

# **Fiscal Year 2007 Audit Plan**



*Presented by*

***City Auditor's Office***

*Patrice Randle, City Auditor  
Craig Terrell, Assistant City Auditor  
Anatoli Douditski, Internal Auditor  
Roshan Jayawardene, Internal Auditor  
Terri Abrams, Office Assistant*

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## **Introduction**

The purpose of the Fiscal Year 2007 Audit Plan is to outline audits and other activities the City Auditor's Office plans to conduct during the fiscal year. The Plan is developed to satisfy applicable auditing standards and responsibilities established by Section 2.05 H.1. of City Ordinance 05-078, as amended. The Plan is a working document in that the City Auditor may make changes to the Plan, as deemed necessary in professional judgment. However, the City Council will be notified of any significant additions, deletions, or other changes.

The Audit Plan includes audits related to internal controls and reporting; compliance with laws, policies and regulations; economic and efficient use of resources; and follow-up. Audits included in the Plan were primarily identified through our risk assessment, which helped us to identify audits with significant financial, managerial, and compliance risks or significant risks related to the use of information technology. Audits included in the FY 2006 Audit Plan that were not conducted, but are considered vulnerable areas, were also included.

Planned audits for Fiscal Year 2007 are listed on the following pages. While general audit objectives are included in the Plan, specific audit objectives will be determined once staff has completed preliminary surveys related to each audit. During the preliminary surveys, staff will establish familiarity with the department and/or function by conducting background interviews and research. At that time, potential issues will be identified and the specific audit objectives and methodology will be developed.

## **Audits**

### ***Jail Operations***

To evaluate controls over police jail operations to determine if resources are used efficiently and effectively and to ensure that the City is in compliance with applicable laws, policies and regulations

### ***Chamber of Commerce***

To ensure proper use of City funding and to evaluate achievement of the City's intended results

### ***Parks Programs***

To evaluate controls over programs to determine if resources are used efficiently and effectively and to ensure that the City is in compliance with applicable laws, policies and regulations

### ***CityNet\****

To review implementation and application controls to ensure that the financial and human resource systems support accurate, reliable and timely processing. CityNet will be audited by the following components: a) timekeeping/Kronos; b) payroll processing; c) financial recording and reporting; d) purchasing; and e) inventory.

### ***Development Tracking System (Amanda)\****

To review implementation and application controls to ensure that the new permits system supports accurate, reliable and timely processing and to evaluate the system's effect on enhancing customer service

### ***Traffic (CarteGraph)***

To review implementation and application controls to ensure that the new traffic system supports accurate and reliable processing

### ***Cash Handling\****

To evaluate city-wide controls to ensure that an adequate separation of duties exists and that City funds are accounted for, adequately safeguarded, and deposited in a timely manner

### ***Police Property Room***

To evaluate controls to ensure that property is properly safeguarded and accounted for and to ensure that the City is in compliance with applicable procedures, laws and regulations

### ***Follow-Up Audits***

To assess the status of prior audit recommendations within one year following the release of the prior audit report. Follow-up results are communicated via a written audit report.

### ***External Audit Assistance***

To assist the external auditors with audit fieldwork related to the City's annual financial audit and Single Audit for fiscal year ended September 30, 2006.

***Unassigned Audit Hours***

A total of 400 unassigned hours has been set aside to perform special audits, investigations, and/or projects requested by the City Council and/or the City Manager.

**Routine Reviews**

In addition to planned audits, Internal Audit may review the following functions or processes that are smaller in scope than an audit, but are still important.

***Cash Counts***

To determine whether monies collected City-wide are accounted for and adequately safeguarded. *This activity will include routine unannounced verifications of petty cash funds, change funds, etc. The results will be communicated via interoffice memorandum.*

***Asset Verifications***

To determine whether assets acquired with City funds are properly accounted for. *This activity will include routine unannounced verifications of non-capital equipment such as audio/visual equipment, vehicle tires, etc. The results will be communicated via interoffice memorandum.*

***Vendor Contracts***

To determine whether vendors are invoicing the City (and the City is paying) in accordance with the vendor's bid and/or contract. *This activity will include a review of City contracts and Accounts Payable files. The results will be communicated via interoffice memorandum.*