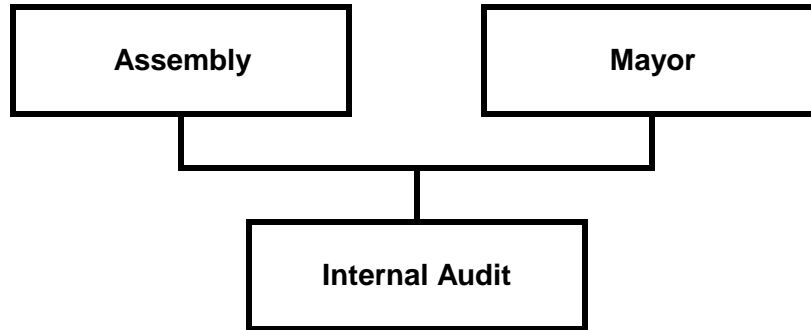


# Internal Audit



## 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**

- 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

	2018 Actuals	2019 Revised	2020 Proposed	20 v 19 % Chg
<b>Direct Cost by Division</b>				
Internal Audit	679,459	775,646	768,081	(0.98%)
<b>Direct Cost Total</b>	<b>679,459</b>	<b>775,646</b>	<b>768,081</b>	<b>(0.98%)</b>
<b>Intragovernmental Charges</b>				
Charges by/to Other Departments	(552,931)	(639,157)	(628,750)	(1.63%)
<b>Function Cost Total</b>	<b>126,527</b>	<b>136,489</b>	<b>139,331</b>	<b>2.08%</b>
Program Generated Revenue	(126,527)	(136,489)	(139,331)	2.08%
<b>Net Cost Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Direct Cost by Category</b>				
Salaries and Benefits	670,407	763,613	758,901	(0.62%)
Supplies	572	1,331	1,331	-
Travel	-	1,500	1,500	-
Contractual/Other Services	8,479	9,202	6,349	(31.00%)
Debt Service	-	-	-	-
<b>Direct Cost Total</b>	<b>679,459</b>	<b>775,646</b>	<b>768,081</b>	<b>(0.98%)</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 2019 Revised Budget to 2020 Proposed Budget**

	Direct Costs	Positions		
		FT	PT	Seas/T
<b>2019 Revised Budget</b>	775,646	5	1	-
<b>Changes in Existing Programs/Funding for 2020</b>				
- Salaries and benefits adjustments	(4,712)	-	-	-
- Fleet adjustment in line with projected fleet operations and vehicle purchases	(2,853)	-	-	-
<b>2020 Continuation Level</b>	<b>768,081</b>	<b>5</b>	<b>1</b>	<b>-</b>
<b>2020 Proposed Budget Changes</b>				
- None	-	-	-	-
<b>2020 Proposed Budget</b>	<b>768,081</b>	<b>5</b>	<b>1</b>	<b>-</b>

## Internal Audit Division Summary

### Internal Audit

(Fund Center # 106000, 106079)

	2018 Actuals	2019 Revised	2020 Proposed	20 v 19 % Chg
<b>Direct Cost by Category</b>				
Salaries and Benefits	670,407	763,613	758,901	(0.62%)
Supplies	572	1,331	1,331	-
Travel	-	1,500	1,500	-
Contractual/Other Services	8,479	9,202	6,349	(31.00%)
Equipment, Furnishings	-	-	-	-
<b>Manageable Direct Cost Total</b>	<b>679,459</b>	<b>775,646</b>	<b>768,081</b>	<b>(0.98%)</b>
Debt Service	-	-	-	-
Depreciation/Amortization	-	-	-	-
<b>Non-Manageable Direct Cost Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Direct Cost Total</b>	<b>679,459</b>	<b>775,646</b>	<b>768,081</b>	<b>-</b>
<b>Intragovernmental Charges</b>				
Charges by/to Other Departments	(552,931)	(639,157)	(628,750)	(1.63%)
<b>Function Cost Total</b>	<b>126,527</b>	<b>136,489</b>	<b>139,331</b>	<b>2.08%</b>
<b>Program Generated Revenue by Fund</b>				
Fund 101000 - Areawide General	126,527	136,489	139,331	2.08%
<b>Program Generated Revenue Total</b>	<b>126,527</b>	<b>136,489</b>	<b>139,331</b>	<b>2.08%</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)

	2018 Actuals	2019 Revised	2020 Proposed	20 v 19 % Chg
<b>Direct Cost by Category</b>				
Salaries and Benefits	670,407	763,613	758,901	(0.62%)
Supplies	572	1,331	1,331	-
Travel	-	1,500	1,500	-
Contractual/Other Services	8,479	9,202	6,349	(31.00%)
<b>Manageable Direct Cost Total</b>	<b>679,459</b>	<b>775,646</b>	<b>768,081</b>	<b>(0.98%)</b>
Debt Service	-	-	-	-
<b>Non-Manageable Direct Cost Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Direct Cost Total</b>	<b>679,459</b>	<b>775,646</b>	<b>768,081</b>	<b>(0.98%)</b>
<b>Intragovernmental Charges</b>				
Charges by/to Other Departments	(552,931)	(639,157)	(628,750)	(1.63%)
<b>Program Generated Revenue</b>				
430030 - Restricted Contributions	126,527	136,489	139,331	2.08%
<b>Program Generated Revenue Total</b>	<b>126,527</b>	<b>136,489</b>	<b>139,331</b>	<b>2.08%</b>
<b>Net Cost</b>				
Direct Cost Total	679,459	775,646	768,081	(0.98%)
Charges by/to Other Departments Total	(552,931)	(639,157)	(628,750)	(1.63%)
Program Generated Revenue Total	(126,527)	(136,489)	(139,331)	2.08%
<b>Net Cost Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

### Position Detail as Budgeted

	2018 Revised		2019 Revised		2020 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	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*

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## Internal Audit

*Anchorage: Performance. Value. Results.*

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### Performance Measures

Progress in achieving goals will be measured by:

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

	2015	2016	2017	2018	2019 Q1	2019 Q2	2019 Q3	2019 Q4
# issued	21	13	14	17	2	4		

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

	2015	2016	2017	2018	2019 Q1	2019 Q2	2019 Q3	2019 Q4
# completed	15	13	21	15	5	3		

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

	2015	2016	2017	2018	2019 Q1	2019 Q2	2019 Q3	2019 Q4
% management concurrence	100%	100%	100%	100%	100%	100%		

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

	2015	2016	2017	2018	2019 Q1	2019 Q2	2019 Q3	2019 Q4
# of staff hours to external auditors	472.5	347	444	339	30	332.75		



**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.

