

**INTERNAL AUDIT**  
**ANNUAL REPORT FOR 1990**

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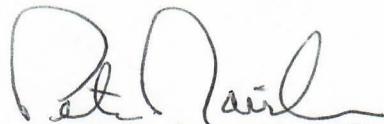
January 1990

## **ANNUAL REPORT OF AUDIT ACTIVITIES**

Honorable Mayor and Members of the Assembly:

The primary focus of the Internal Audit Department was to assist the Mayor and the Assembly in improving the efficiency and effectiveness of municipal government within the constraints of the Municipal Code and public law. To accomplish this we performed audits to ensure the reliability and integrity of financial records; compliance with established policies and procedures; accountability and protection of Municipal assets; and the achievement of program results.

This Annual Report of Audit Activities includes background information on the audit profession and a summary of the 1990 internal audit activity.

A handwritten signature in dark ink, appearing to read "Peter Raiskums", is positioned above the printed name and title.

Peter Raiskums, CIA  
Director, Internal Audit

INTERNAL AUDIT  
ANNUAL REPORT FOR 1990

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## INTRODUCTION

### A. Definition of Auditing

An audit is a term used to describe procedures performed by an auditor in examining financial reports and reviewing compliance with laws and regulations, efficiency and economy of operations, and effectiveness in achieving program results.

An auditor evaluates internal controls, examines financial and other data, verifies and evaluates management systems and programs, and recommends improvements.

Auditors are classified into two categories - internal auditors and external auditors.

Internal Auditors are employees of the organization being audited. Their focus is on accountability, internal controls and on improving management efficiency. Even though we are employees of the Municipality, the Internal Audit Department operates with complete independence. The Municipal Code provides a framework that makes this independence possible.

External Auditors are not employees of the organization which they are auditing. The external auditor performs, under contract, an annual audit of the financial records of the Municipality. This examination results in a written report that contains Municipal financial statements and the auditor's opinion as to the statements' conformity with generally accepted accounting principles. The certified public accounting firm of KPMG Peat Marwick is currently the external auditor for the Municipality of Anchorage.

### B. Audit Procedures

Work of the Internal Audit Department is performed in compliance with professional standards.\*

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\*Professional organizations which provide guidance and standards include the Comptroller General of the United States, the U.S. Office of Management and Budget, the American Institute of Certified Public Accountants (AICPA), and the Institute of Internal Auditors (IIA).



The audit process involves four phases: survey, field work, reporting, and follow-up. Communication with auditees is an important part of all four phases.

Survey - To determine whether an area warrants a detailed examination. Survey work consists of discussions with agency personnel, physical inspections, reviews of records, and sample transaction tests.

Field Work - To review and evaluate extensive data, document findings, and develop recommendations for corrective action.

Reporting - To compile and organize results of all survey and field work. Findings and recommendations are presented in a draft report, which is furnished to auditees for their review and response. The final report of audit includes the auditor's findings and recommendations, and management's response.

Follow-up - To determine whether management action was taken and whether the action corrected the deficiency.

#### C. Scheduling of Audits

An annual audit plan is prepared at the beginning of each fiscal year. Input is solicited from the Assembly, the Mayor, Administration officials, external auditors, and staff members. About 75% of available staff time is scheduled in advance. The audit plan is continually revised to accommodate requests from the Assembly and the Administration. Criteria for scheduling audits include the following:

- . Rotation of audit schedule among Municipal Departments;
- . Interest expressed by the Assembly or Administration;
- . Issues identified by the external auditors;
- . Issues identified as problem areas;
- . Potential for increasing revenues;
- . Potential for cost savings through more efficient, effective management;
- . Safeguarding and management of Municipal assets;

- . High risk of Municipal liability;
- . Suspected fraud or error.

D. Distribution of Audit Reports

Internal Audit reports are distributed to the Mayor, each Assembly Member, the respective Executive Manager, the respective Department Director, the Director of Management and Budget, and the Chief Fiscal Officer.

Copies of reports are available to the public at the Internal Audit Department, Municipal Hill Building, 632 West 6th Avenue, Room 312, Anchorage, Alaska; telephone (907) 343-4438.

E. Staffing of the Internal Audit Department

Six professional audit staff members and a part-time office associate work with the Director. All auditors have academic degrees and/or professional certification, and extensive audit experience.



