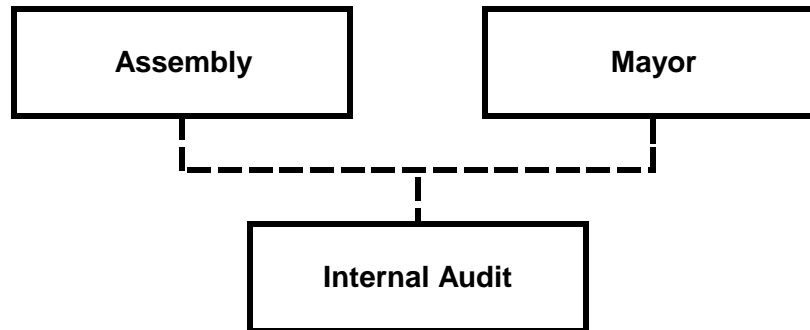


# Internal Audit



## 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 Anchorage Police Department's Evidence Section in certifying the proper disposal of found, abandoned, or forfeited property in accordance with Anchorage Municipal Code Chapter 7.25, *Disposition of Disposable Property*
- 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**

- Provide the Assembly and Mayor with objective information by completing the requested audits and special projects in the approved annual audit plan.

## Internal Audit Department Summary

	2019 Actuals	2020 Revised	2021 Approved	21 v 20 % Chg
<b>Direct Cost by Division</b>				
Internal Audit	734,048	775,762	785,178	1.21%
<b>Direct Cost Total</b>	<b>734,048</b>	<b>775,762</b>	<b>785,178</b>	<b>1.21%</b>
<b>Intragovernmental Charges</b>				
Charges by/to Other Departments	(594,267)	(636,431)	(645,847)	1.48%
Program Generated Revenue	(139,781)	(139,331)	(139,331)	-
<b>Function Cost Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net Cost Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Direct Cost by Category</b>				
Salaries and Benefits	724,497	768,100	773,618	0.72%
Supplies	856	1,313	1,331	1.37%
Travel	1,005	-	1,500	100.00%
Contractual/Other Services	7,690	6,349	8,729	37.49%
Debt Service	-	-	-	-
<b>Direct Cost Total</b>	<b>734,048</b>	<b>775,762</b>	<b>785,178</b>	<b>1.21%</b>
<b>Position Summary as Budgeted</b>				
Full-Time	5	5	5	-
Part-Time	1	1	1	-
<b>Position Total</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>-</b>

## Internal Audit

### Reconciliation from 2020 Revised Budget to 2021 Approved Budget

	Direct Costs	Positions		
		FT	PT	Seas/T
<b>2020 Revised Budget</b>	775,762	5	1	-
<b>2020 One-Time Requirements</b>				
- Reverse 2020 1Q one-time fuel reduction	18	-	-	-
- Reverse 2020 1Q one-time travel reduction	1,500	-	-	-
<b>Changes in Existing Programs/Funding for 2021</b>				
- Salaries and benefits adjustments	13,204	-	-	-
- Non-labor	2,380	-	-	-
<b>2021 Continuation Level</b>	<b>792,864</b>	<b>5</b>	<b>1</b>	<b>-</b>
<b>2021 Proposed Budget Changes</b>				
- Executive salaries to stay flat from 2020	(1,696)	-	-	-
- Non-Represented pay scales to stay flat from 2020	(5,990)	-	-	-
<b>2021 Approved Budget</b>	<b>785,178</b>	<b>5</b>	<b>1</b>	<b>-</b>

## Internal Audit Division Summary

### Internal Audit

(Fund Center # 106000, 106079)

