
OFFICE OF INTERNAL AUDIT

2025 ANNUAL REPORT

January 27, 2026

MUNICIPALITY OF ANCHORAGE
Office of Internal Audit
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Office of Internal Audit

2025 Annual Report

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January 27, 2026

Honorable Mayor and Members of the Assembly:

Attached is the Office of Internal Audit's 2025 Annual Report for your review and information.

This report includes background information on the audit profession, a summary of the 2025 internal audit activity and the portion of the Anchorage Municipal Code pertaining to the Office of Internal Audit.

According to Anchorage Municipal Code section 3.20.100, *Office of internal audit established; staff*, the primary focus of the Office of Internal Audit is to provide the Assembly and the Mayor with objective information to assist them in determining whether government operations are adequately controlled; whether the required high degree of public accountability is maintained over public funds; and to improve the efficiency and effectiveness of Municipal government. To accomplish this, we perform audits to ensure reliability and integrity of financial records, compliance with established policies and procedures, accountability and protection of Municipal assets, and achievement of program results.

During 2025, the Office of Internal Audit issued 7 Municipal audit reports, 2 Anchorage School District audit reports, and 6 Municipal sunset audit reports. In addition, the Office of Internal Audit performed 14 Municipal special projects. Finally, we supported 53 Anchorage Police Department events.

Alden P. Thern

Director, Internal Audit



INTRODUCTION

INTRODUCTION

DEFINITION OF AUDITING

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

The audit process includes an evaluation of internal controls, examination of financial and other data, review of management systems and programs, and recommendations for improvement.

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

Internal Auditors are employees of the Municipality of Anchorage. Emphasis is on determining whether the required high degree of public accountability is maintained and 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. The emphasis is on the fairness of financial representations. The Municipal Assembly is responsible for the annual independent financial audit, annual federal single audit, and annual state single audit of all Municipal accounts. The annual audits are overseen by the Municipal Audit Committee. The certified public accounting firm of BDO USA, LLP, is currently the external auditor for the Municipality of Anchorage.

AUDIT PROCEDURES

The Office of Internal Audit performs audits in accordance with generally accepted government auditing standards, except for the requirement of an external peer review. A peer review is not performed due to budget constraints.

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

Survey - Survey work consists of discussions with agency personnel, physical inspections, review of records, and sample tests of transactions. In addition, auditors obtain an understanding of internal controls significant to the audit objectives and consider whether specific internal control procedures have been properly designed and placed in operation.

Field Work - During field work, the auditor plans and defines audit objectives, reviews and evaluates extensive data, documents findings, and develops recommendations for corrective action.

Reporting - At the end of field work, the results of the audit are communicated to officials at various levels of government. 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 and recommendations and management's responses.

SCHEDULING OF AUDITS

The Director of the Office of Internal Audit prepares an annual audit plan at the beginning of each fiscal year, which is reviewed and endorsed by the Municipal Audit Committee and approved by the Assembly and Mayor. Input is solicited from the Municipal Assembly, the Mayor, and Administration officials. 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 weak internal controls or known problems
- Safeguarding and management of Municipal assets
- Issues identified by the external auditors

In addition, audits of the Anchorage School District are requested and authorized by the Anchorage School Board Finance Committee.

DISTRIBUTION OF AUDIT REPORTS

Municipal audit reports are distributed to the Mayor, each Municipal Assembly Member, and other appropriate Municipal personnel. Anchorage School District audit reports are distributed to the Anchorage School District.

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. The Office of Internal Audit, 632 West 6th Avenue, Suite 710, PO Box 196650, Anchorage, Alaska 99519-6650, telephone (907) 343-4438, e-mail: alden.p.thern@anchorageak.gov
3. Office of Internal Audit Website: http://www.muni.org/departments/internal_audit

STAFFING OF THE OFFICE OF INTERNAL AUDIT

Current staff members are:

Alden P. Thern, Director
Scott Lee, Principal Auditor
Dalton Benson, Senior Auditor
Kevin Song, Senior Auditor
Meredith Basdaras, Senior Auditor (Anchorage School District)
Albert Dordan, Audit Technician

The current Director of the Office of Internal Audit provides the Municipality with more than 26 years of experience in various aspects of governmental operations. The current audit staff provides the Municipality with a combined total of over 32 years of auditing experience.

