
AUDIT COMMITTEE

June 15, 2022

GAINESVILLE CITY COMMISSION

Lauren Poe, Mayor
David Arreola
Cynthia Moore Chestnut
Desmon Duncan-Walker
Adrian Hayes-Santos
Reina Saco, Mayor-Commissioner Pro Tem
Harvey Ward

AUDIT COMMITTEE MEMBERS

Lauren Poe, Mayor
Reina Saco, Mayor-Commissioner Pro Tem
Harold Monk, CPA, CFE (Appointed)



City Auditor Quarterly Update



INTERNAL AUDIT TEAM

GINGER BIGBIE, CPA, CFE, CITY AUDITOR

TERI PITTS, EXECUTIVE ASSISTANT TO THE CITY AUDITOR

BRECKA ANDERSON, CIA, CFE, ASSISTANT CITY AUDITOR

RYAN TIMMONS, CISSP, MCSE, IT AUDIT MANAGER

MARIA MAPAGU, CPA, CIA, INTERNAL AUDIT MANAGER

DIANA FERGUSON-SATTERTHWAITE, FCCA, CIA, SENIOR INTERNAL AUDITOR

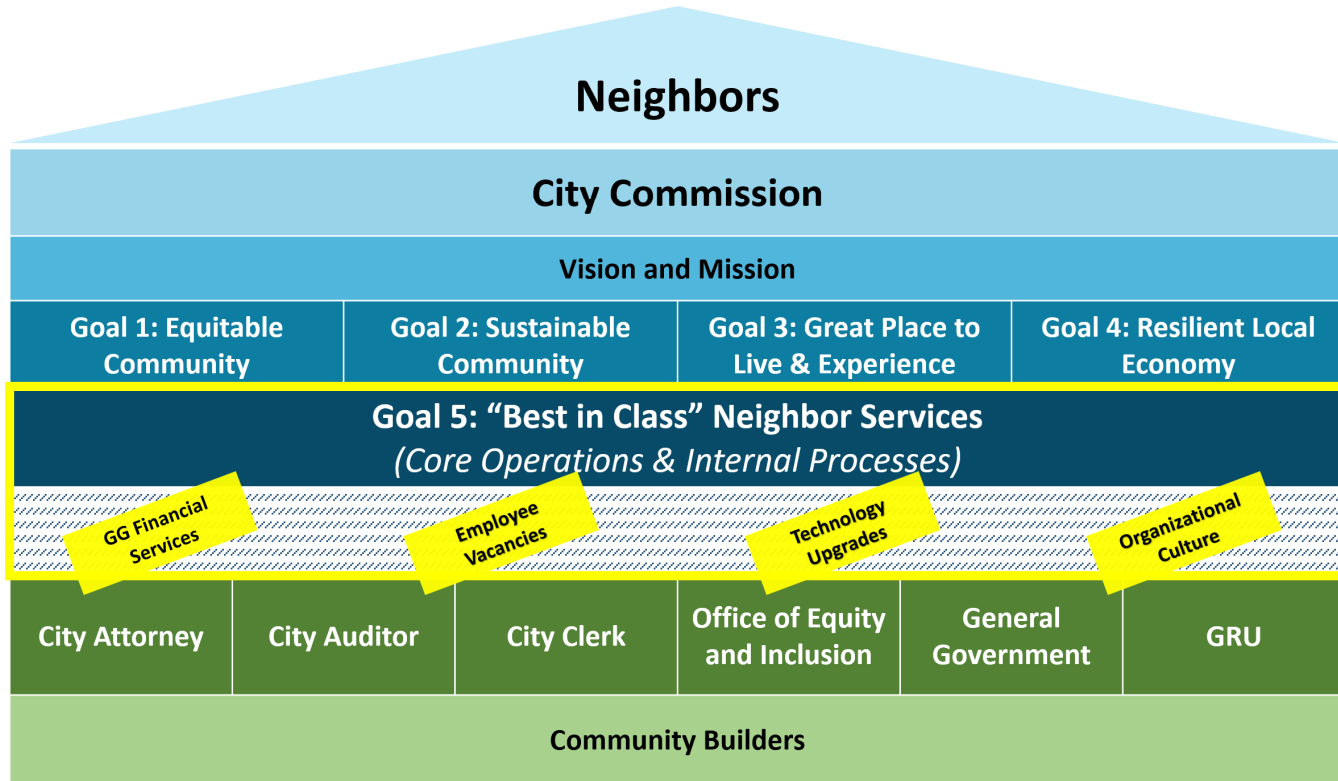
SENIOR AUDITOR/SENIOR IT AUDITOR [VACANT]



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2022 CITYWIDE STRATEGIC PLAN





ADD TO AUDIT PLAN





Add to Audit Plan

Gainesville Regional Transit System (RTS) – Targeted Audit

- **Objective:** Review internal controls around management of incident reporting and follow up.
- **Status:** Pre-Planning
Preliminary planning conversations with management are underway.



