

**City Auditor's Office**  
**Proposed Internal Audit Plan for FY 2018-19**

	Description	Objectives	Estimated Hours
1.	<p>Economic Development</p> <p><i>(This is a significantly important function for the City. Attracting major businesses to the City generates economic impact, additional jobs and contributes to welfare of the City.)</i></p>	<ol style="list-style-type: none"> <li>1. To evaluate process and strategy to pursue Economic Development,</li> <li>2. Determine adequacy and effectiveness of controls, and</li> <li>3. Verify compliance with laws, policies, and regulations.</li> </ol>	350
2.	<p>Accounts Payable</p> <p><i>(The City processes over \$300 million through the Accounts payable process. Having effective internal controls over this process is critical.)</i></p>	<p>Determine adequacy and effectiveness of controls.</p>	350
3.	<p>Procurement</p> <p><i>(The City processes over \$300 million through the Procurement process. Having effective internal controls over this process is critical.)</i></p>	<p>Determine adequacy and effectiveness of controls.</p>	350
4.	<p>Capital Project Administration and Compliance on Selected Project</p> <p><i>(The City has budgeted \$500 million for Capital Projects. This process requires working with several regulations and policies. Magnitude of amount committed to each project requires existence of proper controls.)</i></p>	<ol style="list-style-type: none"> <li>1. Determine adequacy and effectiveness of controls,</li> <li>2. Verify compliance with laws, policies, and regulations., and</li> <li>3. Evaluate efficiencies of process.</li> </ol>	300
5.	<p>Roadway Quality Management</p> <p><i>(Roadways represent a significant infrastructure asset. Proper maintenance and replacement of this asset is essential for quality of Citizens' lives. In addition, untimely maintenance could result in exponential additional costs for the City to rectify the damage occurred.)</i></p>	<ol style="list-style-type: none"> <li>1. Determine adequacy and effectiveness of controls,</li> <li>2. Verify compliance with laws, policies, and regulations, and</li> <li>3. Evaluate efficiencies of process.</li> </ol>	350

	<b>Description</b>	<b>Objective</b>	<b>Estimated Hours</b>
6.	<p>Utility Cuts Audit</p> <p><i>(Utilities need to dig roadways for installing their infrastructure. If the repairs to roadways is not performed adequately, it impacts quality of roadways.)</i></p>	<ol style="list-style-type: none"> <li>1. Determine adequacy and effectiveness of controls, and</li> <li>2. Verify compliance with laws, policies, and regulations.</li> </ol>	250
7.	<p>Water Loss Audit</p> <p><i>(Water Department could lose substantial quantity of water they produce during distribution process. This loss could be attributed to water leaks or faulty meters. There are methodologies established by American Water Works Association to perform this audit.)</i></p>	Determine adequacy and effectiveness of controls.	200
8.	<p>DME Energy Management Office Effectiveness</p> <p><i>(Energy Management Office trades electricity. Several City Council members have shown concerns with this operation. Since several million dollars in trades are made in this office, evaluation of the risks involved and adequacy of controls is necessary.)</i></p>	Determine adequacy and effectiveness of controls.	300
9.	<p>Police Property Room</p> <p><i>(This operation stores evidence, confiscated drugs, cash, guns and other properties. Due to the nature of properties stored and the significance of their value for underlying cases, having proper controls in place is critical.)</i></p>	<ol style="list-style-type: none"> <li>1. Determine adequacy and effectiveness of controls.</li> <li>2. Verify compliance with laws, policies, and regulations.</li> </ol>	250
10.	<p>Police Overtime</p> <p><i>(The Police Department spends an estimated \$1.5 million annually on overtime. This audit will review internal controls and efficiency of managing Police overtime)</i></p>	Determine adequacy and effectiveness of controls.	350
11.	<p>Ethics Board Support</p> <p><i>(City Auditor is charged by the Ethics Ordinance to provide administrative support to the Ethics Board.)</i></p>	Administrative Support	200
12.	<p>Fraud, Waste, and Abuse Cases</p> <p><i>(The City Auditor is responsible for investigating complaints received on fraud, waste, and abuse hotline.)</i></p>	Investigations	250

**Additional options if the City Council Does not accept any of the above audits:**

	<b>Description</b>	<b>Objectives</b>	<b>Estimated Hours</b>
1	<p>Payroll Administration</p> <p><i>(FY 2018-19 budgeted personnel services total \$166 million. These expenditures are processed through the City's payroll system.)</i></p>	Evaluate internal controls including compliance with policies, procedures, and laws.	350
2	<p>Grants Management</p> <p><i>(The City received \$125 million in grants from State and Federal governments. Compliance with grant conditions is critical for continuing this revenue source.)</i></p>	Evaluate internal controls including compliance with policies, procedures, and laws.	300
3	<p>Franchise Fees Audit</p> <p><i>(The City's franchise fees revenue is expected to be \$17.8 million for FY 2018-19. This revenue is governed by the relevant City ordinance.)</i></p>	Compliance with City Ordinance.	350
4	<p>Risk Management Audit</p> <p><i>(The City's risk management function ensures that the City is properly protected from unforeseen risks. Having effective risk management is essential to prevent future losses.)</i></p>	Evaluation of effectiveness of the function.	350