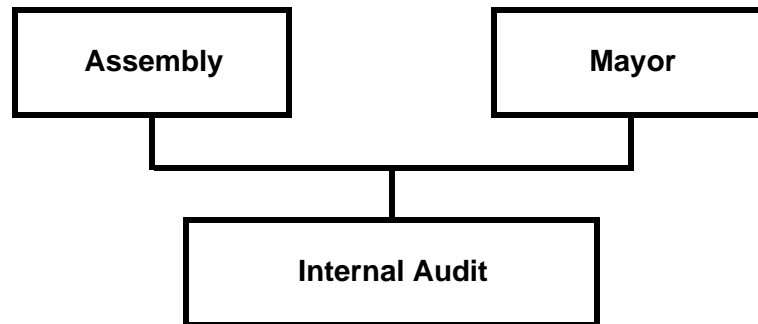


Internal Audit



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

Internal Audit Department Summary

	2013 Actuals	2014 Revised	2015 Approved	15 v 14 % Chg
Direct Cost by Division				
Internal Audit	659,495	722,693	744,389	3.00%
Direct Cost Total	659,495	722,693	744,389	3.00%
Intragovernmental Charges				
Charges by/to Other Departments	(577,008)	(602,813)	(610,306)	1.24%
Function Cost Total	82,487	119,880	134,083	11.85%
Program Generated Revenue	(87,224)	(117,759)	(125,756)	6.79%
Net Cost Total	(4,737)	2,121	8,327	292.59%
Direct Cost by Category				
Salaries and Benefits	651,261	706,794	726,972	2.85%
Supplies	886	1,310	1,400	6.87%
Travel	-	1,500	1,500	-
Contractual/Other Services	7,348	6,234	8,017	28.60%
Debt Service	-	-	-	-
Equipment, Furnishings	-	6,855	6,500	<5.18%>
Direct Cost Total	659,495	722,693	744,389	3.00%
Position Summary as Budgeted				
Full-Time	5	5	5	
Part-Time	1	1	1	
Position Total	6	6	6	

Internal Audit

Reconciliation from 2014 Revised Budget to 2015 Approved Budget

	Direct Costs	Positions		
		FT	PT	Seas/T
2014 Revised Budget	722,693	5	1	-
2014 One-Time Requirements				
- Remove ONE-TIME funding for replacement of out-of-warranty computers that are beyond intended service life.	(6,855)	-	-	-
Changes in Existing Programs/Funding for 2015				
- Salary and benefits adjustments	18,352	-	-	-
2015 Continuation Level	734,190	5	1	-
2015 Proposed Budget Changes				
- Increase in non-labor - partially offset with ASD reimbursement for dedicated auditor costs.	1,740	-	-	-
- Increase fleet budget	133	-	-	-
2015 S-1 Version Budget Changes				
- S-1: SAP analytical software purchase	6,500	-	-	-
- S-1: Executive raises - add 1.5%	1,826	-	-	-
2015 Approved Budget	744,389	5	1	-

Internal Audit Division Summary

Internal Audit
(Fund Center # 106000)

	2013 Actuals	2014 Revised	2015 Approved	15 v 14 % Chg
Direct Cost by Category				
Salaries and Benefits	651,261	706,794	726,972	2.85%
Supplies	886	1,310	1,400	6.87%
Travel	-	1,500	1,500	-
Contractual/Other Services	7,348	6,234	8,017	28.60%
Equipment, Furnishings	-	6,855	6,500	<5.18%>
Manageable Direct Cost Total	659,495	722,693	744,389	3.00%
Debt Service	-	-	-	
Direct Cost Total	659,495	722,693	744,389	3.00%
Revenue by Fund				
Fund 101000 - Areawide General	87,224	117,759	125,756	6.79%
Revenue Total	87,224	117,759	125,756	6.79%

Positions as Budgeted

	2013 Revised		2014 Revised		2015 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	-
Positions as Budgeted Total	5	1	5	1	5	1

Internal Audit Division Detail

Internal Audit

(Fund Center # 106000)

	2013 Actuals	2014 Revised	2015 Approved	15 v 14 % Chg
Direct Cost by Category				
Salaries and Benefits	651,261	706,794	726,972	2.85%
Supplies	886	1,310	1,400	6.87%
Travel	-	1,500	1,500	-
Contractual/Other Services	7,348	6,234	8,017	28.60%
Equipment, Furnishings	-	6,855	6,500	<5.18%>
Manageable Direct Cost Total	659,495	722,693	744,389	3.00%
Debt Service	-	-	-	-
Direct Cost Total	659,495	722,693	744,389	3.00%
Intra-Governmental Charges				
Charges by/to Other Departments	(577,008)	(602,813)	(610,306)	1.24%
Program Generated Revenue				
406625 - Rmb Cost-NonGrntFund	87,224	-	-	-
430030 - Restricted Contr	-	117,759	125,756	6.79%
Program Generated Revenue Total	87,224	117,759	125,756	6.79%
Net Cost				
Manageable Direct Cost	659,495	722,693	744,389	3.00%
Debt Service	-	-	-	-
Charges by/to Other Departments	(577,008)	(602,813)	(610,306)	1.24%
Program Generated Revenue	(87,224)	(117,759)	(125,756)	6.79%
Net Cost Total	(4,737)	2,121	8,327	292.59%

Anchorage: Performance. Value. Results

Internal Audit Department

Anchorage: Performance. Value. Results.

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:

Measure #1: The number of audit reports issued

	2010	2011	2012	2013	2014 Q1	2014 Q2
# issued	13	17	22	17	1	4

Measure #2: The number of special projects completed

	2010	2011	2012	2013	2014 Q1	2014 Q2
# completed	11	10	4	24	4	3

<u>Measure #3:</u> The number of audit findings in reports of audit with management concurrence.

	2010	2011	2012	2013	2014 Q1	2014 Q2
% management concurrence	100%	100%	90%	100%	100%	100%

<u>Measure #4:</u> Total number of staff hours provided to the external auditors

	2010	2011	2012	2014	2014 Q1	2014 Q2
# of staff hours to external auditors	518	545	500	525	262	239