. Results.*

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### 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:

|                                                              |
|--------------------------------------------------------------|
| <b><u>Measure #1:</u> The number of audit reports issued</b> |
|--------------------------------------------------------------|

|          | 2008 | 2009 | 2010 | 2011 | 2012<br>Q1 | 2012<br>Q2 | 2012<br>Q3 | 2012<br>Q4 |
|----------|------|------|------|------|------------|------------|------------|------------|
| # issued | 13   | 15   | 13   | 17   | 3          |            |            |            |

|                                                                    |
|--------------------------------------------------------------------|
| <b><u>Measure #2:</u> The number of special projects completed</b> |
|--------------------------------------------------------------------|

|             | 2008 | 2009 | 2010 | 2011 | 2012<br>Q1 | 2012<br>Q2 | 2012<br>Q3 | 2012<br>Q4 |
|-------------|------|------|------|------|------------|------------|------------|------------|
| # completed | 20   | 16   | 11   | 10   | 1          |            |            |            |

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

|                          | 2008 | 2009 | 2010 | 2011 | 2012<br>Q1 | 2012<br>Q2 | 2012<br>Q3 | 2012<br>Q4 |
|--------------------------|------|------|------|------|------------|------------|------------|------------|
| % management concurrence | 98%  | 100% | 100% | 100% | 100%       |            |            |            |

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

|                                       | 2008 | 2009 | 2010 | 2011 | 2012<br>Q1 | 2012<br>Q2 | 2012<br>Q3 | 2012<br>Q4 |
|---------------------------------------|------|------|------|------|------------|------------|------------|------------|
| # of staff hours to external auditors | 501  | 471  | 518  | 545  | 287        |            | 0          | 0          |

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**Performance Measure Methodology Sheet**  
**Internal Audit Department**

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|                                                        |
|--------------------------------------------------------|
| <b>Measure #1: The number of audit reports issued.</b> |
|--------------------------------------------------------|

**Type**

Efficiency

**Accomplishment Goal Supported**

Help ensure that a high degree of public accountability is maintained and government operations are efficient and effective.

**Definition**

Measures the number of reports completed in one year.

**Data Collection Method**

Count the number of reports issued.

**Frequency**

The measurement will be performed at the beginning of each quarter.

**Measured By**

The Audit Technician will collect the data from the report register.

**Reporting**

The Director of Internal Audit will maintain a quarterly and annual report in Excel from the data received from the audit technician. The information will be displayed numerically and graphically.

**Used By**

The Director of Internal Audit will use the information to assist in determining department productivity.

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**Performance Measure Methodology Sheet**  
**Internal Audit Department**

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|                                                              |
|--------------------------------------------------------------|
| <b>Measure #2: The number of special projects completed.</b> |
|--------------------------------------------------------------|

**Type**

Effectiveness

**Accomplishment Goal Supported**

Help ensure that a high degree of public accountability is maintained and government operations are efficient and effective.

**Definition**

Measures the number of special projects completed in one year.

**Data Collection Method**

Count the number of special projects completed.

**Frequency**

The measurement will be performed at the beginning of each quarter.

**Measured By**

The Audit Technician will collect the data from the report register.

**Reporting**

The Director of Internal Audit will maintain a quarterly and annual report in Excel from the data received from the audit technician. The information will be displayed numerically and graphically.

**Used By**

The Director of Internal Audit will use the information to determine the effectiveness of management assistance to management.

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**Performance Measure Methodology Sheet**  
**Internal Audit Department**

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|                                                                                               |
|-----------------------------------------------------------------------------------------------|
| <b>Measure #3: The number of audit findings in audit reports with management concurrence.</b> |
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**Type**

Effectiveness

**Accomplishment Goal Supported**

Help ensure that a high degree of public accountability is maintained and government operations are efficient and effective.

**Definition**

Measures management concurrence to audit findings

**Data Collection Method**

Count the number of audit recommendations with management concurrence and non-concurrence.

**Frequency**

The measurement will be performed at the beginning of each quarter.

**Measured By**

The Audit Technician will collect the data from each audit report.

**Reporting**

The Director of Internal Audit will maintain a quarterly and annual report in Excel from the data received from the audit technician. The information will be displayed numerically and graphically.

**Used By**

The Director of Internal Audit will use the information to assist in determining the accuracy of the audit procedures and benefit of the audit to management.

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**Performance Measure Methodology Sheet**  
**Internal Audit Department**

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|                                                                                   |
|-----------------------------------------------------------------------------------|
| <b>Measure #4: Total number of staff hours provided to the external auditors.</b> |
|-----------------------------------------------------------------------------------|

**Type**

Efficiency

**Accomplishment Goal Supported**

Save tax dollars for the annual financial and single audit performed under contract by an external audit firm.

**Definition**

Measures the number of hours worked by audit staff on the annual financial and single audit as required by the audit contract

**Data Collection Method**

Hours recorded on the auditor timesheets.

**Frequency**

The measurement will be performed monthly during the course of the financial and single audit.

**Measured By**

The Audit Technician will collect the data from bi-weekly staff time sheets.

**Reporting**

The Director of Internal Audit will maintain a quarterly and annual report in Excel from the data received from the audit technician. The information will be displayed numerically and graphically.

**Used By**

The Director of Internal Audit and the Clerk's Office will use the information to determine compliance with the financial audit contract and the approximate dollar savings associated with the hours worked by audit staff.