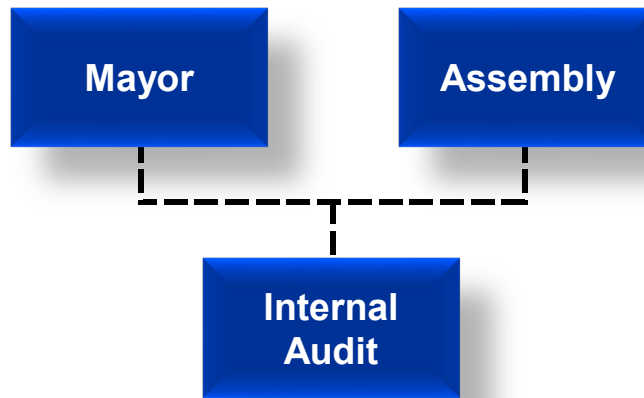


# Internal Audit



## 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; and
- 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:



#### **Exemplary Municipal Operations – Improve the efficiency and effectiveness of Municipal operations to deliver services faster and better.**

- 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

	2022 Actuals Unaudited	2023 Revised	2024 Proposed	24 v 23 % Chg
<b>Direct Cost by Division</b>				
Internal Audit	733,204	817,833	859,664	5.11%
<b>Direct Cost Total</b>	<b>733,204</b>	<b>817,833</b>	<b>859,664</b>	<b>5.11%</b>
<b>Intragovernmental Charges</b>				
Charges by/to Other Departments	(627,644)	(678,502)	(720,333)	6.17%
<b>Function Cost Total</b>	<b>105,560</b>	<b>139,331</b>	<b>139,331</b>	-
Program Generated Revenue	(105,560)	(139,331)	(139,331)	-
<b>Net Cost Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Direct Cost by Category</b>				
Salaries and Benefits	725,371	807,396	849,227	5.18%
Supplies	1,292	1,331	1,331	-
Travel	-	1,500	1,500	-
Contractual/Other Services	6,151	7,606	7,606	-
Debt Service	-	-	-	-
Equipment, Furnishings	390	-	-	-
<b>Direct Cost Total</b>	<b>733,204</b>	<b>817,833</b>	<b>859,664</b>	<b>5.11%</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 2023 Revised Budget to 2024 Proposed Budget**

	Direct Costs	Positions		
		FT	PT	Seas/T
<b>2023 Revised Budget</b>	817,833	5	1	-
<b>Changes in Existing Programs/Funding for 2024</b>				
- Salaries and benefits adjustments	41,831	-	-	-
<b>2024 Continuation Level</b>	<b>859,664</b>	<b>5</b>	<b>1</b>	<b>-</b>
<b>2024 Proposed Budget Changes</b>				
- None	-	-	-	-
<b>2024 Proposed Budget</b>	<b>859,664</b>	<b>5</b>	<b>1</b>	<b>-</b>

## Internal Audit Division Summary

### Internal Audit

(Fund Center # 106000, 106079)

	2022 Actuals Unaudited	2023 Revised	2024 Proposed	24 v 23 % Chg
<b>Direct Cost by Category</b>				
Salaries and Benefits	725,371	807,396	849,227	5.18%
Supplies	1,292	1,331	1,331	-
Travel	-	1,500	1,500	-
Contractual/Other Services	6,151	7,606	7,606	-
Equipment, Furnishings	390	-	-	-
<b>Manageable Direct Cost Total</b>	<b>733,204</b>	<b>817,833</b>	<b>859,664</b>	<b>5.11%</b>
Debt Service	-	-	-	-
<b>Non-Manageable Direct Cost Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Direct Cost Total</b>	<b>733,204</b>	<b>817,833</b>	<b>859,664</b>	<b>-</b>
<b>Intragovernmental Charges</b>				
Charges by/to Other Departments	(627,644)	(678,502)	(720,333)	6.17%
<b>Function Cost Total</b>	<b>105,560</b>	<b>139,331</b>	<b>139,331</b>	<b>-</b>
<b>Program Generated Revenue by Fund</b>				
Fund 101000 - Areawide General	105,560	139,331	139,331	-
<b>Program Generated Revenue Total</b>	<b>105,560</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)

	2022 Actuals Unaudited	2023 Revised	2024 Proposed	24 v 23 % Chg
<b>Direct Cost by Category</b>				
Salaries and Benefits	725,371	807,396	849,227	5.18%
Supplies	1,292	1,331	1,331	-
Travel	-	1,500	1,500	-
Contractual/Other Services	6,151	7,606	7,606	-
Equipment, Furnishings	390	-	-	-
<b>Manageable Direct Cost Total</b>	<b>733,204</b>	<b>817,833</b>	<b>859,664</b>	<b>5.11%</b>
Debt Service	-	-	-	-
<b>Non-Manageable Direct Cost Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Direct Cost Total</b>	<b>733,204</b>	<b>817,833</b>	<b>859,664</b>	<b>5.11%</b>
<b>Intragovernmental Charges</b>				
Charges by/to Other Departments	(627,644)	(678,502)	(720,333)	6.17%
<b>Program Generated Revenue</b>				
430030 - Restricted Contributions	105,560	139,331	139,331	-
<b>Program Generated Revenue Total</b>	<b>105,560</b>	<b>139,331</b>	<b>139,331</b>	<b>-</b>
<b>Net Cost</b>				
Direct Cost Total	733,204	817,833	859,664	5.11%
Charges by/to Other Departments Total	(627,644)	(678,502)	(720,333)	6.17%
Program Generated Revenue Total	(105,560)	(139,331)	(139,331)	-
<b>Net Cost Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Position Detail as Budgeted

	2022 Revised		2023 Revised		2024 Proposed	
	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	3	-	3	-	3	-
<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>

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## Internal Audit

*Anchorage: Performance. Value. Results.*

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### Mission

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### Core Services

- Conduct independent operational audits of Municipal operations and activities
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- 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:

<b>Measure 1: The number of audit reports issued</b>								
	2019	2020	2021*	2022	2023 Q1	2023 Q2	2023 Q3	2023 Q4
# issued	17	13	22	17	2	1		

\*Includes the reporting of Anchorage School District Internal Audit reports starting in 2021 3<sup>rd</sup> Quarter.

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

	2019	2020	2021*	2022	2023 Q1	2023 Q2	2023 Q3	2023 Q4
# completed	16	15	22	16	3	4		

\*Includes the reporting of Anchorage School District Internal Audit special projects starting in 2021 3<sup>rd</sup> Quarter.

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

	2019	2020	2021	2022	2023 Q1	2023 Q2	2023 Q3	2023 Q4
% management concurrence	100%	100%	100%	100%	100%	100%		

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

	2019	2020	2021	2022	2023 Q1	2023 Q2	2023 Q3	2023 Q4
# of staff hours to external auditors	362.75	N/A	N/A	N/A	N/A	N/A		



**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.

