
INTERNAL AUDIT DEPARTMENT

2001 ANNUAL REPORT

January 22, 2002

MUNICIPALITY OF ANCHORAGE

Office of Internal Audit
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OFFICE OF INTERNAL AUDIT

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**Internal Audit Department
2001 Annual Report**

TABLE OF CONTENTS

Director's Letter 2

Introduction 3-6

Index of 2001 Audit Reports 7-8

Index of 2001 Special Projects 9-10

Executive Summaries From 2001 Audit Reports 11-21

Anchorage Municipal Code 3.20 22-26

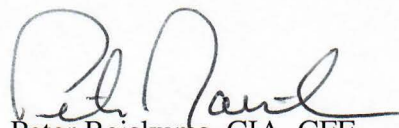
January 22, 2002

Honorable Mayor and Members of the Anchorage Municipal Assembly:

Attached is the Internal Audit Department 2001 Annual Report for your review and information.

This report includes background information on the audit profession, a summary of the 2001 internal audit activity and the portion of the Anchorage Municipal Code pertaining to the Internal Audit Department.

The primary focus of the Internal Audit Department is to assist the Mayor and the Municipal Assembly to ensure 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, we perform audits to ensure the reliability and integrity of financial records, compliance with established policy and procedures, accountability and protection of Municipal assets and the achievement of program results.



Peter Raiskums, CIA, CFE
Director, Internal Audit

INTRODUCTION

INTRODUCTION

DEFINITION OF AUDITING

Audit is a term used to describe procedures performed by an auditor in examining financial records and reviewing compliance with laws and regulations, assuring the efficiency and economy of operations, and evaluating the effectiveness in achieving program results.

An auditor evaluates internal controls, examines financial and other data, verifies and evaluates management systems and programs, and recommends improvements.

Auditors are classified into two categories - internal auditors and external auditors.

Internal Auditors are employees of the Municipality of Anchorage. Emphasis is on providing the Municipal Assembly and the 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. To accomplish this, the auditors focus on accountability, internal controls and improving management efficiency. Although internal auditors are Municipal employees, the Municipal Code provides a framework for them to operate with complete independence.

External Auditors are not employees of the Municipality of Anchorage. External auditors perform, under contract, an annual audit of the financial records of the Municipality and the Federal and State single audits. Their emphasis is on the fairness of financial representations. The certified public accounting firm of KPMG, LLP is currently the external auditor for the Municipality of Anchorage. The Department of Assembly is the contract administrator for the external auditor.

AUDIT PROCEDURES

The Internal Audit Department performs audits in compliance with professional standards. Professional organizations that provide guidance and standards include the Comptroller General of the United States, and the Institute of Internal Auditors (IIA).

The audit process involves four phases: survey, field work, reporting and follow-up. Communication with auditees is an important part of all four phases.

Survey - to determine whether an area warrants a detailed examination. Survey work consists of discussions with agency personnel, physical inspections, review of records, and sample tests of transactions.

Field Work - to review and evaluate extensive data, document findings, and develop recommendations for corrective action.

Reporting - to compile and organize results of all survey and field work. Findings and recommendations are presented in a draft report that is furnished to auditees for their review and response. The final audit report includes the auditor's findings, recommendations and management's responses.

Follow-up - to determine whether management action was taken and whether the action corrected the deficiency.

SCHEDULING OF AUDITS

An annual audit plan is prepared at the beginning of each fiscal year. Input is solicited from the Municipal Assembly, the Mayor, Administration officials, external auditors and staff members. The audit plan may also be revised during the year to accommodate requests from the Municipal Assembly and the Administration. Criteria for scheduling audits include the following:

- Requests by the Municipal Assembly and Administration
- Potential for cost savings through more efficient, effective management
- Potential for increasing revenues
- Areas with a high risk of loss or misappropriation
- Suspected fraud or error
- Areas identified with problems
- Safeguarding and management of Municipal assets
- Issues identified by the external auditors

DISTRIBUTION OF AUDIT REPORTS

Internal Audit reports are distributed to the Mayor, each Municipal Assembly Member, the Municipal Manager, the Budget Director, the Chief Fiscal Officer, the respective Department Director, and other Municipal personnel as appropriate.

