

Fiscal Year 2011 Annual Audit Plan



Presented by
City Auditor's Office

Patrice Randle, City Auditor
Craig Terrell, Assistant City Auditor
Roshan Jayawardene, Internal Auditor
Lee Hagelstein, Internal Auditor
Michelle Brown, Staff Auditor

Table of Contents

Introduction

Audits

- Airport Operations
- Ambulance Services
- Asset Accountability
- Continuous Monitoring
- Donations
- External Audit Assistance
- Fuel Costs
- Red Light Cameras
- Revenue (leases, service charges, miscellaneous, etc.)
- Special Assignments
- Follow-Up Audits
 - Animal Services
 - Franchise Fees
 - Payroll Expenditures
 - Health Benefits
 - Jail Operations
 - Handitran Operations
 - Budgetary Process
 - American Recovery and Reinvestment Act (ARRA)

Introduction

The purpose of the Fiscal Year 2011 Annual 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, to reflect changing risks. However, the City Council will be notified of any significant additions, deletions, or other changes.

Audits included in the Fiscal Year 2011 Annual Audit Plan were primarily identified through our risk assessment. Due to a challenging economy, the Plan was developed by placing emphasis on auditable functions that could result in cost reductions, cost recovery, and/or revenue enhancement. 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. Since staff reductions can sometimes result in less effective internal controls (e.g., inability to adequately segregate duties), the Fiscal Year 2011 Annual Audit Plan also takes into account the opportunity for risk of fraud, waste and abuse.

Planned audits for Fiscal Year 2011 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 included in the Fiscal Year 2011 Annual Audit Plan are based on estimated available audit staff hours, and includes a total of 400 unassigned hours that have been set aside to perform special audits, investigations, and/or projects as directed by the Mayor and City Council. The Annual Audit Plan also takes into account audits that were started, but not completed, during Fiscal Year 2010.

Audits

Airport Operations

To evaluate the effectiveness and efficiency of airport operations, ensure vendor compliance with City contracts and ordinances, and ensure City compliance with federal regulations and requirements.

Ambulance Services

To ensure vendor compliance with the existing contract and verify adequate managerial oversight by City staff.

Asset Accountability

To ensure that assets procured on behalf of the City exist and are adequately safeguarded, and to determine whether inventory levels are appropriate.

Continuous Monitoring

To utilize computer assisted audit techniques to review financial transactions on a continuous basis to ensure compliance with policies, procedures, and regulations. Interim reports will be provided as exceptions are identified. A final report summarizing all monitoring results will be provided at the end of the fiscal year.

Donations

To ensure that donations are properly receipted/recorded and expended for the specified purpose.

External Audit Assistance

To assist the external auditor with the annual audit for the fiscal year ended September 30, 2010.

Fuel Costs

To determine whether the City's fuel procurement process minimizes fuel costs and whether current oversight and monitoring of fuel activity helps ensure accountability for fuel usage.

Red Light Cameras

To ensure that the City's red light camera program is in compliance with applicable law and that revenue generated from the program is properly receipted, accounted for and safeguarded.

Revenue (leases, service charges, miscellaneous, etc.)

To determine whether revenue is collected in accordance with City ordinance, is properly recorded and accounted for, and to ensure that an adequate separation of duties or other adequate compensating controls exist.

Special Assignments

To audit areas requested by the Mayor and City Council.

Follow-Up Audits

To assess the implementation status of prior internal audit recommendations.