

*Postponed Indefinitely*

Submitted by: ASSEMBLY MEMBER COFFEY,  
ASSEMBLY MEMBER OSSIANDER,  
ASSEMBLY MEMBER JOHNSTON

Prepared by: Assembly Counsel

Reviewed by: Municipal Attorney

For reading: February 2, 2010

**ANCHORAGE, ALASKA  
AR NO. 2010-21**

**A RESOLUTION OF THE ANCHORAGE MUNICIPAL ASSEMBLY TO AUTHORIZE  
AND REQUEST THE MUNICIPAL ATTORNEY TO ENGAGE THE SERVICES OF A  
FORENSIC AUDITOR TO ASSIST THE MUNICIPAL ATTORNEY IN PREPARATION  
OF ADVICE TO THE ASSEMBLY AND PROVIDING FOR AN APPROPRIATION.**

WHEREAS, pursuant to Assembly Resolution 2009-241, approved September 29, 2009, Municipal Attorney Dennis Wheeler provided a report to the Anchorage Assembly dated November 18, 2009; and

WHEREAS, Municipal Attorney Dennis Wheeler provided a supplemental report to the Anchorage Assembly dated January 21, 2010; and

WHEREAS, both reports detail a series of anomalies related to the financial well-being of the Municipality, including unreported revenue shortfalls, alleged inappropriate treatment of certain expenditures, alleged inaccurate fund balance reporting, alleged unauthorized forgiveness or deferral of loan payments, and alleged overstated revenue budgets; and

WHEREAS, in both the original report and the supplemental report the Municipal Attorney has recommended that the City conduct an independent forensic audit to definitively answer issues related to the above described events; and

WHEREAS a forensic audit to confirm the facts and consequences flowing from those facts is outside the expertise of the Municipal Attorney's office and requires the technical analysis and expertise of an independent forensic auditor;

NOW, THEREFORE, the Anchorage Assembly resolves:

1. Because some or all of the referenced events contained in the reports appear to have violated the expenditure authority given by the Assembly and by law to the Administration and appear to have affected the unappropriated fund balances of the City, the Municipal Attorney is authorized and requested to obtain the services of an independent forensic auditor.

2. With respect to the Municipal Attorney's original report, the purpose of the audit is to definitively analyze the "on behalf" PERS revenue and expense journal entries for the FY 2008 budget and the flow-through of the PERS budget treatment to the departmental budgets, alignment between revenues and appropriations, and alignment between expenditures, appropriations, fund balance and fund balance reserves. The audit will identify if actions taken were in conformance with applicable accounting standards, and will provide an appropriate foundation for a determination on the effect, if any, to the City's bond rating arising out of the reports to Standard and Poor's.
3. With respect to the Municipal Attorney's supplemental report, the purpose of the audit is to definitively determine the nature and scope of the transactions identified in the report, including the impact on unappropriated fund balance, if any. The audit will identify if actions taken were in conformance with applicable accounting standards.
4. An appropriation in the amount of \$30,000 is approved.

PASSED AND APPROVED by the Anchorage Assembly this \_\_\_\_\_day of \_\_\_\_\_, 2010.

\_\_\_\_\_  
Chair

ATTEST:

\_\_\_\_\_  
Municipal Clerk