Copies of reports are available to the public at the following locations:

1. Serial section of the Z J Loussac Public Library, 3600 Denali Street, Anchorage, Alaska
2. Municipality of Anchorage, Internal Audit Department, 632 West 6th Avenue, Suite 300, PO Box 196650, Anchorage, Alaska 99519-6650, telephone (907) 343-4438, fax (907) 343-4370, e-mail: WWIA@ci.anchorage.ak.us.

STAFFING OF THE INTERNAL AUDIT DEPARTMENT

The Internal Audit Department is staffed with three professional auditors, the Director and a part-time Sr. Office Associate.

The current department Director provides the Municipality with more than 37 years of auditing experience. The current audit staff provides the Municipality with a combined total of approximately 23 years of auditing experience. Professional certifications held by department personnel include: Certified Internal Auditor (CIA), Certified Fraud Examiner (CFE), Certified Government Financial Manager (CGFM), Certified Bank Auditor (CBA), and Certified Financial Services Auditor (CFSA).

Governmental Auditing Standards require that each auditor acquire 80 hours of continuing education every two years. Of these 80 hours, 24 must be in subjects directly related to the government environment and to government auditing. The courses taken by the audit staff to fulfill this requirement keep the auditors up to date with the latest auditing techniques and aware of current audit issues required by government auditing standards.

INDEX OF 2001 AUDIT REPORTS

2001 AUDIT REPORTS

NUMBER	DATE	REPORT NAME	DEPARTMENT
	01/25/01	2000 Annual Report	
2001-1	01/18/01	Emergency Medical Services (EMS) Billing and Collections	Anchorage Fire Department
2001-2	05/11/01	CSX Preferential Use Agreement Follow-up	Port of Anchorage
2001-3	07/13/01	Anchorage Horse Council Management Agreement	Cultural & Recreational Services
2001-4	08/07/01	Anchorage Downtown Partnership	Office of Management & Budget
2001-5	08/30/01	Anchorage Senior Center	Health and Human Services
2001-6	09/13/01	Mountain View Community Center	Cultural & Recreational Services
2001-7	10/04/01	Real Estate Property Tax Exemptions	Property Appraisal Division, Finance Department
2001-8	12/04/01	Change Orders	Purchasing Department
2001-9	12/31/01	Permit Center	Development Svc Dept, Office of Planning, Dev. & Public Works

INDEX OF 2001 SPECIAL PROJECTS

2001 SPECIAL PROJECTS

DATE	SUBJECT NAME	DEPARTMENT
01/04/01	Problems with Off-Cycle Payroll Checks	Finance Department
01/09/01	Records and Benefits Review	Employee Relations
01/22/01	Tobacco Tax	Municipal Assembly
02/14/01	Management Review of the Prosecutor Division	Municipal Attorney
03/12/01	Internal Audit Follow-up Report for the Year 2000	Miscellaneous
03/14/01	2000 Parts & Fuel Inventory	Public Transportation Dept
03/14/01	2000 Fleet Services Parts & Fuel Inventory (no memo)	Facility & Fleet Management
05/14/01	Municipal Contributions to the Police & Fire Retiree Medical Trust	Police & Fire Retirement
07/03/01	Police & Fire Retiree Participant Statements for 2000	Police & Fire Retirement
08/16/01	Self-Insurance Administration	Finance Department
08/30/01	1999 Municipal Travel	Finance Department
09/05/01	Evaluation of Anchorage Horse Council Response	Cultural & Recreational Services
09/11/01	AMEA Contract Cost Validation	Employee Relations
09/20/01	Contract 82000 With Corporate Express for Office Supplies	Purchasing Department
10/02/01	Police & Fire Retiree Participant Statements for 1 st and 2 nd Quarter 2001	Police & Fire Retirement
10/05/01	2000 Municipal Travel	Miscellaneous
11/08/01	2002 IBEW Wage Increase	Employee Relations
12/04/01	Travel Reimbursements	Purchasing Department
12/06/01	Community Service Patrol	Health & Human Services
12/18/01	Procurement Card Policy and Procedure and Training Guide	Purchasing Department