WORK IN PROGRESS



Internal Audit Work in Progress

Citywide Cybersecurity Audit – Phase II

- **Objective:** To Provide an independent assessment of the City's cybersecurity governance structure, adequacy of current policies and procedures, and effectiveness of internal controls. Ensure identified risks are communicated to management and the board allowing for the opportunity to strengthen the City's ability to identify, assess, and mitigate cybersecurity risks to an acceptable level.
- **Status:** Pre-Planning
Preliminary planning conversations with management are underway.

Internal Audit Work in Progress (Cont.)

Continuous Auditing – Pcards, Travel Expense and Reimbursement, Payroll Transactions

- **Objective:** To establish a program for continuous auditing of Citywide purchasing card programs, travel expense reimbursement policy and activity, and certain payroll transactions to reduce the City's risk of fraud, waste, and abuse.
- **Status: Planning**

A continuous auditing project will be established to conduct ongoing review of pcard, travel expense and reimbursement, and certain payroll transactions based on risk. Micro reports will be presented quarterly with a full summary report after one year. Duration of the continuous auditing program will be dependent upon effectiveness of management's internal controls. The first report for this engagement will be presented at the September 6, 2022, Audit Committee Meeting.



ERP User Access Management Audit (Purvis Gray)

- **Objective:** Review the design and effectiveness of controls around the General Government ERP user identity, authorization and authentication. Work performed during the external financial statement audit by Purvis Gray.
- **Status:** Reporting
 - The report to be included in Purvis Gray's report on ITGC comments and recommendations to Management performed as a subset of the overall assessment of ITGC audit risk. Will be provided upon completion of the financial audit field work and the final review process.
- **Content and Subject**
 - Identify who has capability to view certain sensitive information
 - Employee Tax ID
 - Supplier Tax ID and Settlement Accounts
 - City Settlement Account Numbers
 - Document Workday business process authorization controls
 - Time Entry
 - Payroll Processes
 - Request Compensation Change

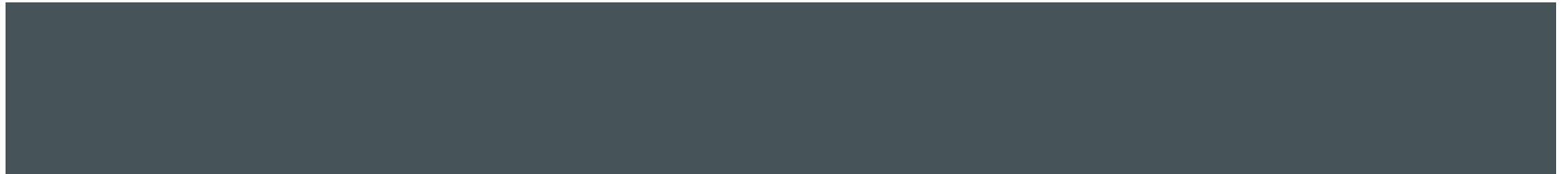


ERP User Access Management Audit (Purvis Gray – cont.)

- Change Job Process
- Supplier Purchase Process
- Supplier Requisition Process
- Supplier Setup and Maintenance Process
- Billing and Collection Processes
- Provide comments and any recommendations related to the above
 - Focus on Security Group Membership
 - Viewing sensitive information
 - Access to information
 - Workday business process configurations
 - Security groups roles and tasks reviews
 - Alignment with City policies and procedures
 - Documentation



PERIODIC MONITORING



Periodic Monitoring

Enterprise IT Governance

Risk level: Moderate

- The IT Audit Manager attends Enterprise IT Government Committee meetings, most recently on 5/18/2022 which included a discussion on the status of Enterprise IT Governance, cybersecurity, policy and guidelines. Risks that we continue to monitor include:
 - The next phase of the Cybersecurity audit (2022)
 - Policy governing the use of surveillance technology
 - Citywide data privacy and data protection.



