

RESOLUTION NO. 002023

PASSED November 16, 2001

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF GAINESVILLE, FLORIDA RELATING TO APPROVING AND ADOPTING THE ANNUAL AUDIT PLAN FOR THE OFFICE OF THE CITY AUDITOR FOR THE PERIOD OCTOBER 1, 2001 THROUGH SEPTEMBER 30, 2002

WHEREAS, formal responsibilities and administrative procedures for the Office of the City Auditor were established by City Commission Resolution 970187 on August 11, 1997; and

WHEREAS, such procedures require the development of an annual audit plan in order to ensure adequate audit coverage during the period;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF GAINESVILLE, FLORIDA:

Section 1. That the City Auditor is authorized to carry out the audits and other projects as described in the ANNUAL AUDIT PLAN attached hereto as EXHIBIT A.

Section 2. This Resolution shall take effect immediately from and after its adoption in accordance with the provisions of the Charter of the City of Gainesville, and it is accordingly so resolved.

PASSED AND ADOPTED this 16th day of November 2001



Thomas D. Bussing, Mayor


Approved as to Form and Legality



Marion J. Radson, City Attorney

NOV 16 2001

ATTEST:



Kurt M. Lannon, Clerk of the Commission

EXHIBIT A
CITY OF GAINESVILLE
OFFICE OF THE CITY AUDITOR
FY 2002 ANNUAL AUDIT PLAN

Revenue Audits

Budgeted Revenue Estimates
Utility Revenues (in process)

Operational Audits

Human Relations Programs:

- Equal Opportunity
- Affirmative Action
- Minority/Small Business Enterprise

General Government Procurement Card Program

Housing Division

Utility Disbursements

Citizen Awareness, Access, Utilization and Satisfaction with Services (CAAUSS)

Compliance Audits

Combined Communication Center Expenditures and Call Data Statistics

Controlled Substance Security (Gainesville Fire Rescue)

Special Investigations Division (GPD)

Central Florida Community Action Agency (CFCAA)

Payroll Payoffs

Petty Cash

Follow-up Audits

Classification Reviews and New Positions

Code Enforcement

Cox Cable and City Administrative Procedures

Employee Compensation

General Government Investments

Ironwood Golf Course Revenues

Law Enforcement Contraband Forfeiture Fund

Nature Operations

Payroll System

Solid Waste Program

Stormwater Management Utility Fund Revenues

Workers' Compensation

Other Projects

City Commission and Management Referrals/Special Projects

ADA Transportation Task Force

Affirmative Action Task Force

ATC Paratransit Contract Rate Review

Emergency Management Task Force

Government Accounting Standards Board (GASB) Statement No. 34 Committee

Pay Study Review

Performance Measures Review

Promotions and Hiring Article Task Force

Purchasing Task Force

FY 2002 ANNUAL AUDIT PLAN
DESCRIPTION OF PROJECTS

REVENUE AUDITS

Budgeted Revenue Estimates

City Commission Resolution 970187, which governs the internal responsibilities and administrative practices of the Office of the City Auditor, requires an annual review of the City Manager's General Fund revenue estimates included in the budget. The City Auditor verifies the reasonableness of management's estimates and advises the City Commission of the results.

Utility Revenues

This review is currently in process. The objective of this review is to provide the City Commission with reasonable assurance on the adequacy of the system of internal control in effect over Gainesville Regional Utilities (GRU) revenues, with a particular emphasis on revenues payable through the GRU billing system. Audit objectives include examining internal controls over cash receipts, credit card payments and electronic fund transfers. Our review is also focusing on internal policies and procedures and the determination that rates are properly authorized and approved by the City Commission, calculated in accordance with legal requirements and posted and maintained in the financial records. A preliminary report on this audit was issued during FY 2001 and resulted in a twenty-five (25) percent surcharge applied to water and wastewater connection fees charged in the unincorporated area of Alachua County.