Government Auditing Standards Section 4.16 requires that each auditor complete, every two years, at least 80 hours of continuing professional education. At least 24 of the 80 hours should be in subjects directly related to government auditing, the government environment, or the specific or unique environment in which the audited entity operates. At least 56 of the 80 hours should be in subjects that directly enhance the auditor's professional expertise to perform audits. In addition, Government Auditing Standards Section 4.17 requires that at least 20 of the 80 hours should be completed in each year of the two-year period. The courses taken by audit staff to fulfill this requirement help keep them up to date with the latest auditing techniques and current audit issues.

INDEX OF 2025 MUNICIPAL AUDIT REPORTS

2025 MUNICIPAL AUDIT REPORTS			
NUMBER	DATE	REPORT NAME	DEPARTMENT
Not Applicable	01/30/25	2024 Annual Report	Assembly
2025-01	02/06/25	Anchorage Golf Course Contract Compliance Review	Office of the Chief Administrative Officer
2025-02	04/01/25	Workers' Compensation Claims Review	Risk Management Department
2025-03	05/29/25	Anchorage Equal Rights Commission	Assembly
2025-04	09/03/25	Anchorage Hydropower Utility Power Purchases Agreements and Payment in Lieu of Taxes Agreement	Anchorage Hydropower Utility
2025-05	10/01/25	Grant Processing, Controller Division	Finance Department
2025-06	10/15/25	Police and Fire Retiree Medical Trust 5-Year Review	Human Resource Department
2025-07	12/31/25	Harry J. McDonald Memorial Center	Parks and Recreation Department

INDEX OF 2025 ANCHORAGE SCHOOL DISTRICT AUDIT REPORTS

2025 ANCHORAGE SCHOOL DISTRICT AUDIT REPORTS

NUMBER	DATE	REPORT NAME
ASD 2025-01	5/27/25	Correspondence Allotment Spending Audit
ASD 2025-02	10/21/25	Building Access Controls

INDEX OF 2025 MUNICIPAL SUNSET AUDIT REPORTS

2025 MUNICIPAL SUNSET AUDIT REPORTS

NUMBER	DATE	COMMISSION/BOARD	DEPARTMENT
2025-S1	07/16/25	Urban Design Commission	Planning Department
2025-S2	07/16/25	On-Site Water and Wastewater Technical Review Board	Developmental Services Department
2025-S3	07/16/25	Arts Advisory Commission	Mayor's office
2025-S4	07/16/25	Municipal Women's Commission	Anchorage Health Department
2025-S5	07/16/25	Housing, Homeless and Neighborhood Development Commission	Anchorage Health Department
2025-S6	07/22/25	Americans With Disabilities Act Advisory Commission	Anchorage Assembly

INDEX OF 2025 MUNICIPAL SPECIAL PROJECTS

2025 MUNICIPAL SPECIAL PROJECTS		
DATE	SUBJECT	RECIPIENT
01/07/2025	AWWU Chemical Inventory (email report only)	AWWU
02/24/2025	Building Safety Survey 2024 – Second Half of Year	Community Development
03/03/2025	Dog Deaths Investigation	Municipal Attorney
03/17/2025	Anonymous Letter, Parks and Recreation Funds Review	
04/25/2025	Cost Validation for 3 Police Clerks	Assembly
05/06/2025	Dog Deaths Investigation (Revised)	Municipal Attorney
05/19/2025	International Union of Operating Engineers, Local 302, Cost Validation Memo	Assembly
05/23/2025	Turnagain Law Group, Vendor Invoice Review	Municipal Attorney
08/11/2025	2024/2025 Procurement Card Rebate	Purchasing Director
09/15/2025	International Association of Firefighters Local 1264 Contract Cost Validation	Assembly
09/17/2025	International Association of Firefighters Local 1264 Contract Cost Validation – Amended	Assembly
9/18/2025	International Association of Firefighters Local 1264 Contract Cost Validation – Amendment 2	Assembly
10/21/2025	Dog Deaths Investigation (2 nd Revision)	Municipal Attorney
11/18/2025	Public Transportation Department Payroll Review	Director, Public Transportation Department

