

#180346



**Annual Audit Plan  
Report to the  
City Commission**

**Mayor**  
Lauren Poe

**Mayor Pro-Tem**  
Adrian Hayes-Santos

**Commission Members**

David Arreola

Gayle Johnson

Gigi Simmons

Harvey Ward

Helen Warren

City of  
Gainesville Office  
of the  
City Auditor

Carlos L. Holt – City Auditor

ANNUAL AUDIT PLAN – 2019

**CITY OF GAINESVILLE  
OFFICE OF THE CITY AUDITOR  
ANNUAL AUDIT PLAN 2019**

September 12, 2018

# ANNUAL AUDIT PLAN – FY 2019

September 12, 2018



## Why We Prepare an Annual Audit Plan

The Annual Audit Plan provides the City Commission with an overview of how resources of the City Auditor's Office will be allocated.

The Annual Audit Plan facilitates the efficient and effective use of limited resources.

## INTRODUCTION

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In accordance with City Commission Resolution 150127, Office of the City Auditor

is pleased to submit the FY 2019 Annual Audit Plan. The Annual process of developing the Annual Audit Plan includes defining auditable units, obtaining input from City Commissioners, Charter Officers and managers as well as evaluating information gained from previous audits and assessing the relative risks involved in City programs and operations

## MISSION STATEMENT

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To promote honest, efficient, effective, transparent and fully accountable government.

## RISK ASSESSMENT

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A risk assessment is a systematic process for identifying and evaluating events (i.e., possible risks and opportunities) that could affect the achievement of objectives, positively or negatively. A formalized risk assessment gives organizations a clear view of variables to which they may be exposed, whether internal or external, retrospective or forward-looking. A robust risk assessment process is a best practice strategy that forms the foundation for an effective enterprise risk management program and constitutes a key component of the *Enterprise Risk Management—Integrated Framework* and related Application Guidance published by the Committee of Sponsoring Organizations (COSO).

During fiscal year 2019, the City Auditor will continue to implement the City Commissioned approved GRC (Governance, Risk and Compliance) software to begin formally assessing, scoring and tracking organizational risk. This tool assists in developing organizational risk profiles and helps the City Auditor prioritize audits and design more effective Annual Audit Plans.

For more information on this Annual Audit Plan or any of our reports, please visit:

[www.cityofgainesville.org/cityauditor.aspx](http://www.cityofgainesville.org/cityauditor.aspx)

## AUDIT PLAN DEVELOPMENT

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In order to provide useful guidance and a framework in developing the Annual Audit Plan, the following principles were recognized and observed:

- Audit resources are limited. This results in less than one hundred percent audit coverage each year. This inherent limitation can be mitigated by using a dynamic risk assessment to select and prioritize audits.
- The risk assessment criteria used in the ranking of the audit suggestions places emphasis on various systems of internal control.
- The Annual Audit Plan is viewed as a flexible tool that can be amended throughout the year to reflect changing risks and priorities.
- The Annual Audit Plan gives consideration to those audits that may be mandated by resolution or ordinance.

The Annual Audit Plan is developed with the understanding that there are risks and limitations associated with any method or system of prioritizing audits. As a result, the risk factors and scoring process are periodically evaluated and modified in an effort to continuously refine the Annual Audit Plan.

## FY 2019 AUDIT SELECTIONS AND PRIORITIZATION

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A critical component of the annual audit planning process is ensuring qualified audit personnel are assigned to the highest priority assignments. Staff assignments are based on experience, qualifications, interests, and availability.

The development of an Annual Audit Plan is a dynamic process. Throughout the year, audit staff members obtain information from a variety of sources for inclusion in the risk assessment process. Audits considered for the Annual Audit Plan are compiled from suggestions by audit staff, City Commissioners, City management, complaints and known areas of risk.

To develop the proposed FY 2019 Annual Audit Plan, the City Auditor surveyed the City Commissioners, Charter Officers and senior managers. Survey participants were asked to identify City departments, divisions and processes they believed would benefit from an independent audit or review.

We request the City Commission approve our Fiscal Year 2019 Annual Audit Plan by resolution as attached, including **EXHIBIT A**.

## **COMPLIANCE**

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The City Auditors Office performs audits in accordance with generally accepted government auditing standards (GAGAS) issued by the Comptroller General of the United States. The Office is committed to maintaining a system of quality control and undergoes an independent external quality control review triennially. In February 2018, the Office received a Certificate of Compliance for the quality control review for the period of October 1, 2014 through September 30, 2017. The next compliance quality control review is scheduled to be conducted during March 2021 and will review the period of October 1, 2017 through September 30, 2020.

## **AUDIT TEAM**

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Carlos L. Holt, CPA, CFF, CIA, CGAP, CFE, City Auditor

Qian Yuan, CISA, CIA, ACDA, Assistant City Auditor

Brecka H. Anderson, CIA, CGAP, CFE, Senior Auditor

Emily Bowie, CPA, Senior Auditor

Ron Ison, PMP, Information Technology Auditor

**RESOLUTION NO. \_\_\_\_\_**  
**PASSED September 20, 2018**

**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, 2018 THROUGH SEPTEMBER 30, 2019**

**WHEREAS**, formal responsibilities and administrative procedures for the Office of the City Auditor were established by City Commission Resolution 150127 on February 4, 2016; 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 20<sup>th</sup> day of September 2018.**

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Lauren Poe, Mayor

Approved as to Form and Legality

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Nicolle Shalley, City Attorney

ATTEST:

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Omichele Gainey, Clerk of the Commission

**EXHIBIT A**

**CITY OF GAINESVILLE  
OFFICE OF THE CITY AUDITOR  
FISCAL YEAR 2019 ANNUAL AUDIT PLAN**

<b><u>A. Audit Projects Carried Forward from the 2018 Annual Audit Plan</u></b>	<b><u>Estimated Hours</u></b>
Combined Communications Center	120
Overtime Audit	200
Landlord Registration Fee Compliance	360
Reichert House	500
City Wide P- Card	120
GG Collections	600
<b><u>B. New Audit Projects for 2019</u></b>	
GG ERP Implementation Process	500
EO Related - Affirmative Action Plans #	500
GG Investments	500
Grant Administration Process	500
GG/GRU Travel Settlement Compliance	300
Gainesville Housing Authority	500
GPD Response Times	500
<b><u>C. Follow-up on Status of Previous Recommendations</u></b>	
2019 Follow-up on Recommendations * #	250
<b><u>D. Other Projects</u></b>	
Hotline Implementation, Inquiries, and Investigations*	250
ACL GRC Continued Implementation*	240
Annual Validation of Projected Revenues # (Attestation)	180
CCOM/Management Referrals*	60
Mid-year Refresh of Annual Audit Plan	475
Implement new GAO Yellow-Book Audit Guidance	150
<b>TOTAL FY19 AUDIT STAFF PROJECT HOURS</b>	<b><u>6,805</u></b>

Audit Classifications per *Government Auditing Standards*:

\* – Non-audit Services

# - mandatory inclusion in annual plan