ANCHORAGE MUNICIPAL CODE

INTERNAL AUDITOR

3.20.100 Office of internal audit.

- A. There is established an Office of Internal Audit to provide the Assembly and the mayor with objective information to assist them in determining whether government operations are adequately controlled and whether the required high degree of public accountability is maintained.
1. the Office of Internal Audit shall meet generally accepted government audit standards with regard to independence;
  2. the Director of Internal Audit shall be appointed by the mayor with concurrence of a majority vote of the Assembly;
  3. the Director of Internal Audit may be dismissed by the mayor only for cause shown, and only with concurrence of a majority of the Assembly;
  4. the Director of Internal Audit shall be a person able to manage a professional audit staff, analyze financial records, and evaluate operations for economy, efficiency, and program results;
  5. the Director of Internal Audit shall be either a certified internal auditor or a certified public accountant;
  6. the Director of Internal Audit shall not be actively involved in partisan political activities or the political affairs of Anchorage;
  7. the Director of Internal Audit shall interact with the municipal audit committee to ensure maximum coordination between the needs of the Assembly and the mayor in the development and execution of the annual audit plan.
- B. The Director of Internal Audit shall have such assistants and employees as are necessary to perform all required duties. (Adapted from AO 77-359, am AO 79-27, AO 80-5, AO 88-70(S)).

3.20.110 Responsibilities of the Director of Internal Audit.

- A. Each year, the Director of Internal Audit shall prepare and submit an annual audit plan to the Municipal Audit Committee for review and comment. Additionally, the Director of Internal Audit may revise the audit plan during the year to include other appropriate audits, which are consistent with the responsibilities specified in 3.20.100, and submit the revisions to the municipal audit committee.
- B. The Director of Internal Audit shall cooperate with federal and state auditors and independent auditors so that the desirable audit coverage is provided and audit effort may be coordinated.
- C. The Director of Internal Audit shall have responsibility to conduct expended scope audits of all municipal departments, agencies, authorities and activities to independently determine whether:
  - 1. there are adequate internal administrative and accounting control systems in place and that they are functioning as intended;
  - 2. activities and programs being implemented have been authorized by the Assembly, the mayor or this code;
  - 3. activities and programs are being conducted in a manner contemplated to accomplish the objectives intended by the Assembly, the mayor, or this code;
  - 4. activities or programs efficiently and effectively serve the purpose intended by the Assembly, the mayor, or this code;
  - 5. activities and programs are being conducted and funds expended in compliance with applicable laws;
  - 6. revenues are being properly collected, deposited and accounted for;
  - 7. resources, including funds, property and personnel, are adequately safeguarded, controlled and used in lawful, effective and efficient manner;
  - 8. financial and other reports are being provided that disclose fairly and fully all information that is required by law, that is necessary to



ascertain the nature and scope of programs and activities, and that is necessary to establish a proper basis for evaluating the programs and activities; and

9. during the course of audit work, there are any indications of fraud, abuse, conflict of interest, or illegal acts.
- D. Audits shall be conducted in accordance with generally accepted government auditing standards.
- E. In all matters relating to the audit work, the Director of Internal Audit and the audit staff must be free from personal and external impairments to independence and shall maintain an independent attitude and appearance.
- F. The Director of Internal Audit shall present conclusions, finding, and recommendations, along with verbatim responses from the administration, in a written audit report.
- G. The written audit report shall be promptly presented simultaneously to the mayor and the Assembly.
- H. Copies of final audit reports of the Office of Internal Audit shall be available for public inspection during regular business hours.
- I. The duties of the Director of Internal Audit under this section shall not be construed to replace or relieve the responsibility of any other person. (Adapted from AO 77-359, am AO 79-27, AO 88-70(S)).

3.20.120 Responsibilities of the administration.

- A. The administration shall:
  1. plan or implement corrective action in response to reported deficient condition within 30 days of receiving a draft internal audit report disclosing the conditions;
  2. submit to the Director of Internal Audit a written response stating concurrence or non-concurrence with the audit findings and action taken or planned under subsection A of this section to correct the reported deficiencies, suitable for verbatim inclusion in the final report of audit; and

3. if the response under subsection B of this section describes a plan of action, submit to the Director of Internal Audit a second report promptly upon implementing the plan.
- B. This section shall not authorize the public disclosure of material that is confidential or privileged under federal, state or local law, or material the public disclosure of which otherwise would constitute an unwarranted invasion of personal privacy. (AO 77-359, am AO 79-27, AO 88-70(S)).