**EXECUTIVE SUMMARIES FROM
2001 AUDIT REPORTS**



January 18, 2001

Honorable Mayor and Members of the Assembly:

The attached report is submitted for your review.

Internal Audit Report 2001-1

**Emergency Medical Services (EMS)
Billing and Collections**

Anchorage Fire Department

As part of the 2000 Audit Plan, we have completed an audit of Emergency Medical Services billing and collections at the Anchorage Fire Department. The objective of this audit was to determine whether the Contractor, Fosselman & Weiland CPA's Ambulance Billing Service, was complying with the terms of the contract and to determine if the contract has been economically advantageous to the Municipality of Anchorage. The audit was conducted in accordance with generally accepted government auditing standards, except for the requirement of an external quality control review, and accordingly, included tests of accounting records and such other auditing procedures as we considered necessary in the circumstances. The audit was performed during the period of October through November 2000. The audit was requested by the Anchorage Fire Department.

Anchorage Fire Department personnel indicated that they were very pleased with the service being provided by the Contractor, especially their assistance providing information on regulatory changes. The reports provided to the Anchorage Fire Department were detailed and accurate. However, the Contractor did not always bill within 72 hours of receiving transport data and did not always perform collection follow-up within 60 days of invoicing as required. We also found that the Anchorage Fire Department did not always obtain patient billing authorization signatures and insurance information and did not report transports to the Contractor in a timely manner.

The average collection rate by the Contractor was significantly lower than the rate assumed in the contract proposal (69.25% vs. 80%). While this collection rate was more than the rate achieved by the Municipality of Anchorage when billing and collection were done in-house (69.25% vs. 68%), due to the Contractor's higher expenses, we estimated the net contribution to be slightly lower.



OFFICE OF THE INTERNAL AUDITOR

May 11, 2001

Honorable Mayor and Members of the Assembly:

The attached report is submitted for your review.

Internal Audit Report 2001-2

CSX Preferential Use Agreement Follow-up

Port of Anchorage

As part of the 2001 Audit Plan, we have completed a follow-up audit of the CSX Preferential Use Agreement at the Port of Anchorage. The audit was limited to southbound CSX voyages. There were two objectives. The first objective was to determine whether the inaccuracies noted in the previous audit and management assistance review had been corrected by CSX. The second objective was to produce statistically valid data on the weight and contents of the containers on southbound CSX voyages for 1998 through 2000. The audit was conducted in accordance with generally accepted government auditing standards, except for the requirement of an external quality control review, and accordingly, included tests of accounting records and such other auditing procedures as we considered necessary in the circumstances.

We found that the inaccuracies noted in the previous audit and review were still present. Our review of 14 ships and 1,779 containers revealed that CSX had under reported southbound cargo by an average of 100.30 tons per ship. This equates to \$200.61 per ship for a total of \$61,587.27 for the three years.

Regarding the audit, Port of Anchorage Management stated, "The Port of Anchorage appreciates the thoroughness of this Port requested follow-up Internal Audit. This follow-up audit report should serve as an additional source document which will enable the Port to more effectively administer this Preferential Use Agreement (PUA) and serve as a guideline for the Port to recover additional, justified, current and future revenues from this PUA arrangement. The Port thanks the Internal Auditor's Office for the diligent research effort which was undertaken to provide the Port with professional advice and recommendations on specific deficiencies in the Port's administration of this PUA Contract."



July 13, 2001

Honorable Mayor and Members of the Assembly:

The attached report is submitted for your review.