INDEX OF 2025 ANCHORAGE POLICE DEPARTMENT EVENTS

2025 ANCHORAGE POLICE DEPARTMENT EVENTS

The Office of Internal Audit assists 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*. Property certified for disposal includes drugs, bicycles, cash, guns, and items sent to auction. Specifically, drugs are incinerated; bicycles are donated to the YMCA for their annual bike auction; cash is deposited into Municipal accounts; and designated guns are destroyed. In addition, other guns and items exceeding a fair market value of \$50 are transferred to the custody of the Municipal auction contractor. Proceeds from the auction are distributed into Municipal accounts. Below are the number of events where the Office of Internal Audit verified, with staff from the Anchorage Police Department's Evidence Section, items to be disposed.

2025 ANCHORAGE POLICE DEPARTMENT EVENTS	
NUMBER OF EVENTS	DISPOSAL EVENT
5	Auction Transfer
8	Bicycle Transfer
11	Cash Conversion
11	Drug Disposal Verification
11	Drug Incineration
5	Gun Transfer
2	Gun Disposal
Total = 53	

EXECUTIVE SUMMARIES FROM 2025 MUNICIPAL AUDIT REPORTS

February 6, 2025

Honorable Mayor and Members of the Assembly:

I am pleased to present for your review the **Internal Audit Report 2025-01, Anchorage Golf Course Contract Compliance Review, Office of the Chief Administrative Officer**. A summary of the report is presented below.

In accordance with the 2024 Audit Plan, we performed an audit of the Anchorage Golf Course Contract.

The objective of this audit was to determine if Anchorage Cleek Corporation reported gross receipts during 2023 and 2024 accurately for each revenue generating activity at the Anchorage Golf Course and to verify the surcharge amount collected per round of golf played. Specifically, we reviewed the cash deposits and revenue recording process to determine if the transactions were properly updating the general ledger for the different activities. In addition, we reviewed their transaction recording system's general ledger to determine whether sales of discounted items were included in reported revenue and to identify any items excluded from revenue. From the revenue reported to the Municipality, we focused on the sample months selected December 2023 and May 2024 to compare the revenue between a typical off-season versus in-season when the course is open to the public. Furthermore, after verification of the monthly revenue, we verified the accuracy of the three percent (3%) rental fee paid quarterly to the Municipality. Additionally, we verified the number of rounds stated on the quarterly calculation sheets with the monthly logs obtained from Anchorage Golf Course's transaction recording system to verify the quarterly surcharge collected. Finally, we obtained Anchorage Golf Course's rate sheets for 2023 and 2024 to determine whether the greens fee charged is within the threshold established by the Lease Agreement.

Overall, based on our review, Anchorage Cleek Corporation reported gross receipts for each revenue generating activity at the Anchorage Golf Course. We reviewed and determined that items sold at discounted prices are included in gross revenue and exclusions appear legitimate. The surcharge amount paid to the Municipality on a quarterly basis was accurate. The greens fee set by the Anchorage Cleek Corporation were found to be in compliance with the Lease Agreement.

There was no finding in connection with this audit.

Alden P. Thern

Director, Internal Audit

April 01, 2025

Honorable Mayor and Members of the Assembly:

I am pleased to present for your review the **Internal Audit Report 2025-02, Workers' Compensation Claims Review, Risk Management Department**. A summary of the report is presented below.