3.20.130 Access to municipal information.

- A. In the performance of their duties under section 3.20.110, the Director of Internal Audit and internal audit staff are authorized to have full, free and unrestricted access to:
1. all public records, as defined in section 3.90.020C of this code;
  2. all activities of the municipal government;
  3. all municipal property;
  4. all municipal personnel; and
  5. all policies, plans and procedures and records pertaining to expenditures financed by municipal funds. (Adapted from AO 77-359, am AO 79-27, AO 88-70(S)).



# INTERNAL AUDIT REPORTS

<u>REPORT NO.</u>	<u>DATE</u>	<u>SUBJECT</u>	<u>REQUESTED BY</u>
AR 90-01	01-16-90	Collateralization of Investments	Assembly
AR 90-02	01-26-90	Controls Over Moving Citations	Administration
AR 90-03	02-14-90	Library Controls and Accountability	Administration
AR 90-04	03-20-90	Northwind Glass Project, Contract Compliance	Administration
AR 90-05	04-04-90	Northwind Glass Project, HUD CDBG Contract Administration	Administration
AR 90-06	04-12-90	ATU Account Receivable	Administration
AR 90-07	05-15-90	Anchorage Senior Center	Assembly
AR 90-08	05-22-90	ATU Cash Handling	ATU Administration
AR 90-09	05-31-90	LLRI F1073 TORA	Administration
AR 90-10	08-08-90	1989 Year End Inventories	Annual
AR 90-11	08-08-90	Project Rehab	Audit Plan
AR 90-12	08-16-90	Review of Exceptions to P&P 24-1 for Time Card Authorizations	Annual
AR 90-13	08-22-90	Controls Over Plant Salvage ML&P	Audit Plan
AR 90-14	08-22-90	Treasury Cash Controls	Audit Plan
AR 90-15	09-06-90	TORA Spenard Residential Paving Project #A8519	Administration

# INTERNAL AUDIT REPORTS

<u>REPORT NO.</u>	<u>DATE</u>	<u>SUBJECT</u>	<u>REQUESTED BY</u>
AR 90-16	10-05-90	Anchorage Transit Facilities TORA	Administration
AR 90-17	10-08-90	Remittance Processing	Administration
AR 90-18	10-17-90	AWWU Common Cost Allocations	Audit Plan
AR 90-19	11-01-90	Municipal Credit Card Purchases	Assembly
AR 90-20	11-21-90	Equipment Purchases	Assembly
AR 90-21	11-28-90	Library Cash Controls	Library Administration
AR 90-22	11-30-90	Vehicle Inspection and Maintenance Program	Audit Plan
AR 90-23		Not Used	
AR 90-24		Not Used	
AR 90-25	12-31-90	Museum Cash Controls	Audit Plan



1990 SPECIAL PROJECTS

<u>DATE</u>	<u>SUBJECT</u>	<u>REQUESTED BY</u>
10-09-90	Police Management Study Follow-up Review	Assembly

# Municipality of Anchorage



OFFICE OF THE INTERNAL AUDITOR

P.O. BOX 196650  
ANCHORAGE, ALASKA 99519-6650  
(907) 343-4438

TOM FINK,  
MAYOR

January 16, 1990

## Executive Summary

Internal Audit Report 90-01  
Collateralization of Investments

Honorable Mayor and Members of the Assembly:

We have completed an audit of collateralization of Municipal investments.

**Scope:** Our objectives were to determine the adequacy of internal controls with respect to collateral pledged for Municipal investments in TCD's, oversight duties exercised by Treasury, and banks compliance with Anchorage Municipal Code. In addition, we determined whether findings disclosed in our prior audit report 86-012, dated July 18, 1986, had been corrected. The audit was conducted in accordance with generally accepted government auditing standards, and accordingly, included tests of internal controls and accounting records, and such other auditing procedures as we considered necessary in the circumstances. The audit was performed during the months of October and November, 1989.