OPERATIONAL AUDITS

Human Relations Programs

During FY 2000, the City Commission established policies and set priorities related to Equal Opportunity and other human relations programs of the City of Gainesville. This project results directly from City Commission approval of the City Auditor's recommendations to include audits in the FY 2001 Annual Audit Plan for assessing and evaluating the City's Equal Opportunity, Affirmative Action and Minority/Small Business Enterprise programs. Objectives of the project will include:

- comprehensively assessing and evaluating the efficiency and effectiveness of each individual program, including organizational placement;
- assessing the effectiveness of coordination and integration of information to ensure that efforts are not duplicated; and
- reporting the overall results of management's compliance with City Commission policy, goals and objectives.

FY 2002 ANNUAL AUDIT PLAN
DESCRIPTION OF PROJECTS
(Continued)

General Government Procurement Card Program

The City Procurement Card Program is a credit card based method of purchasing goods and services and has been fully implemented since 1998. The program is designed to improve efficiency in processing purchases falling within established limits of the procurement card program. The purpose of this audit is to evaluate the adequacy of administrative controls, program effectiveness and compliance with established rules and regulations.

Housing Division

This project will be a comprehensive review of programs and activities in the Housing Division of the Community Development Department. This review places particular emphasis on oversight of State Housing Initiatives Program (SHIP) funds. Planned audit objectives include reviewing the adequacy and effectiveness of policies, procedures and monitoring methods, such as financial and program analysis and field visits. We will also assess compliance with applicable laws and regulations.

Utility Disbursements

The cash disbursements cycle is selected because cash is the most liquid of all assets and typically a high-risk area. Our primary objective will be to determine that internal controls are adequate to provide reasonable assurance that cash disbursement transactions are properly recorded, classified, valid, authorized and for goods and services actually received. Our review will also include evaluating reconciliation practices and procedures.

Citizen Awareness, Access, Utilization and Satisfaction with Services (CAAUSS)

In order to assist the City Commission in assessing public services, the City Auditor plans to initiate a multi-dimensional evaluation of City programs and services from a citizen's perspective. This project will be a long-term initiative requiring ideas and input from citizens, managers, advisory boards and elected officials with the overall intent of better understanding citizen needs. Techniques envisioned are evaluating wayfinding cues, telephone practices and user surveys. Since a broad range of activities and goals can be met, audit tasks will be phased over a multi-year period. Audit objectives are to assess citizen:

- ❖ awareness of services
- ❖ accessibility to services and facilities
- ❖ utilization of services
- ❖ satisfaction with services

FY 2002 ANNUAL AUDIT PLAN
DESCRIPTION OF PROJECTS
(Continued)

COMPLIANCE AUDITS

Combined Communication Center Expenditures and Call Data Statistics

The City of Gainesville and Alachua County entered into a joint agreement for a Combined Communication Center. The City of Gainesville's portion of expenditures under the agreement is determined through call data statistics maintained by Communication Center personnel. The purpose of this review is to determine the adequacy of the system for compiling, maintaining and formulating the City's share of communication center expenses.

Controlled Substance Security (Gainesville Fire Rescue)

The Gainesville Fire Rescue Department (GFR) Advanced Life Support non-transport system receives, stores and dispenses controlled substances for paramedics to treat patients on emergency scenes. This review examines the adequacy of policies and procedures over the administration and management of the department's security system for storing and dispensing controlled substances.

Special Investigations Division (GPD)

The objective of this review is to provide assurance that adequate internal controls exist over revenues (Weed and Seed and other funding sources), expenses and evidence. This review also examines GPD procedures for filing quarterly reports to appropriate authorities including the United States Department of Justice and Drug Enforcement Agency.

Central Florida Community Action Agency (CFCAA)

This audit involves reviewing City sponsored programs provided by CFCAA including assistance to low income residents via distributing surplus food commodities, providing emergency home repairs and recycling vacant houses.