	2019 Actuals	2020 Revised	2021 Approved	21 v 20 % Chg
<b>Direct Cost by Category</b>				
Salaries and Benefits	724,497	768,100	773,618	0.72%
Supplies	856	1,313	1,331	1.37%
Travel	1,005	-	1,500	100.00%
Contractual/Other Services	7,690	6,349	8,729	37.49%
Equipment, Furnishings	-	-	-	-
<b>Manageable Direct Cost Total</b>	<b>734,048</b>	<b>775,762</b>	<b>785,178</b>	<b>1.21%</b>
Debt Service	-	-	-	-
<b>Non-Manageable Direct Cost Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Direct Cost Total</b>	<b>734,048</b>	<b>775,762</b>	<b>785,178</b>	<b>-</b>
<b>Intragovernmental Charges</b>				
Charges by/to Other Departments	(594,267)	(636,431)	(645,847)	1.48%
<b>Function Cost Total</b>	<b>139,781</b>	<b>139,331</b>	<b>139,331</b>	<b>-</b>
<b>Program Generated Revenue by Fund</b>				
Fund 101000 - Areawide General	139,781	139,331	139,331	-
<b>Program Generated Revenue Total</b>	<b>139,781</b>	<b>139,331</b>	<b>139,331</b>	<b>-</b>
<b>Net Cost Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Position Summary as Budgeted</b>				
Full-Time	5	5	5	-
Part-Time	1	1	1	-
<b>Position Total</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>-</b>

## Internal Audit Division Detail

### Internal Audit

(Fund Center # 106000, 106079)

	2019 Actuals	2020 Revised	2021 Approved	21 v 20 % Chg
<b>Direct Cost by Category</b>				
Salaries and Benefits	724,497	768,100	773,618	0.72%
Supplies	856	1,313	1,331	1.37%
Travel	1,005	-	1,500	100.00%
Contractual/Other Services	7,690	6,349	8,729	37.49%
<b>Manageable Direct Cost Total</b>	<b>734,048</b>	<b>775,762</b>	<b>785,178</b>	<b>1.21%</b>
Debt Service	-	-	-	-
<b>Non-Manageable Direct Cost Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Direct Cost Total</b>	<b>734,048</b>	<b>775,762</b>	<b>785,178</b>	<b>1.21%</b>
<b>Intragovernmental Charges</b>				
Charges by/to Other Departments	(594,267)	(636,431)	(645,847)	1.48%
<b>Program Generated Revenue</b>				
408380 - Prior Year Expense Recovery	3,254	-	-	-
430030 - Restricted Contributions	136,528	139,331	139,331	-
<b>Program Generated Revenue Total</b>	<b>139,781</b>	<b>139,331</b>	<b>139,331</b>	<b>-</b>
<b>Net Cost</b>				
Direct Cost Total	734,048	775,762	785,178	1.21%
Charges by/to Other Departments Total	(594,267)	(636,431)	(645,847)	1.48%
Program Generated Revenue Total	(139,781)	(139,331)	(139,331)	-
<b>Net Cost Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Position Detail as Budgeted

	2019 Revised		2020 Revised		2021 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	-
<b>Position Detail as Budgeted Total</b>	<b>5</b>	<b>1</b>	<b>5</b>	<b>1</b>	<b>5</b>	<b>1</b>

*Anchorage: Performance. Value. Results*

## Internal Audit

*Anchorage: Performance. Value. Results.*

### Mission

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.

### 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 Anchorage Police Department's Evidence Section in certifying the proper disposal of found, abandoned, or forfeited property in accordance with Anchorage Municipal Code Chapter 7.25, *Disposition of Disposable Property*
- 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

### Accomplishment Goals

- Provide the Assembly and Mayor with objective information by completing the requested audits and special projects in the approved annual audit plan.

### Performance Measures

Progress in achieving goals will be measured by:

#### Measure 1: The number of audit reports issued

	2016	2017	2018	2019	2020 Q1	2020 Q2	2020 Q3	2020 Q4
# issued	13	14	17	17	2	4		



**Measure 2: The number of special projects completed**

	2016	2017	2018	2019	2020 Q1	2020 Q2	2020 Q3	2020 Q4
# completed	13	21	15	16	3	3		

**Measure 3: The percentage of audit findings in reports of audit with management concurrence**

	2016	2017	2018	2019	2020 Q1	2020 Q2	2020 Q3	2020 Q4
% management concurrence	100%	100%	100%	100%	100%	100%		

**Measure 4: Total number of staff hours provided to the external auditors**

	2016	2017	2018	2019	2020 Q1	2020 Q2	2020 Q3	2020 Q4
# of staff hours to external auditors	347	444	339	362.7 5	N/A	N/A	N/A	N/A

<b>PVR Measure WC: Managing Workers' Compensation Claims</b>
--

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.