## Summary of Findings:

- a. Municipal investments in TCD's were properly collateralized during the period July through October, 1989.
- b. Collateral monitoring duties exercised by Treasury could be strengthened.

**Evaluation of Management Comments:** Management comments were responsive to the findings and recommendations in this report.

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TOM FINK,  
MAYOR

January 26, 1990

## Executive Summary

Internal Audit Report 90-02  
Controls Over Moving Citations  
Anchorage Police Department

Honorable Mayor and Members of the Assembly:

We have completed an audit of controls over moving citations at the Anchorage Police Department.

Scope. Our audit objective was to evaluate the internal controls over collection of cash, citation books, issued citations and Alaska Public Safety Information Network (APSIN) system input.

## Summary of Findings:

- a. Internal controls over cash receipts, unused citation books and issued citations were not adequate.
- b. APD cash records were not reconciled to the Financial Information System.

Evaluation of Management Comments: Management comments were generally responsive to the findings and recommendations in this report.



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TOM FINK,  
MAYOR

February 14, 1990

## Executive Summary

Internal Audit Report 90-03  
Library Controls and Accountability

Honorable Mayor and Members of the Assembly:

We have completed an audit of asset accountability and controls at the Loussac Public Library.

Scope. Our audit objective was to determine whether all recorded media items purchased by the municipal library during the period 1987 through May 1989 had been properly accounted for. The audit was performed during the period August through September 1989.

Summary of Findings: All recorded media items purchased from 1987 through May 1989 had not been properly accounted for. Specifically, we found weaknesses regarding accountability and control of library assets. Since the completion of audit fieldwork in September 1989, Library personnel have put forth considerable effort resolving problems identified.

Evaluation of Management Comments: Management comments were generally responsive to the findings and recommendations in this report.



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TOM FINK,  
MAYOR

March 20, 1990

## Executive Summary

Internal Audit Report 90-04  
Northwind Glass Project  
Contract Compliance  
Economic Development & Planning Department

Honorable Mayor and Members of the Assembly:

At the request of the Administration, we have completed a financial and compliance audit of the 1989 performance agreement with Northwind Glass Project.

Scope: Our audit objectives were to determine whether Northwind Glass Project had properly expended funds and whether they had complied with the terms of the performance agreement.

### Summary of Findings:

- a. Northwind Glass Project expended funds for purposes other than those authorized by the performance agreement.
- b. Northwind Glass Project had not complied with the requirements of the performance agreement.

Evaluation of Management Comments: Management comments were responsive to the findings and recommendations in this report.

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TOM FINK,  
MAYOR

April 4, 1990

## Executive Summary

Internal Audit Report 90-05  
Northwind Glass Project  
HUD CDBG Contract Administration  
Economic Development and Planning Department

Honorable Mayor and Members of the Assembly:

At the request of the Administration, we have completed a contract administration audit of the 1989 performance agreement with Northwind Glass Project.

Scope. Our audit objective was to determine whether the Economic Development and Planning Department adequately administered the Housing and Urban Development Community Development Block Grant funded performance agreement awarded to Northwind Glass Project.

Summary of Findings: The performance agreement with Northwind Glass Project was not properly administered by the Economic Development and Planning Department.

Evaluation of Management Comments: Management comments were responsive to the audit findings and recommendations in this report.



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TOM FINK,  
MAYOR

April 12, 1990

## Executive Summary

Internal Audit Report 90-06  
ATU Accounts Receivable

Honorable Mayor and Members of the Assembly:

At the request of the Administration, we have completed an audit of the accounts receivable write-off system in place at ATU.

Scope: Our audit objectives were to determine whether internal controls over write-offs were adequate, ATU procedures were in compliance with Municipal Code and regulatory requirements, and write-offs in 1989 were in compliance with procedures.

Summary of Findings: Internal controls over write-off of delinquent accounts were adequate and procedures were in compliance with the Code and regulatory requirements. However, documentation evidencing the Chief Fiscal Officer's delegation of authority to ATU to write off uncollectible receivables was not on file.

Evaluation of Management Comments: Management comments were responsive to the findings and recommendations in this report.