In accordance with the 2025 Audit Plan, we performed an audit of the Workers' Compensation Claims. The objective of this audit was to determine if there are adequate controls over processing workers' compensation claims and if the Risk Management Department was adhering to existing policies and regulations in Alaska Statute. Specifically, we reviewed samples of selected workers' compensation claims from 2023 and 2024, to determine if claims were properly processed, timely payments were made to individuals, and the reporting due dates were met in accordance with Alaska Statute. In addition, we also reviewed the Risk Management Department budget information and self-insurance rate calculations to determine the adequacy of the workers' compensation fund balance.

Overall, based on our review, we found the Risk Management Department controls over the processing of workers' compensation claims needs to be improved. Specifically, we found self-insurance rates were not adjusted to maintain the workers' compensation fund balance, and the Risk Management Department has not been calculating self-insurance rates to comply with Municipal Policy and Procedure 56-4, *Municipal Safety Program*. In addition, we found the Risk Management Department lacks comprehensive written policies and procedures or desk manuals to adequately and accurately determine the roles and responsibilities of staff in the Department. Finally, we found workers' compensation claims' medical bill payments, time loss compensation payments, and reporting due dates in Alaska Statute were not always met.

There were four findings in connection with this audit. Management comments were responsive to each audit finding and recommendation.

Alden P. Thern

Director, Internal Audit

May 29, 2025

Honorable Mayor and Members of the Assembly:

I am pleased to present for your review the **Internal Audit Report 2025-03, Anchorage Equal Rights Commission**. A summary of the report is presented below.

In accordance with the 2024 Audit Plan, we performed an audit of the Anchorage Equal Rights Commission. The objective of this audit was to determine the overall operational effectiveness and efficiency of Anchorage Equal Rights Commission's operations from 2022 to 2024, including personnel resources. To accomplish our objective, we reviewed Anchorage Equal Rights Commission's past and present staffing levels and budgets to determine if there were any significant changes that would impact its operations. We also reviewed the Closed Complaints Reports from Time Matters to determine if cases received by Anchorage Equal Rights Commission were resolved in a timely manner as required by the applicable Anchorage Municipal Code. Lastly, we reviewed expenses in SAP financial records for any inconsistencies.

Our audit revealed that improvements in operational efficiency and budget management are needed at the Anchorage Equal Rights Commission. Specifically, the Anchorage Equal Rights Commission did not always issue determinations within the 240 days stated in the Anchorage Municipal Code. In addition, the Anchorage Equal Rights Commission did not have established internal policies and procedures, or desktop manuals to document operational processes. Moreover, we found deficiencies in maintaining up-to-date information and record keeping. Furthermore, the Anchorage Equal Rights Commission did not track outreach performance, and overall efforts appear to have little to no impact on the number of inquiries received. Finally, our review found a lack of financial oversight from Anchorage Equal Rights Commission management.

There were five findings in connection with this audit. Management comments were responsive to each audit finding and recommendation.

Alden P. Thern

Director, Internal Audit

September 3, 2025

Honorable Mayor and Members of the Assembly:

I am pleased to present for your review the **Internal Audit Report 2025-04, Anchorage Hydropower Utility Power Purchases Agreements and Payment in Lieu of Taxes Agreement, Anchorage Hydropower Utility**. A summary of the report is presented below.

In accordance with the 2025 Audit Plan, we performed an audit of the Anchorage Hydropower Utility Power Purchases Agreements and Payment in Lieu of Taxes Agreement. The objective of this audit was to determine the accuracy of the revenues to Anchorage Hydropower Utility in compliance with the Power Purchasing Agreements and any other pertinent contracts with other utilities. Specifically, we reviewed the Chugach Electric Association and Matanuska Electric Association Power Purchasing Agreement payments between 2020 and this date and we also reviewed the Chugach Electric Association estimated Payment in Lieu of Taxes calculations between 2021 and 2025.