Internal Audit Report 2001-3

Anchorage Horse Council Management Agreement

Cultural & Recreational Services

As part of the 2001 Audit Plan, we have completed an audit of the Management Agreement between the Anchorage Horse Council and the Municipality of Anchorage. The Contract Manager is Cultural & Recreational Services. The objective of this audit was to assess the financial condition of the Anchorage Horse Council and determine their compliance with the management agreement. The audit was conducted in accordance with generally accepted government auditing standards, except for the requirement of an external quality control review, and accordingly, included tests of accounting records and such other auditing procedures as we considered necessary in the circumstances. The audit was performed during the period of April and May 2001 at the request of Cultural & Recreational Services.

The Anchorage Horse Council failed to operate the Equestrian Center in a manner compliant with the management agreement during the period reviewed. Noncompliance issues centered around the failure to maintain a reserve account, lack of fund accounting, missing written documentation and inadequate insurance coverage. The continued viability of the Anchorage Horse Council is questionable based on the information reviewed. Adequate revenues have not been generated from the operation of the facility to meet all expenses. In addition, the agreement has not been effectively monitored by the Contract Administrator. Insufficient oversight has contributed to the problems facing the Anchorage Horse Council and the operation of the facility.



OFFICE OF THE INTERNAL AUDITOR

August 7, 2001

Honorable Mayor and Members of the Assembly:

The attached report is submitted for your review.

Internal Audit Report 2001-4

Anchorage Downtown Partnership

Office of Management and Budget

As part of the 2001 Audit Plan, we have completed an audit of the Anchorage Downtown Partnership. The scope of this audit was limited to a high level review of the Anchorage Downtown Partnership to determine the financial health of the organization, compliance with Municipal contract provisions, and preparedness for handling additional contracts and funding. The audit was conducted in accordance with generally accepted government auditing standards, except for the requirement of an external quality control review, and accordingly, included tests of accounting records and such other auditing procedures as we considered necessary in the circumstances. The audit was performed during the period of June through July 2001. The audit was performed at the request of the Mayor.

The Anchorage Downtown Partnership has significant financial problems. Expenditures have been exceeding income, leading to cash flow difficulties, accumulation of debt, and inappropriate use of funds to cover expenses other than those for which the funds were designated. They had also not been utilizing proper fund accounting methods to segregate between revenue sources and the expenses charged against those sources.

We did note that the Anchorage Downtown Partnership was beginning to take steps to correct their weaknesses. At the time of the audit, the Anchorage Downtown Partnership had already started the process of implementing new software to correct their accounting deficiencies. During the audit, a

new board member joined the Anchorage Downtown Partnership who has extensive audit and non-profit experience. Discussions with the Anchorage Downtown Partnership Executive Director and the new board member indicated that the Anchorage Downtown Partnership was going to develop new financial policies and procedures and a new budget that incorporates a plan for paying off the debts. They also stated that they were going to strengthen their accounting function to fully utilize the new accounting system.

We recommend that a follow-up review of the Anchorage Downtown Partnership be conducted to ensure the weaknesses noted in this audit have been adequately addressed. Unless the Anchorage Downtown Partnership rectifies their problems in the immediate future, we question their long term viability as an effective provider of services for downtown Anchorage.



OFFICE OF THE INTERNAL AUDITOR

August 30, 2001

Honorable Mayor and Members of the Assembly:

The attached report is submitted for your review.

Internal Audit Report 2001-5

Anchorage Senior Center

Health and Human Services

As part of the 2001 Audit Plan, we have completed an audit of the Anchorage Senior Center. The Municipality of Anchorage, Health and Human Services Department, contracts the management and operation of the Anchorage Senior Center with Anchor-Age Center, Inc., a non-profit corporation that was established to manage the Anchorage Senior Center. The objective of this audit was to review the management and operation of the Anchorage Senior Center. The audit was conducted in accordance with generally accepted government auditing standards, except for the requirement of an external quality control review, and accordingly, included tests of accounting records and such other auditing procedures as we considered necessary in the circumstances. The audit was performed during the period of June and July 2001. The audit was requested by the Mayor.

