

INTERNAL AUDIT

Assembly

Mayor

**Internal Audit
1060**

DEPARTMENT OF INTERNAL AUDIT

Strategic Framework

Mission: To 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 that Enable the Mission:

- ❑ Conduct independent operational audits of Municipal operations and activities
- ❑ Evaluate the reliability of internal accounting and administrative controls
- ❑ Conduct compliance audits of grants and contracts
- ❑ Provide findings for improved efficiency and effectiveness of Municipal processes
- ❑ Provide management assistance to the Administration and Assembly through special studies
- ❑ Assist the external auditors in the annual financial and Federal and State Single audits

Key Areas of Focus:

- ❑ Issue at least three audit reports and three special project reports per auditor
- ❑ 90% or greater concurrence with audit findings
- ❑ Provide 700 audit hours assistance to the external auditors, which will result in tax dollar savings of approximately \$47,600 for 2002 (\$100 per hour external cost versus an average of \$32 in-house)

We Will Measure Our Success By:

- ❑ Audits: The number of audit reports issued divided by the number of auditors. This excludes the Director and the Senior Office Associate
- ❑ Special Projects: The number of special project reports issued divided by the number of auditors. This excludes the Director and the Senior Office Associate
- ❑ Audit Findings: The number of audit report responses where management concurred with the findings divided by the number of findings. Note that responses are only required on audit findings, not on special projects
- ❑ Annual Audit: The total number of hours the audit staff worked for the external auditors multiplied by the savings rate of \$68 per hour

2002 Resource Plan

Department: Internal Audit

Division	Financial Summary		Personnel Summary							
	2001 Revised	2002 Approved	2001 Revised				2002 Approved			
			FT	PT	Temp	Total	FT	PT	Temp	Total
Internal Audit	321,440	331,000	4	1		5	4	1		5
Operating Cost	321,440	331,000	4	1	0	5	4	1	0	5
Add Debt Service	0	0								
Direct Organization Cost	321,440	331,000								
Charges From/(To) Others	(195,000)	(205,110)								
Function Cost	126,440	125,890								
Less Program Revenues	0	0								
Net Program Cost	126,440	125,890								

2002 Resource Costs by Category

Division	Personal Services	Supplies	Other Services	Capital Outlay	Total Direct Cost
Internal Audit	330,200	1,500	5,700		337,400
Operating Cost	330,200	1,500	5,700	0	337,400
Less Vacancy Factor	(6,400)				(6,400)
Add Debt Service					0
Total Direct Organization Cost	323,800	1,500	5,700	0	331,000

RECONCILIATION FROM 2001 REVISED BUDGET TO 2002 APPROVED BUDGET
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DEPARTMENT: INTERNAL AUDIT

	<u>DIRECT COSTS</u>	<u>POSITIONS</u>		
		FT	PT	T
2001 REVISED BUDGET:	\$ 321,440	4	1	
2001 ONE-TIME REQUIREMENTS:				
- None				
CHANGES FOR CONTINUATION OF EXISTING PROGRAMS IN 2002:				
- Salaries and benefits adjustment for continuing employees	3,370			
- AMEA/Non-rep wage increase	12,590			
TRANSFERS (TO)/FROM OTHER AGENCIES:				
- None				
MISCELLANEOUS INCREASES (DECREASES):				
- None				
2002 PROGRAMMATIC BUDGET CHANGES:				
- Adjust projected salaries savings based on historical experience	(6,400)			
2002 PROPOSED BUDGET:	<u>331,000</u>	<u>4</u>	<u>1</u>	<u>0</u>
2002 AMENDMENTS:				
- None				
2002 APPROVED BUDGET:	<u><u>\$ 331,000</u></u>	<u><u>4</u></u>	<u><u>1</u></u>	<u><u>0</u></u>

2002 P R O G R A M P L A N

DEPARTMENT: INTERNAL AUDIT
PROGRAM: Internal Audit

DIVISION:

PURPOSE:

To provide the Assembly and Mayor with objective information to determine whether the required high degree of public accountability is maintained and to assist management personnel in improving the efficiency and effectiveness of government operations and activities. (AMC 3.20.100)

2001 PERFORMANCES:

See Strategic Framework

2002 PERFORMANCE OBJECTIVES:

See Strategic Framework

RESOURCES:

	2000 REVISED			2001 REVISED			2002 BUDGET		
	FT	PT	T	FT	PT	T	FT	PT	T
PERSONNEL:	6	1	0	4	1	0	4	1	0
PERSONAL SERVICES	\$	442,440		\$	313,990		\$	323,800	
SUPPLIES		1,980			1,800			1,500	
OTHER SERVICES		5,900			5,650			5,700	
TOTAL DIRECT COST:	\$	450,320		\$	321,440		\$	331,000	

WORK MEASURES:

See Strategic Framework 0 0 0

2 SERVICE LEVELS ARE FUNDED FOR THE DEPARTMENT. THIS PROGRAM HAS LEVELS:
1, 2

BPAB010R
01/23/02
165459

M U N I C I P A L I T Y O F A N C H O R A G E
2002 DEPARTMENT RANKING

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DEPT: 03 -INTERNAL AUDIT

DEPT	BUDGET UNIT/ RANK	PROGRAM	SL CODE	SVC LVL
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1	1060-INTERNAL AUDIT		2	Vacancy factor increased to reflect
	0027-Internal Audit		OF	historical experience of salaries
	SOURCE OF FUNDS, THIS SVC LEVEL:		2	savings.
	TAX SUPPORT			
	IGC SUPPORT			

PERSONNEL			PERSONAL		OTHER	DEBT	CAPITAL	
FT	PT	T	SERVICE	SUPPLIES	SERVICES	SERVICE	OUTLAY	TOTAL
0	0	0	6,400-	0	0	0	0	6,400-

2	1060-INTERNAL AUDIT		CB	1	Determine whether government operations
	0027-Internal Audit			OF	are adequately controlled and whether
	SOURCE OF FUNDS, THIS SVC LEVEL:		2	the required high degree of public	
	TAX SUPPORT			accountability is maintained.	
	IGC SUPPORT				

PERSONNEL			PERSONAL		OTHER	DEBT	CAPITAL	
FT	PT	T	SERVICE	SUPPLIES	SERVICES	SERVICE	OUTLAY	TOTAL
4	1	0	330,200	1,500	5,700	0	0	337,400

SUBTOTAL OF FUNDED SERVICE LEVELS, INTERNAL AUDIT

PERSONNEL			PERSONAL		OTHER	DEBT	CAPITAL	
FT	PT	T	SERVICE	SUPPLIES	SERVICES	SERVICE	OUTLAY	TOTAL
4	1	0	323,800	1,500	5,700	0	0	331,000

----- DEPARTMENT OF INTERNAL AUDIT FUNDING LINE -----
. 331,000

TOTALS FOR DEPARTMENT OF INTERNAL AUDIT , FUNDED AND UNFUNDED

PERSONNEL			PERSONAL		OTHER	DEBT	CAPITAL	
FT	PT	T	SERVICE	SUPPLIES	SERVICES	SERVICE	OUTLAY	TOTAL
4	1	0	323,800	1,500	5,700	0	0	331,000