CULTURE CORNER



Culture Assessment and Report May 18, 2021

A. We recommend topic #1 Policy Research Workflow be enhanced by the Charter Officers and Policy Oversight team, and reviewed with City Commissioners for final approval.

B. We recommend topics #2-5 be handled by Human Resources management to consider risks and rewards of various program options and identify those options that could add the most value to the City.

1. Policy Research Workflow

2. Leadership Training

3. Policy Management Framework

4. Internal Conflict Resolution

5. Employee Suggestions



RECOMMENDATIONS

P. 16

Culture Assessment and Report May 18, 2021

Management Status Update on Recommendations

- *#1 Enhanced Policy Research Workflow*

Completed.

- **#2 Leadership Training**

In Progress. An executive coaching program and leadership training are in the development phase.

- **#3 Policy Management Framework**

In Progress. A workgroup has been dedicated to creating a framework.

- **#4 Internal Conflict Resolution**

In Progress. Additional training has been scheduled for June/July 2022 and a formal process is forthcoming.

- **#5 Employee Suggestions**

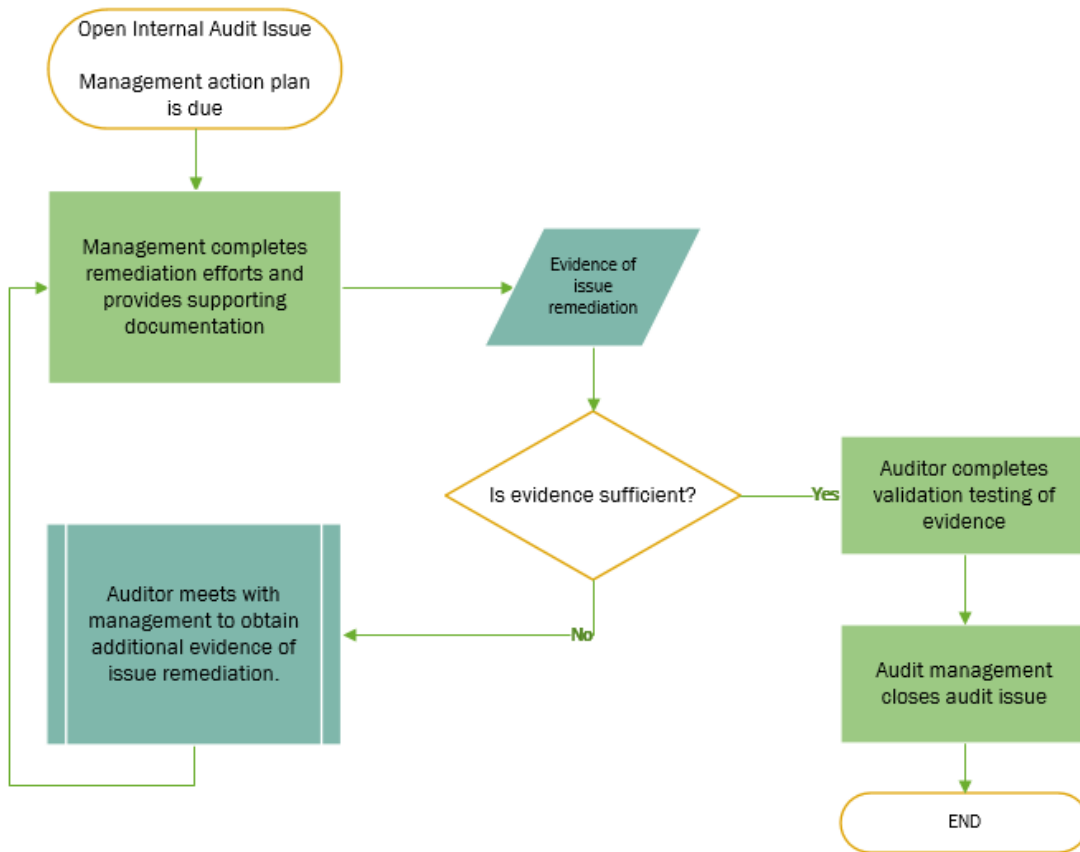
In Progress. SPI is working on a draft which has been presented to internal leadership. The process is currently being refined to share with the Charter Officers.