Anchor-Age Center, Inc., has been operating the facility in a manner consistent with their mission. Anchor-Age Center, Inc. works to provide a central meeting place for seniors, promote a healthy lifestyle for seniors and assist in making seniors aware of the various services provided by the community and the Anchorage Senior Center. However, the management agreement with Anchor-Age Center, Inc. expired at the end of 2000 and Anchor-Age Center, Inc. has been operating in accordance with the provisions of the expired agreement. Contract administration files were not being fully maintained and several problems were found involving internal controls over cash, donations and kitchen supplies.



September 13, 2001

Honorable Mayor and Members of the Assembly:

The attached report is submitted for your review.

Internal Audit Report 2001-6

Mountain View Community Center

Cultural and Recreational Services

As part of the 2001 Audit Plan, we have completed a contract compliance audit of the Mountain View Community Center. The objective of this audit was to determine whether the Boys & Girls Club was managing and operating the Mountain View Community Center in accordance with the terms of the contract. Specifically, we reviewed the hours of operation, the activities and programs provided, usage statistics and the fee structure. The audit was conducted in accordance with generally accepted government auditing standards, except for the requirement of an external quality control review, and accordingly, included tests of accounting records and such other auditing procedures as we considered necessary in the circumstances. The audit was performed during the period of July through August 2001. The audit was requested by the Administration.

The Boys & Girls Club was operating the Mountain View Community Center in accordance with the terms of the contract. The hours of operation, activities, and programs were consistent with the intent of the contract. The fees charged were compatible with other Municipal recreation centers and public participation appeared to be satisfactory.



OFFICE OF THE INTERNAL AUDITOR

October 4, 2001

Honorable Mayor and Members of the Assembly:

The attached report is submitted for your review.

Internal Audit Report 2001-7

Real Estate Property Tax Exemptions

**Property Appraisal Division
Finance Department**

As part of the 2001 Audit Plan, we have completed an audit of real estate property tax exemptions at the Property Appraisal Division, Finance Department. The objective of this audit was to determine if real estate property tax exemptions were being properly administered. Specifically, we evaluated the process for granting exemptions, reviewed exemption files for adequacy, and tested selected exemptions for compliance with statutory requirements. We also reviewed the documentation for Alaska Seafood International, the MacKay Building, and the Knik Arm Power Plant to determine if the intent of the special exemptions was met. Our audit did not include municipal, state, federal, University of Alaska, cemetery, and sprinkler exemptions. The audit was conducted in accordance with generally accepted government auditing standards, except for the requirement of an external quality control review, and accordingly, included tests of accounting records and such other auditing procedures as we considered necessary in the circumstances. The audit was performed during the period of May through June 2001. The audit was requested by the Assembly. The draft report was provided to Management on July 19, 2001, and Management comments were received on October 1, 2001.

Property tax exemptions were not properly managed and required improvement. Weaknesses included: exemptions were not reviewed on a periodic basis to ensure they were still valid, exemption codes were not consistently removed from the database when a parcel was conveyed, and documentation in the exemption files was not always adequate to support why a particular parcel was exempted or whether an exemption was still appropriate.



OFFICE OF THE INTERNAL AUDITOR

December 4, 2001

Honorable Mayor and Members of the Assembly:

The attached report is submitted for your review.

Internal Audit Report 2001-8

Change Orders

Purchasing Department

As part of the 2001 Audit Plan, we have completed a statistical analysis of construction contract change orders. The objective of this audit was to determine the number of change orders that were processed during the period of January 1, 2000, through September 30, 2001. Specifically, we reviewed selected construction projects to determine the reasons for the change order, whether the final project costs were more than the highest bid, and the accuracy of the engineer's estimate for the project. The audit was conducted in accordance with generally accepted government auditing standards, except for the requirement of an external quality control review, and accordingly, included tests of accounting records and such other auditing procedures as we considered necessary in the circumstances. The audit was performed during the period of August through October 2001. The audit was requested by the Administration.