Overall, our audit found that Anchorage Hydropower Utility generally complied with the Power Purchasing Agreements and other pertinent contracts with our utilities. However, we identified some improvements were needed. Specifically, our review revealed that Anchorage Hydropower Utility did not have adequate resources to perform its essential tasks, and Matanuska Electric Association did not adhere to certain provisions of its Power Purchasing Agreement with the Municipality of Anchorage.

There were two findings in connection with this audit. Management comments were generally responsive to each audit finding and recommendation. Specifically, management agreed with the finding and recommendation on the first finding, and Management agreed with the audit finding but disagreed with the recommendation of the second finding. However, after reviewing management's rationales for their disagreement, we determined their disagreement has merit and management's response supported the reasoning.

Alden P. Thern

Director, Internal Audit

October 01, 2025

Honorable Mayor and Members of the Assembly:

I am pleased to present for your review the **Internal Audit Report 2025-05, Grant Processing, Controller Division**. A summary of the report is presented below.

In accordance with the 2025 Audit Plan, we performed an audit of Grant Processing. The objective of this audit was to determine whether the processing of grants at the Anchorage Health Department, the Public Transportation Department, and the Office of Emergency Management complied with their grant contracts and Municipal Policies and Procedures. Specifically, we reviewed selected grant reporting periods for multiple Anchorage Health Department, Public Transportation Department, and Office of Emergency Management grants to determine the timeliness, accuracy, and completeness of grant financial reporting. In addition, we analyzed if written grant processing procedures, policies, and training were adequate.

Overall, based on our review, we found the processing of grants at the Anchorage Health Department, the Public Transportation Department, and the Office of Emergency Management needs to be improved. Specifically, our review found that amounts in grant reporting documents did not always match, and grant reporting records were not always maintained by Grant Accounting staff. In addition, Grant Accounting did not always provide department staff with grant reporting documents to review in a timely manner, and Office of Emergency Management staff circumvented grant reporting requirements. Moreover, financial reporting to the Grantor was not always completed on time, and grant training provided to Municipal departments was not sufficient. Finally, Grant Accounting lacks comprehensive written Policies and Procedures or desk manuals to adequately and accurately determine the roles and responsibilities of department staff on grant processes, and the Office of Emergency Management lacks internal written procedures or desk manuals determining the roles and responsibilities of staff in grant processing.

There were eight findings in connection with this audit. Management comments were responsive to each audit finding and recommendation.

Alden P. Thern

Director, Internal Audit

October 15, 2025

Honorable Mayor and Members of the Assembly:

I am pleased to present for your review the **Internal Audit Report 2025-06, Police and Fire Retiree Medical Trust Five-Year Review, Human Resources Department**. A summary of the report is presented below.

In accordance with the 2025 Audit Plan, we performed an audit of Police and Fire Retiree Medical Trust Five-Year Review. The objective of this audit was to perform the sixth five-year (January 1, 2020, through December 31, 2024) review of the operation of the Program as required by Anchorage Municipal Code subsection 3.87.070.A. Specifically, we reviewed the operation of the Program to determine whether it was being operated in compliance with Anchorage Municipal Code chapter 3.87, including the accuracy of monthly trust contributions and participant transactions.

Overall, based on our review, we found the Retiree Medical Funding Program for Police Officers and Firefighters was operated in compliance with Anchorage Municipal Code chapter 3.87. Trust contributions were properly adjusted annually for the Medical Consumer Price Index. In addition, we found that members' individual Health Reimbursement Agreement accounts were properly credited with the correct monthly contribution amount matching the members' class. Finally, we found that Prefunding was adequately funded as required by the Anchorage Municipal Code 3.87.060 and correct payments being made from Prefunding to the Retiree Medical Funding Program for Police Officers and Firefighters.

There was no finding in connection with this audit.