AUDIT ISSUE FOLLOW UP



Internal Audit Issue Follow up Program



- ❖ New audit issues are assigned a risk rating. Moderate and high risk issues require remediation typically within one year. A management responsible party is assigned and is accountable for providing evidence of issue remediation.
- ❖ All issues are assigned due dates. When management provides sufficient evidence of issue remediation, internal audit performs validation testing then closes the issue.
- ❖ Past due issues are reported to the Audit Committee.

INTERNAL AUDIT ISSUE FOLLOW UP

<i>City Auditor Quarterly Update Status of Audit Issues</i>				
Audit Issue Status	6/15/2022	3/7/2022	11/30/2021	9/22/2021
Audit issues closed since last City Auditor Quarterly Update ^A	8	6	0	2
Total open audit issues ^B	7	9	19	16
Total audit issues on hold ^C	4	3	1	0
Total audit issues reopened ^D	2	5	N/A	N/A

^A See **closed** audit issue detail starting on page 20

^B See **open** audit issue detail in Appendix A

^C See **on hold** audit issue detail starting on page 24

^D See **reopened** audit issue detail starting on page 25

INTERNAL AUDIT ISSUE FOLLOW UP (CONT'D)

A CLOSED AUDIT ISSUES

Audit: 2021-09 Audit of Administration and Management of Evergreen Cemetery Operations

Closed issues – ALL

Issue #1 - Management completed inventory of old yard and procured a new lot inventory management system.

Issue #2 – Management updated the cemetery standard operating procedures with required elements.

Issue #3 – Management enhanced procedures to include oversight and monitoring of cemetery operations and financial transactions.

Issue #4 – Management strengthened user access controls and updated procedures accordingly.



INTERNAL AUDIT ISSUE FOLLOW UP (CONT'D)

A CLOSED AUDIT ISSUES

Audit: 2021-05 Citywide Succession Planning Audit*

Closed issue

Issue #2 – Management created a Citywide Succession Planning Policy which was approved by the City Commission on June 2, 2022.

**Two audit issues were originally reported. One audit issue is closed. One audit issue is on hold per management request. See slide 24 for more details.*

INTERNAL AUDIT ISSUE FOLLOW UP (CONT'D)

A CLOSED AUDIT ISSUES

Audit: 2021-11 Body Worn Camera Compliance Audit

Closed issues – ALL

Issue #1 – Management enhanced tracking and monitoring controls over supervisor reviews of Body Worn Camera videos.

Issue #2 – Management enhanced internal controls around BWC training by monitoring that new hires assigned to positions that wear BWC equipment also receive BWC training.

Issue #3 – Management enhanced internal controls by notifying the Axon database administrator when an individual separates and deactivating their accounts immediately upon separation.

INTERNAL AUDIT ISSUE FOLLOW UP (CONT'D)

A CLOSED AUDIT ISSUES

Audit: 2021-11 GRU Badge Access and Physical Keys Management Audit - CONFIDENTIAL

Closed issues – Some of the confidential audit issues have been closed. Remaining issues are in progress.

INTERNAL AUDIT ISSUE FOLLOW UP (CONT'D)

^c Audit Issues On Hold

Internal Audit agreed to place these issues on-hold, per management request, due to Department of Financial Services and Human Resources staffing shortages, finance staff's focus on the General Government external financial statement audit, and remediation of Auditor General findings.

Audit: 2021-05 Citywide Succession Planning Audit – Issue I

Audit: 2021-07 GPD Property and Evidence Cash Audit – Issue I

Audit: 2022-01 Compliance Audit Report – Colliers International Contract – Issue I

Audit: 2022-01 General Government Internal Control over Financial Reporting Audit – Issue I

INTERNAL AUDIT ISSUE FOLLOW UP (CONT'D)

▯ Audit Issues Reopened

The following audit issues failed validation and were reopened with revised action plans and new due dates.

Audit: 2020-02 Affirmative Action Plan Audit 2019

Issue #2 – Management’s new action plan: Management will extract Workday hiring data and assess Post Hiring Analysis Report (PHAR) results to create the Affirmative Action Plan (AAP) in September 2022, which determines hiring goals. Management will monitor, assess, and revise goals as needed. Quarterly assessments will begin in September 2022.