Between January 1, 2000, and September 30, 2001, there were 235 change orders totaling \$8,907,323 that pertained to construction contracts that were still open, having been initiated between January 1, 1997, and September 30, 2001. Overall, the change orders were processed in accordance with Title 7 and appeared to be reasonable.



December 31, 2001

Honorable Mayor and Members of the Assembly:

The attached report is submitted for your review.

Internal Audit Report 2001-9

Permit Center

**Development Services Department
Office of Planning, Development and Public Works**

As part of the 2001 Audit Plan, we have completed an audit of the Permit Center. The objective of this audit was to provide management with an assessment of the quality of customer service at the Permit Center with recommendations for improving the process. The audit was conducted in accordance with generally accepted government auditing standards, except for the requirement of an external quality control review, and accordingly, included tests of accounting records and such other auditing procedures as we considered necessary in the circumstances. The audit was performed during the period of September through October 2001.

The consolidation of permitting functions into the Development Services Department has been a good step toward improving customer service. We found it logical for all the functions that relate to obtaining a building permit, from early planning through final occupancy, to be organized beneath a single operational level manager and be located at the Permit Center. This organization should naturally lead to better coordination and cooperation between the functions, and result in improved customer service.

Throughout our review we noted areas where customer service could be improved. Employees required additional customer service training and clearly documented expectations. We also observed that the divisions within the Development Services Department and the sections within those divisions did not function as a team nor with a common vision of how things should be done. This adversely affected customer service, the efficiency of the process, and the quality of the work.

ANCHORAGE MUNICIPAL CODE 3.20

ANCHORAGE MUNICIPAL CODE 3.20

“3.20.100 Office of internal audit established; staff.

- A. There is established an office of internal audit to provide the assembly and the mayor with objective information to assist them in determining whether government operations are adequately controlled and whether the required high degree of public accountability is maintained.
1. The office of internal audit shall meet generally accepted government audit standards with regard to independence.
 2. The director of internal audit shall be appointed by the mayor with concurrence of a majority vote of the assembly.
 3. The director of internal audit may be dismissed by the mayor only for cause shown, and only with concurrence of a majority of the assembly.
 4. The director of internal audit shall be a person able to manage a professional audit staff, analyze financial records and evaluate operations for economy, efficiency and program results.
 5. The director of internal audit shall be either a certified internal auditor or a certified public accountant.
 6. The director of internal audit shall not be actively involved in partisan political activities or the political affairs of the municipality.
 7. The director of internal audit shall interact with the municipal audit committee to ensure maximum coordination between the needs of the assembly and the mayor in the development and execution of the annual audit plan.
- B. The director of internal audit shall have such assistants and employees as are necessary to perform all required duties.

(AO No. 77-359; AO No. 79-27; AO No. 80-5; AO No. 88-70(S))

Charter reference(s)--Independent audit, § 13.10."

“3.20.110 Responsibilities of the director of internal audit.

A. No later than January 31 of each year, the director of internal audit shall:

1. Prepare a draft annual audit plan;
2. Submit the draft plan to municipal audit committee members for review and comment; and
3. Finalize the plan and submit it to the municipal audit committee for final review and endorsement.

The audit plan shall be the official list of audits to be conducted by internal audit during the year. Additionally, the director of internal audit may revise the audit plan during the year to include other appropriate audits, which are consistent with the responsibilities specified in section 3.20.100, and promptly submit the revisions to municipal audit committee members for review and comment and then to the mayor and assembly for approval. Except for audits such as cash and inventory audits where, based on the professional judgment of the director of internal audit, prior notification may hinder the effectiveness of the audit, no audit to be added to the annual audit plan as a revision may commence until the audit plan is revised and approved per this subsection.