Payroll Payoffs

The City Auditor's Office occasionally takes possession of selected departments' payroll checks and distributes them directly to the listed employee. This procedure is performed on a surprise basis and designed to determine that payroll checks are prepared only for valid employees of the City of Gainesville. This procedure is also designed to detect irregularities regarding employee pay rates, number of hours worked, special payments and other payroll related items.

FY 2002 ANNUAL AUDIT PLAN
DESCRIPTION OF PROJECTS
(Continued)

Petty Cash

Various City departments maintain petty cash and change funds ranging in amounts from \$25 to \$2,200. The City Auditor's Office performs surprise test counts of selected funds to ensure that adequate policies and control procedures over petty cash funds are in place and observed. During this fiscal year, we will explore reviewing purchases through procurement cards.

FOLLOW-UP AUDITS

Follow-up audits are required by City Commission Resolution 970187 and conducted to determine the status of management's actions on specific City Auditor recommendations previously approved by the City Commission. During FY 2002, managers from departments with outstanding audit recommendations will provide information on the current status of implementation and submit substantial, competent and reliable evidence. The listing of completed audits with open recommendations is shown on page one of this Exhibit.

OTHER PROJECTS

City Commission and Management Referrals/Special Projects

The City Auditor performs special projects, reviews or audits referred by the City Commission or management from time to time. The exact nature of these assignments cannot be determined in advance.

ADA Transportation Task Force

In August 1999, the Metropolitan Transportation Planning Organization (MTPO) requested that the City Auditor participate in a newly created ADA Transportation Task Force. The Task Force, under the direction of the Alachua County Equal Opportunity Office and City of Gainesville Equal Opportunity Office, is responsible for monitoring the implementation of recommendations made in the City Auditor's report on Demand Responsive Transportation and ensuring compliance by RTS and the Community Transportation Coordinator (CTC) with the Americans with Disabilities Act. The work of the Task Force is nearly complete with just a few remaining issues to be completed in FY 2002.

Affirmative Action Task Force

The Charter Officers are committed to upholding City Commission Affirmative Action policies and procedures and ensuring achievement of Affirmative Action Plan goals and objectives. The City Manager and General Manager for Utilities established a Task Force many years ago that provides an on-going mechanism for evaluating, monitoring and reporting progress and compliance on citywide Affirmative Action initiatives. The City Auditor's Office is in our second year of actively participating on the Affirmative Action Task Force.

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Performance Measures Review

This project involves reviewing the overall process of selecting and preparing performance measures as reported in the City's Approved General Government Budget. The primary objectives of this review are evaluating the methodologies used by General Government departments for identifying and calculating performance measures, comparing the City's methodologies to other cities and exploring "best practices".

Promotions and Hiring Article Task Force

CWA Local 3170 and the City of Gainesville are presently involved in "mutual gains" negotiations, and one of the pivotal Articles under review is that of "job vacancies and promotions". Identifying that upward mobility and diversity are important objectives, the CWA Local 3170 and the Interest Based Bargaining Team (IBBT) recognized that the City already had several well-established groups focusing on affirmative action, equal opportunity and diversity and exploring job vacancy and promotion options and believed it best to draw from these existing resources. Therefore, during FY 2001, the CWA Local 3170 and the IBBT created a Promotions and Hiring Article Task Force and invited participation by the EOD Advisory Committee, Affirmative Action Task Force, GRU Diversity Committee, City Attorney and City Auditor to make recommendations on upward mobility and diversity in the hiring and promotions process for CWA non-supervisory positions. The City Auditor's representative on the Affirmative Action Task Force actively participates on the Promotions and Hiring Article Task Force.

Purchasing Task Force

During FY 2001, the City Manager formed a Purchasing Task Force for evaluating both the time and processes required to procure goods and services. The Task Force is charged with reviewing current purchasing procedures and recommending modifications to increase efficiency and productivity. The Task Force represents a cross-section of operating departments, and recommendations to improve and streamline the purchasing process are expected to meet the operating departments' service delivery needs while still maintaining adequate internal control. The City Auditor's Office was invited to participate on this Task Force.