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TOM FINK,  
MAYOR

May 15, 1990

## Executive Summary

Internal Audit Report 90-07  
Anchorage Senior Center

Honorable Mayor and Members of the Assembly:

We have completed a financial and compliance audit of the 1989 contract with Anchor-Age Center, Inc. (AACI) to operate and maintain the Anchorage Senior Center.

Scope. The audit objective was to determine compliance with the provisions of the contract for the operation and maintenance of the Senior Center with AACI during the year ended December 31, 1989.

Summary of Findings: The contract with AACI was not always complied with nor properly administered.

Evaluation of Management Comments: Management comments were generally responsive to the audit findings and recommendations in this report.



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TOM FINK,  
MAYOR

OFFICE OF THE INTERNAL AUDITOR

May 22, 1990

## Executive Summary

Internal Audit Report 90-08  
ATU Cash Handling

Honorable Mayor and Members of the Assembly:

We have completed an audit of cash controls at the Anchorage Telephone Utility.

Scope. The audit objectives were to evaluate the adequacy of cash controls including receipt, storage, deposit and accountability. This audit was requested by ATU.

Summary of Findings: Controls over receipt, storage and accountability of cash receipts required strengthening.

Evaluation of Management Comments: Management comments were responsive to the audit findings and recommendations in this report.

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TOM FINK,  
MAYOR

May 31, 1990

## Executive Summary

Internal Audit Report 90-09  
Limited Life Road Improvement Project F1073  
Transfer of Responsibilities Agreement

Honorable Mayor and Members of the Assembly:

We have completed an audit of the Limited Life Road Improvement Project F1073 (LLRI) Transfer of Responsibilities Agreement (TORA).

**Scope:** The audit objectives were to determine whether the special assessments of benefitting property owners were properly set up and tracked in the special assessments system, expenditures charged against the LLRI TORA funds were valid and reasonable, and to determine whether the Municipality complied with the requirements of the LLRI TORA.

### Summary of Findings:

- a. The special assessments of benefitting property owners were properly set up and tracked in the special assessments system; however, the total amount assessed was questionable.
- b. The expenditures charged against the LLRI TORA funds were valid and reasonable.
- c. The Municipality had not complied with all the reporting requirements of the LLRI TORA.

**Evaluation of Management Comments:** Management comments were responsive to the findings and recommendations in this report.



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TOM FINK,  
MAYOR

August 8, 1990

## Executive Summary

Internal Audit Report 90-11  
Project Rehab

Honorable Mayor and Members of the Assembly:

We have completed an audit of the Project Rehab Program.

Scope: Our audit objectives were to determine whether Project Rehab loans and grants met Federal and Municipal requirements.

### Summary of Findings:

- a. Project Rehab loans and grants did not always meet Federal and Municipal requirements.
- b. The process for determining eligibility; reviewing the need for repairs; and documenting initial inspection, work write-up, bid process, order to proceed and inspections for payment needed strengthening.
- c. The day-to-day operations performed by Housing Services were not adequately monitored.
- d. Accounts receivable had not been established for any Project Rehab loans awarded.

Evaluation of Management Comments: Management comments were generally responsive to the audit findings and recommendations in this report.



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TOM FINK,  
MAYOR

August 16, 1990

## Executive Summary

Internal Audit Report 90-12  
Review of Exceptions to Municipal  
Policy and Procedure 24-10  
for Time Card Authorizations  
August 6, 1990

Honorable Mayor and Members of the Assembly:

We have completed the annual audit of exceptions to Municipal Time Card Authorization Policy.

Scope: Our overall objectives were to determine whether all seven payroll groups that were not following the standard procedures had been granted exception by the Chief Fiscal Officer and whether the approved compensating controls were being followed. In addition, we also evaluated the adequacy of general accounting controls over payroll transactions at the Police Department.

### Summary of Findings:

- a. Six payroll groups (Fire Department, Municipal Light and Power, Transit Department, Street Maintenance, Fleet Services, and Facility Maintenance) were found to generally follow procedures to ensure adequate compensating controls which justified continuation of their exception approvals.
- b. The Police Department had an approved exception memo but was not following procedures to ensure adequate compensating controls.
- c. Two payroll groups (Police Department and Fire Department) were providing benefits to

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TOM FINK,  
MAYOR

August 22, 1990

## Executive Summary

Internal Audit Report 90-13  
Controls Over Plant Salvage  
Municipal Light and Power

Honorable Mayor and Members of the Assembly:

We have completed an audit of controls over plant salvage at Municipal Light and Power.

