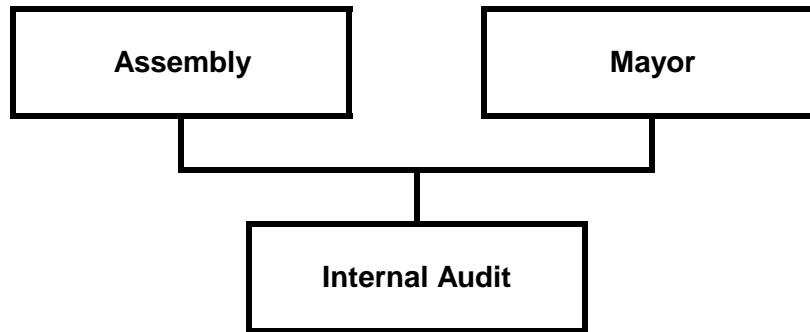


Internal Audit



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

Department Goals that Contribute to Achieving the Mayor's Mission:



Administration – Make city government more efficient, accessible, transparent, and responsive to the citizens of Anchorage

- 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.

Internal Audit Department Summary

	2015 Actuals	2016 Revised	2017 Approved	17 v 16 % Chg
Direct Cost by Division				
Internal Audit	749,509	734,921	720,043	(2.02%)
Direct Cost Total	749,509	734,921	720,043	(2.02%)
Intragovernmental Charges				
Charges by/to Other Departments	(640,477)	(621,839)	(612,291)	(1.54%)
Function Cost Total	109,033	113,082	107,752	(4.71%)
Program Generated Revenue	(107,011)	(113,082)	(114,272)	1.05%
Net Cost Total	2,022	-	(6,520)	(2833269.37 %)
Direct Cost by Category				
Salaries and Benefits	739,450	717,504	710,118	(1.03%)
Supplies	807	1,400	1,331	(4.93%)
Travel	1,228	1,500	1,500	-
Contractual/Other Services	7,703	8,017	7,094	(11.51%)
Debt Service	-	-	-	-
Equipment, Furnishings	322	6,500	-	(100.00%)
Direct Cost Total	749,509	734,921	720,043	(2.02%)
Position Summary as Budgeted				
Full-Time	5	5	5	-
Part-Time	1	1	1	-
Position Total	6	6	6	-

Internal Audit Reconciliation from 2016 Revised Budget to 2017 Approved Budget

	Direct Costs	Positions		
		FT	PT	Seas/T
2016 Revised Budget	734,921	5	1	-
Changes in Existing Programs/Funding for 2017				
- Salary and benefits adjustments	(7,386)	-	-	-
2017 Continuation Level				
	727,535	5	1	-
2017 One-Time Requirements				
- Reduction in fleet rental rates	(923)	-	-	-
2017 Proposed Budget Changes				
- Reduce fuel - align budget with current fuel costs	(48)	-	-	-
2017 S Version Budget Changes				
- Cost savings	(6,500)	-	-	-
2017 Assembly Amendments				
- <u>Assembly Member Flynn, as amended by Assembly Member Weddleton</u> - Restore \$120,937 to the Library Department funded by specific reductions of 1.5958% to all departments' supply budgets except Police and Fire	(21)	-	-	-
2017 Approved Budget				
	720,043	5	1	-

Internal Audit Division Summary

Internal Audit
(Fund Center # 106000)

	2015 Actuals	2016 Revised	2017 Approved	17 v 16 % Chg
Direct Cost by Category				
Salaries and Benefits	739,450	717,504	710,118	(1.03%)
Supplies	807	1,400	1,331	(4.93%)
Travel	1,228	1,500	1,500	-
Contractual/Other Services	7,703	8,017	7,094	(11.51%)
Equipment, Furnishings	322	6,500	-	(100.00%)
Manageable Direct Cost Total	749,509	734,921	720,043	(2.02%)
Debt Service	-	-	-	-
Non-Manageable Direct Cost Total	-	-	-	-
Direct Cost Total	749,509	734,921	720,043	-
Intragovernmental Charges				
Charges by/to Other Departments	(640,477)	(621,839)	(612,291)	(1.54%)
Function Cost Total	109,033	113,082	107,752	(4.71%)
Program Generated Revenue by Fund				
Fund 101000 - Areawide General	107,011	113,082	114,272	1.05%
Program Generated Revenue Total	107,011	113,082	114,272	1.05%
Net Cost Total	2,022	-	(6,520)	(2833269.37%)

Position Summary as Budgeted

Full-Time	5	5	5	-
Part-Time	1	1	1	-
Position Total	6	6	6	-

Internal Audit Division Detail

Internal Audit

(Fund Center # 106000)

	2015 Actuals	2016 Revised	2017 Approved	17 v 16 % Chg
Direct Cost by Category				
Salaries and Benefits	739,450	717,504	710,118	(1.03%)
Supplies	807	1,400	1,331	(4.93%)
Travel	1,228	1,500	1,500	-
Contractual/Other Services	7,703	8,017	7,094	(11.51%)
Equipment, Furnishings	322	6,500	-	(100.00%)
Manageable Direct Cost Total	749,509	734,921	720,043	(2.02%)
Debt Service	-	-	-	-
Non-Manageable Direct Cost Total	-	-	-	-
Direct Cost Total	749,509	734,921	720,043	(2.02%)
Intragovernmental Charges				
Charges by/to Other Departments	(640,477)	(621,839)	(612,291)	(1.54%)
Program Generated Revenue				
430030 - Restricted Contributions	107,011	113,082	114,272	1.05%
Program Generated Revenue Total	107,011	113,082	114,272	1.05%
Net Cost				
Direct Cost Total	749,509	734,921	720,043	(2.02%)
Charges by/to Other Departments Total	(640,477)	(621,839)	(612,291)	(1.54%)
Program Generated Revenue Total	(107,011)	(113,082)	(114,272)	1.05%
Net Cost Total	2,022	-	(6,520)	(2833269.37%)

Position Detail as Budgeted

	2015 Revised		2016 Revised		2017 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	-
Position Detail as Budgeted Total	5	1	5	1	5	1

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:

<u>Measure #1: The number of audit reports issued</u>
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	2012	2013	2014	2015	2016 1Q	2016 Q2
# issued	22	17	10	21	1	3

<u>Measure #2: The number of special projects completed</u>
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	2012	2013	2014	2015	2016 Q1	2016 Q2
# completed	4	24	14	15	2	7

Measure #3: The number of audit findings in reports of audit with management concurrence.
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	2012	2013	2014	2015	2016 Q1	2016 Q2
% management concurrence	90%	100%	100%	100%	100%	100%

Measure #4: Total number of staff hours provided to the external auditors
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	2012	2013	2014	2015	2016 Q1	2016 Q2
# of staff hours to external auditors	500	525	501	472.5	155	192

PVR Measure WC: Managing Workers' Compensation Claims

Reducing job-related injuries is a priority for the Administration by ensuring safe work conditions and safe practices. By instilling safe work practices we ensure not only the safety of our employees but reduce the potential for injuries and property damage to the public. The Municipality is self-insured and every injury poses a financial burden on the public and the injured worker's family. It just makes good sense to WORK SAFE.

Results are tracked by monitoring monthly reports issued by the Risk Management Division.