Alden P. Thorn

Director, Internal Audit

December 31, 2025

Honorable Mayor and Members of the Assembly:

I am pleased to present for your review the **Internal Audit Report 2025-07, Harry J. McDonald Memorial Center, Parks and Recreation Department**. A summary of the report is presented below.

In accordance with the 2025 Audit Plan, we performed an audit of the Harry J. McDonald Memorial Center, Parks and Recreation Department. The objective of this audit was to determine if Fire Lake Arena Management, Inc. (Contractor) was in compliance with the contract requirements. Specifically, we determined if the Contractor submitted its budget and expenditures for approval; if the Contractor was in compliance with the contract's insurance and bond requirement; if the Contractor provided reports and documents required by the contract; if the Contractor made payments to the reserve account required by the contract; if the Contractor was in compliance with the contract's requirement for controlling properties; and if the Contractor was in compliance with other pertinent contract requirements.

Our audit revealed that the Contractor's compliance to the contract needs improvement. Specifically, the Contractor had deficiencies in recordkeeping and numerous inconsistencies within their financial records; incurred expenses not included in the original budget and made changes to the budget without obtaining prior approval from the Administrator; and paid end-of-year bonuses to employees despite being over their salary/wage budget and ending the fiscal year at a loss. In addition, the Contractor has yet to submit audited financial statements for fiscal years 2021 to 2024; is currently in a pending investigation involving a former employee related to alleged misappropriation of resources; and calculated retainage payments incorrectly and did not always track the payments in the annual budget. Moreover, the Contractor did not always submit annual budget proposals in a timely manner, has not adhered to the due dates for monthly submittals established by the Administrator, and engaged into a subcontract exceeding \$10,000 without prior written approval from the Administrator. Finally, the Contractor did not perform the annual inventory, resulting in some capitalizable assets remaining untagged, and has not submitted the required preventative maintenance plan due each year.

There were 11 findings in connection with this audit. Management was responsive to the findings and recommendations.

Alden P. Thern

Director, Internal Audit

**EXECUTIVE SUMMARIES FROM
2025 ANCHORAGE SCHOOL DISTRICT AUDIT
REPORTS**

May 27, 2025

Anchorage School District Superintendent and Members of the School Board:

I am pleased to present for your review **ASD Internal Audit Report 2025-01, Correspondence Allotment Spending Audit, Anchorage School District**. A summary of the report is presented below.

We have completed an audit of the Anchorage School District's, Correspondence Allotment Spending Audit. The objective of this audit was to determine if the Anchorage School District properly monitors and accounts for correspondence allotment spending. To achieve our objective, we selected and reviewed reimbursed allotment spending to ensure that the spending complied with the applicable Correspondence Program State Regulations and Anchorage School District policies. In addition, we visited the three correspondence schools and interviewed staff to understand the school's correspondence spending process and reviewed the higher dollar purchases for each correspondence school.

Our audit found that the Anchorage School District's controls over correspondence allotment spending needs improvements. Specifically, we identified some inconsistent practices in reimbursing educational expenses among the correspondence schools and multiple purchases that appeared to include curriculum that was purchased from religious organizations with student allotment funds. In addition, we identified some instances where reimbursements appeared excessive and did not always appear to serve the public's interest. Moreover, our review revealed the correspondence schools did not require non-consumable materials to be returned to the Anchorage School District when students withdrew from the program. Furthermore, we identified correspondence school purchase request procedures were not always followed. Finally, we found there were no clear guidelines to define core course requirements. As a result, it was difficult to determine if academic goals were being met.

There were six findings in connection with this audit. Management was responsive to the findings and recommendations.

Alden P. Thern
Director, Internal Audit

October 21, 2025

Anchorage School District Superintendent and Members of the School Board:

I am pleased to present for your review **ASD Internal Audit Report 2025-02, Building Access Controls, Anchorage School District**. A summary of the report is presented below.