Scope: Our audit objective was to determine whether salvaged wire, cable, meters, and transformers were properly accounted for and disposed.

### Summary of Findings:

- a. Adequate controls were not in place to properly account for and dispose of salvaged wire and cable.
- b. Written procedures had not been developed to control and account for salvaged items.

Evaluation of Management Comments: Management comments were responsive to the findings and recommendations in this report.



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TOM FINK,  
MAYOR

August 22, 1990

## Executive Summary

Internal Audit Report 90-14  
Treasury Cash Controls

Honorable Mayor and Members of the Assembly:

We have completed a cash controls audit of the Cash Management Section of the Treasury Division.

Scope: Our audit objectives were to determine the adequacy of internal controls over cash receipts within the Cash Management Section.

### Summary of Findings:

- a. Internal Controls over cash receipts required strengthening.
- b. There was a lack of control and accountability over checks received.
- c. Bank bags containing Municipal funds were not adequately secured.
- d. Administrative procedures used by the Cash Management Section needed improvement.

Evaluation of Management Comments: Management comments were generally responsive to the findings and recommendations in this report.



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TOM FINK,  
MAYOR

September 6, 1990

## Executive Summary

Internal Audit Report 90-15  
Transfer of Responsibilities Agreement  
Spenard Residential Paving Project #A8519

Honorable Mayor and Members of the Assembly:

We have completed an audit of the Spenard Residential Paving Project #A8519, Transfer of Responsibilities Agreement (TORA).

**Scope:** The audit objectives were to determine whether expenditures charged against the TORA were valid and reasonable and to determine whether the Municipality complied with the requirements of the TORA.

**Summary of Findings:** Based on our review, we found expenditures to be valid and reasonable. However, evidence was not provided to support the proper selection of four projects and the Municipality did not comply with all of the requirements of the TORA.

**Evaluation of Management Comments:** Management comments were responsive to the findings and recommendations in this report.

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TOM FINK,  
MAYOR

October 5, 1990

## Executive Summary

Internal Audit Report 90-16  
Anchorage Transit Facilities  
Transfer of Responsibilities Agreement

Honorable Mayor and Members of the Assembly:

We have completed an audit of the Anchorage Transit Facilities Transfer of Responsibilities Agreement (TORA).

Scope: The audit objectives were to determine whether expenditures charged against the TORA were valid and reasonable and to determine whether the Municipality complied with the requirements of the TORA.

Summary of Findings: Expenditures charged against the TORA were generally valid and reasonable. However, we did find some non-compliance with the TORA reporting requirements.

Evaluation of Management Comments: Management comments were responsive to the findings and recommendations in this report.

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TOM FINK,  
MAYOR

October 8, 1990

## Executive Summary

Internal Audit Report 90-17  
Remittance Processing

Honorable Mayor and Members of the Assembly:

We have completed an audit of the Remittance Processing Section of the Treasury Division.

Scope: Our audit objective was to determine whether the procedures and controls present were adequate to ensure that all payments were accurately processed in a uniform and timely manner. The audit covered records and transactions from January through July 1990.

### Summary of Findings:

- a. Utility bill payments received by the Municipality were generally processed in a uniform and timely manner.
- b. Non-utility functions performed by Remittance Processing were not charged to the appropriate user department.
- c. Controls over the recording of certain cash receipts required strengthening.

Evaluation of Management Comments: Management comments were responsive to the findings and recommendations in this report.



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TOM FINK,  
MAYOR

October 16, 1990

## Executive Summary

Internal Audit Report 90-18  
Anchorage Water and Wastewater Utility  
Common Cost Allocations

Honorable Mayor and Members of the Assembly:

We have completed an audit of common cost allocations between the Anchorage Water Utility and the Anchorage Wastewater Utility.

Scope: The objective of this audit was to determine the accuracy and validity of the common cost allocations between the two utilities. The audit period was 1989.

Summary of Findings: For 1989, the allocations of common costs, in aggregate, were reasonable. However, the allocation process lacked written procedures and adequate controls to ensure cost allocations were consistent, reasonable, and accurate.

Evaluation of Management Comments: Management comments were responsive to the findings and recommendations in this report.

