



June 27, 2023

Mayor and Council:

Enclosed is the proposed Audit Plan covering Fiscal Year 2023-2024 for the City's Independent Internal Audit Program (IIAP). The plan includes a total of 10 audits; one will be conducted using internal resources and nine will be conducted using contracted third-party firms.

In developing this plan, IIAP staff conducted a risk assessment guided by a defined criterion that included input from department directors and evaluation of control effectiveness, as well as local government audit industry trends. This effort resulted in an extensive list of potential areas for audit within the City. We then prioritized these potential areas based on the result of the risk assessment and developed the enclosed proposed audit plan.

IIAP staff believes this plan provides adequate coverage across City departments, programs, and activities and recognizes the concerns of the Council and Management. This proposed plan was discussed and approved at the June 7, 2023, Council-appointed Audit Committee meeting. As required by the City Code, I am now requesting approval of the proposed plan by the full Council.

Respectfully submitted,

Mike Kingery
Independent Internal Audit Program Manager

Proposed FY24 Audit Plan

June 27, 2023

Department	Program	Auditor	Potential Scope
Water Services	Regulatory mandates/ compliance	External Firm	Determine population of regulatory responsibilities and assess funding and compliance efforts, including potential risks of non-compliance. Review reporting for compliance and operational success; focus on UNFUNDED mandates, like lead, copper, PFOs, PFAs.
Community Services	Selected programs/services assessment (performance)	External Firm	Review of CAP and/or Library division to assess program alignment with dept and City strategic goals; identify, prioritize, and assess success of programs, and determine feasibility of continuing each based on staff expertise/size and budget; assess measurement of effectiveness, efficiency, and economical metrics.
Economic Development	Selected programs/services assessment (performance)	External Firm	Assess how EconDev prioritizes services provided and determine how efficient, effective, and economical they are and how they align with dept and City strategic goals; assess impact on/by other City depts; assess management of contracts and risks; assess effectiveness of systems utilized and accuracy of fee estimates for clients.
Innovation & Technology (IT)	Inventory of all IT software (performance)	External Firm	Determine inventory of all software used across the City; assess level of IT involvement (if any) and determine if least privilege access is sufficient and appropriate. Assess population to test for missing contracts, volume going through CDW vs. stand alone, and discrepancies between GASB 96, data surveys, and software packages reported.
Transportation	Traffic signal shop (performance)	External Firm	Assess how dept identifies outages and timeliness of response; determine how efficient, effective, and economical dept is for incident resolution. Determine if equipment, inventory, staff expertise/size, budget and overall operations are optimized to resolve issues timely.
Fire Department	NFPA 1500 compliance	External Firm	Determine level of compliance across the Fire Dept, including training available, completed, documented, and tracked.

Proposed FY24 Audit Plan

June 27, 2023

Department	Program	Auditor	Potential Scope
Transportation	Illegal dumping and/or homeless camp clean-up (performance)	External Firm	Assess how City prevents, identifies, and addresses illegal dumping and cleaning up homeless camps across the City. Determine if processes are efficient, effective, and economical; compare strategies and success against other cities in region (use of task forces, hotlines, partnering with citizen groups, vendors, other cities); assess options and potential strategies for prevention and fixes concerning both issues.
Parks & Recreation	Facilities conditions (performance & compliance)	External Firm	Assess risk assessment of facilities done by dept; consider physical safety, ADA access and compliance, and overall asset management of facilities operated by Parks & Recreation. Assess strategic plans to prioritize fixes and determine how effective, efficient, and economical solutions are.
Field Operations	Landfill regulatory compliance	External Firm	Review of onsite operations, dust abatement, training, reporting, and tracking of compliance-related landfill operations. Assess with respect to being efficient, effective, and economical, including history of violations and/or fines.
HR/Budget & Finance	Payroll analytics (continuous monitoring)	Internal Resources	Development and implementation of payroll analytics to continuously monitor identified controls. This will be the initial build of ongoing analytics to review only potential issues moving forward. Process will need to be in place 4-6 months to build up sufficient data to assess usefulness of analytics and how quickly exceptions are identified and resolved.

NOTE:

During FY24, IIAP will complete a rebuild of the current Risk Assessment process to simplify and streamline the exercise, providing more consistent, comparable risks that can be measured across departments in terms of impact and likelihood.