We have completed an audit of the Anchorage School District's Building Access Controls. The objective of this audit was to determine if the District is adequately controlling access to their buildings. Our audit included a review of policies and procedures related to building access to determine if the policies and procedures were being enforced. In addition, we visited school and department buildings to evaluate building access, and reviewed records of keys and fobs issued to employees and contractors.

Our audit found that the Anchorage School District's controls over building access need to be improved. Specifically, our review found work orders for building access, specific to exterior doors, needs review as the work orders were not always resolved timely. In addition, we found building access to schools and departments were not always secure, and found multiple storage units were not secure after operating hours. Moreover, we found some processes within the Key Control Procedures were not always followed. Finally, the list of fob holders we received from the schools did not always match the list of fob holders we received from the support department.

There were five findings in connection with this audit. Management was responsive to the findings and recommendations.

Alden P. Thern
Director, Internal Audit

EXECUTIVE SUMMARIES FROM 2025 MUNICIPAL SUNSET AUDIT REPORTS

July 16, 2025

Honorable Mayor and Members of the Assembly:

I am pleased to present for your review the **Sunset Audit Report 2025-S1, Urban Design Commission, Planning Department**. A summary of the report is presented below.

In accordance with Assembly Ordinance Number 2011-64(S-1), Section 14, we have performed a sunset audit of the Urban Design Commission. The objective of this audit was to provide information to the Mayor and Assembly to assist them in determining if the Urban Design Commission should be reauthorized. Our audit included a review of documents pertaining to matters such as meeting agendas, meeting minutes, resolutions, member authorization, and member participation.

Based on our review of documents pertaining to matters such as meeting agendas, meeting minutes, resolutions, member authorization, and member participation, we recommend that the Urban Design Commission be reauthorized.

The Urban Design Commission will sunset October 14, 2025, unless reauthorized by the Assembly.

Alden P. Thern

Director, Internal Audit

July 16, 2025

Honorable Mayor and Members of the Assembly:

I am pleased to present for your review the **Sunset Audit Report 2025-S2, On-Site Water and Wastewater Technical Review Board, Development Services Department**. A summary of the report is presented below.

In accordance with Assembly Ordinance Number 2011-64(S-1), Section 14, we have performed a sunset audit of the On-Site Water and Wastewater Technical Review Board. The objective of this audit was to provide information to the Mayor and Assembly to assist them in determining if the On-Site Water and Wastewater Technical Review Board should be reauthorized. Our audit included a review of documents pertaining to matters such as meeting agendas, meeting minutes, presentations to the On-Site Water and Wastewater Technical Review Board, member authorization, and member participation.

Based on our review of documents pertaining to matters such as meeting agendas, meeting minutes, presentations to the On-Site Water and Wastewater Technical Review Board, member authorization, and member participation, we recommend that the On-Site Water and Wastewater Technical Review Board be reauthorized.

The On-Site Water and Wastewater Technical Review Board will sunset October 14, 2025, unless reauthorized by the Assembly.

Alden P. Thern

Director, Internal Audit

July 16, 2025

Honorable Mayor and Members of the Assembly:

I am pleased to present for your review the **Sunset Audit Report 2025-S3, Arts Advisory Commission, Mayor's Office**. A summary of the report is presented below.

In accordance with Assembly Ordinance Number 2011-64(S-1), Section 14, we have performed a sunset audit of the Arts Advisory Commission. The objective of this audit was to provide information to the Mayor and Assembly to assist them in determining if the Arts Advisory Commission should be reauthorized. Our audit included a review of documents pertaining to matters such as meeting minutes, meeting agendas, topics discussed at Arts Advisory Commission meetings, member authorization, and member participation.

Based on our review of documents pertaining to matters such as meeting minutes, meeting agendas, topics discussed at Arts Advisory Commission meetings, member authorization, and member participation, we recommend that the Arts Advisory Commission be reauthorized.

The Arts Advisory Commission will sunset October 14, 2025, unless reauthorized by the Assembly.