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TOM FINK,  
MAYOR

November 1, 1990

## Executive Summary

Internal Audit Report 90-19  
Municipal Credit Card Purchases

Honorable Mayor and Members of the Assembly:

We have completed an audit of credit card purchases.

**Scope:** The audit objectives were to determine the propriety of purchases made with credit cards in relation to compliance with the Policies and Procedures on travel and business meals; review for personal items; and determine the adequacy of the applicable procedures. The audit was requested by the Assembly.

### Summary of Findings:

- a. Overall, Municipal credit cards were used for official purposes.
- b. There were no written guidelines in the Municipal Policies and Procedures (P&P's) specifically for the use of Municipal credit cards.
- c. Existing P&P's were not always followed and controls over documentation required strengthening.

**Evaluation of Management Comments:** Management comments were generally responsive to the findings and recommendations in this report.

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TOM FINK,  
MAYOR

November 21, 1990

## Executive Summary

Internal Audit Report 90-20  
Equipment Purchases  
Fleet Services Division

Honorable Mayor and Members of the Assembly:

We have completed an audit of equipment purchases by the Fleet Services Division.

Scope: Our audit objectives were to determine whether equipment purchases were necessary and properly approved and funds used were proper. The audit period was July 1, 1989 through June 30, 1990.

### Summary of Findings:

- a. Fleet Services was generally following proper procedures in purchasing equipment.
- b. Purchases were based on requests from the users, were approved as required and properly funded.
- c. Police vehicles were not placed in service in a timely manner and vehicles listed on Assembly Memorandums were not always purchased by Fleet Services.

Evaluation of Management Comments: Management comments were generally responsive to the findings and recommendations in this report.



# Municipality of Anchorage



P.O. BOX 196650  
ANCHORAGE, ALASKA 99519-6650  
(907) 343-4438

TOM FINK,  
MAYOR

OFFICE OF THE INTERNAL AUDITOR

November 28, 1990

## Executive Summary

Internal Audit Report 90-21  
Library Cash Controls

Honorable Mayor and Members of the Assembly:

We have completed an audit of Library Cash Controls.

Scope: Our audit objective was to determine the adequacy of cash controls in the Municipal library system.

### Summary of Findings:

- a. Physical controls over cash in the Municipal library system required strengthening.
- b. The requirements of Policy and Procedure 24-1, Collecting, Securing, Depositing and Reporting Cash, were not always followed.
- c. Controls over coin operated machines and the change machine at the Loussac Library were not adequate.

Evaluation of Management Comments: Management comments were responsive to the audit findings and recommendations in this report.

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TOM FINK,  
MAYOR

November 30, 1990

## Executive Summary

Internal Audit Report 90-22  
Vehicle Inspection and Maintenance Program  
Environmental Services Division

Honorable Mayor and Members of the Assembly:

We have completed an audit of the Vehicle Inspection and Maintenance (I/M) Program.

**Scope:** Our audit objectives were to determine whether certificates were being properly accounted for, revenue was properly controlled and deposited, and I/M inspection stations were monitored and checked for compliance and integrity.

### Summary of Findings:

- a. I/M inspection stations were properly monitored and checked for compliance and integrity.
- b. Municipal agencies were not always charged for I/M services.
- c. Cash collected and deposited did not always reconcile to the number of certificates listed as sold at the Referee Station.
- d. Adequate documentation was not maintained for decertified stations and notices of violation were not monitored to ensure required corrective action was taken.

**Evaluation of Management Comments:** Management comments were responsive to the audit findings and recommendations in this report.

# Municipality of Anchorage



OFFICE OF THE INTERNAL AUDITOR

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TOM FINK,  
MAYOR

December 31, 1990

## Executive Summary

Internal Audit Report 90-25  
Museum Cash Controls

Honorable Mayor and Members of the Assembly:

We have completed an audit of Museum Cash Controls.

Scope: Our audit objective was to determine the adequacy of cash controls at the Museum.

### Summary of Findings:

- a. Cash controls required strengthening.
- b. The requirements of Policy and Procedure 24-1 (Collecting, Securing, Depositing and Reporting Cash) were not always followed.

Evaluation of Management Comments: Management comments were responsive to the audit findings and recommendations in this report.