B. In addition to those audits contained in the annual audit plan outlined in subsection A of this section, audits may also be undertaken at the direction of the mayor or a majority of the assembly. The mayor will notify the assembly through an assembly information memorandum (AIM) or other appropriate means prior to commencement of such audits.

C. The director of internal audit shall cooperate with federal and state auditors and independent auditors so that the desirable audit coverage is provided and audit effort may be coordinated.

D. The director of internal audit shall have responsibility to conduct expanded scope audits of all municipal departments, agencies, authorities and activities to independently determine whether:

1. There are adequate internal administrative and accounting control systems in place and that they are functioning as intended;
2. Activities and programs being implemented have been authorized by the assembly, the mayor or this Code;
3. Activities and programs are being conducted in a manner contemplated to accomplish the objectives intended by the assembly, the mayor or this Code;
4. Activities or programs efficiently and effectively serve the purpose intended by the assembly, the mayor or this Code;

5. Activities and programs are being conducted and funds expended in compliance with applicable laws;
 6. Revenues are being properly collected, deposited and accounted for;
 7. Resources, including funds, property and personnel, are adequately safeguarded, controlled and used in a lawful, effective and efficient manner;
 8. Financial and other reports are being provided that disclose fairly and fully all information that is required by law, that is necessary to ascertain the nature and scope of programs and activities, and that is necessary to establish a proper basis for evaluating the programs and activities; and
 9. During the course of audit work, there are any indications of fraud, abuse, conflict of interest or illegal acts.
- E. Audits shall be conducted in accordance with generally accepted government auditing standards.
- F. In all matters relating to the audit work, the director of internal audit and the audit staff must be free from personal and external impairments to independence and shall maintain an independent attitude and appearance.
- G. The director of internal audit shall present conclusions, findings and recommendations, along with verbatim responses from the administration, in a written audit report.
- H. The written audit report shall be promptly presented simultaneously to the mayor and the assembly.
- I. Copies of final audit reports of the office of internal audit shall be available for public inspection during regular business hours.
- J. The duties of the director of internal audit under this section shall not be construed to replace or relieve the responsibility of any other person.
- K. This section shall not apply to the Anchorage Telephone Utility or its board of directors unless otherwise agreed by the Anchorage Telephone Utility.

(AO No. 77-359; AO No. 79-27; AO No. 88-70(S); AO No. 91-173(S); AO No. 95-165(S-1), § 2, 10-3-95)"

“3.20.120 Responsibilities of the administration when deficient conditions disclosed by audit.

A. The administration shall:

1. Plan or implement corrective action in response to reported deficient conditions within 30 days of receiving a draft internal audit report disclosing the conditions;
2. Submit to the director of internal audit a written response stating concurrence or nonconcurrence with the audit findings and action taken or planned under subsection A of this section to correct the reported deficiencies, suitable for verbatim inclusion in the final report of audit; and
3. If the response under subsection B of this section describes a plan of action, submit to the director of internal audit a second report promptly upon implementing the plan.

B. This section shall not authorize the public disclosure of material that is confidential or privileged under federal, state or local law, or material the public disclosure of which otherwise would constitute an unwarranted invasion of personal privacy.

C. This section shall not apply to the Anchorage Telephone Utility or its board of directors unless otherwise agreed by the Anchorage Telephone Utility.

(AO No. 77-359; AO No. 79-27; AO No. 88-70(S); AO No. 91-173(S))"

“3.20.130 Access to municipal information by office of internal audit.

A. In the performance of their duties under section 3.20.110, the director of internal audit and internal audit staff are authorized to have full, free and unrestricted access to:

1. All public records, as defined in section 3.90.020;
2. All activities of the municipal government;
3. All municipal property;
4. All municipal personnel; and
5. All policies, plans and procedures and records pertaining to expenditures financed by municipal funds.

B. This section shall not apply to the Anchorage Telephone Utility or its board of directors unless otherwise agreed by the Anchorage Telephone Utility.

(AO No. 77-359; AO No. 79-27; AO No. 88-70(S); AO No. 91-173(S))"