Alden P. Thern

Director, Internal Audit

July 16, 2025

Honorable Mayor and Members of the Assembly:

I am pleased to present for your review the **Sunset Audit Report 2022-S4, Municipal Women's Commission, Anchorage Health Department**. A summary of the report is presented below.

In accordance with Assembly Ordinance Number 2011-64(S-1), Section 14, we have performed a sunset audit of the Municipal Women's Commission. The objective of this audit was to provide information to the Mayor and Assembly to assist them in determining if the Municipal Women's Commission should be reauthorized. Our audit included a review of documents pertaining to matters such as meeting agendas, meeting minutes, Municipal Women's Commission correspondence, member authorization, and member participation.

Based on our review of documents pertaining to matters such as meeting agendas, meeting minutes, Municipal Women's Commission correspondence, member authorization, and member participation, we recommend that the Municipal Women's Commission be reauthorized.

The Municipal Women's Commission will sunset October 14, 2025, unless reauthorized by the Assembly.

Alden P. Thern

Director, Internal Audit

July 16, 2025

Honorable Mayor and Members of the Assembly:

I am pleased to present for your review the **Sunset Audit Report 2025-S5, Housing, Homeless and Neighborhood Development Commission, Anchorage Health Department**. A summary of the report is presented below.

In accordance with Assembly Ordinance Number 2011-64(S-1), Section 14, we have performed a sunset audit of the Housing, Homeless and Neighborhood Development Commission. The objective of this audit was to provide information to the Mayor and Assembly to assist them in determining if the Housing, Homeless and Neighborhood Development Commission should be reauthorized. Our audit included a review of documents pertaining to matters such as meeting minutes, meeting agendas, resolutions, member authorization, and member participation.

Based on our review documents pertaining to matters such as meeting minutes, meeting agendas, resolutions, member authorization, and member participation, we recommend that the Housing, Homeless and Neighborhood Development Commission be reauthorized.

The Housing, Homeless and Neighborhood Development Commission will sunset October 14, 2025, unless reauthorized by the Assembly.

Alden P. Thern

Director, Internal Audit

July 22, 2025

Honorable Mayor and Members of the Assembly:

I am pleased to present for your review the **Sunset Audit Report 2025-S6, Americans With Disabilities Act Advisory Commission, Anchorage Equal Rights Commission**. A summary of the report is presented below.

In accordance with Assembly Ordinance Number 2011-64(S-1), Section 14, we have performed a sunset audit of the Americans With Disabilities Act Advisory Commission. The objective of this audit was to provide information to the Mayor and Assembly to assist them in determining if the Americans With Disabilities Act Advisory Commission should be reauthorized. Our audit included a review of documents pertaining to matters such as meeting minutes, meeting agendas, resolutions, member authorization, and member participation.

Based on our review documents pertaining to matters such as meeting minutes, meeting agendas, resolutions, member authorization, and member participation, we recommend that the Americans With Disabilities Act Advisory Commission be reauthorized.

The Americans With Disabilities Act Advisory Commission will sunset October 14, 2025, unless reauthorized by the Assembly.

Alden P. Thern

Director, Internal Audit

ANCHORAGE MUNICIPAL CODE CHAPTER 3.20

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“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 not be actively involved in partisan political activities or the political affairs of the municipality.
 6. 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— Independent audit, § 13.10.

Cross reference— Principal executive personnel, boards and commissions, § 1.35.010.”

“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.

(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; AO No. 2015-23(S), § 4, 3-24-15)”

“3.20.120 Responsibilities of 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.

(AO No. 77-359; AO No. 79-27; AO No. 88-70(S); AO No. 91-173(S); AO No. 2015-23(S), § 5, 3-24-15)”

“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.

(AO No. 77-359; AO No. 79-27; AO No. 88-70(S); AO No. 91-173(S); AO No. 2015-23(S), § 6, 3-24-15)”