Responsible Party: Zeria Folston, Laura Graetz, Sylvia Warren

Revised Due Date: 12/31/2022

Issue #3 – Management’s new action plan: As part of the annual Affirmative Action Planning process, management will create a variety of hiring and human resources transaction reports and provide access to this information to the Office of Diversity, Equity and Inclusion on a quarterly basis. To ensure data integrity, the Human Resources Department will establish procedures for data validation prior to releasing this information.

Responsible Party: Laura Graetz, Dave Duda

Revised Due Date: 12/31/2022



FRAUD HOTLINE AND INVESTIGATIONS

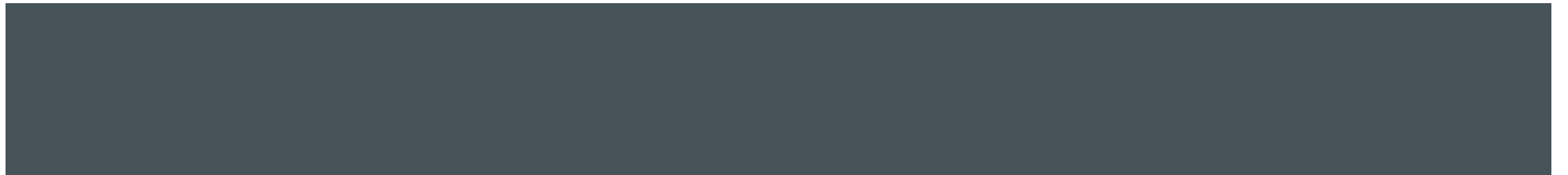


Fraud Hotline and Investigations

<i>City Auditor Quarterly Update Fraud Hotline and Investigations</i>				
Audit & Finance Committee	6/15/2022	3/7/2022	11/30/2021	9/22/2021
New Cases Since Last A&FC	7	5	4	4
Open Investigations	2	3	0	3
Closed Investigations	8	2	7	2



EXTERNAL AUDITS



FL AUDITOR GENERAL OPERATIONAL AUDIT



STATE OF FLORIDA Operational Audit	Finding
Gainesville Regional Utilities (GRU) Financial Condition and Payments for General Government Services	<p>1. GRU debt levels are significantly higher than comparable municipal utilities.</p> <p>2. The City had not established a reasonable and consistent methodology for determining the amount of the annual transfer from the GRU to the City's General Fund considering the GRU's long-term ability to pay.</p> <p>3. City indirect cost allocation procedures did not provide for an independent review of the indirect cost worksheet or a reconciliation of recovered indirect costs to actual indirect costs after the completion of each fiscal year. As a result, the City overcharged indirect costs to the GRU.</p>
Reichert House Youth Academy (RHYA) Program and Related Organizations	<p>4. The City did not effectively oversee or control RHYA Program operations.</p> <p>5. The City did not, of record, assess that it was economically or otherwise advantageous for the City to use the nonprofit entity, Reichert House, Inc., to support RHYA Program operations, and the use of this entity resulted in less accountability and transparency of RHYA Program operations.</p> <p>6. The City did not effectively oversee Reichert House, Inc. operations.</p> <p>7. Reichert House, Inc. and RHYA Program operations lacked appropriate transparency.</p> <p>8. City records did not demonstrate authorization for, or the necessity of, using the services of certain nonprofit organizations in lieu of the services of City personnel for soliciting, receiving, and disbursing grantor and donor funds for the RHYA Program, resulting in diminished transparency and accountability for those resources. In addition, for a \$20,000 National Police Athletic/Activities Leagues (NPAL) grant administered by one of the nonprofit organizations, City records did not demonstrate that the grant application was made for an eligible entity or that grant proceeds were expended for RHYA Program purposes in accordance with NPAL guidelines.</p>
Administration and Management	<p>9. The lack of City personnel's knowledge and capability for compiling financial statements that comply with GAAP for the 2017-18 and 2018-19 fiscal years resulted in additional costs for assistance in preparing the City's financial statements and audit findings considered by the auditor to be significant deficiencies and material weaknesses in the City's internal controls over financial reporting.</p>

FL AUDITOR GENERAL OPERATIONAL AUDIT



FLORIDA AUDITOR GENERAL
SHERRILL F. NORMAN, CPA

STATE OF FLORIDA Operational Audit	Finding
Administration and Management	10. City records, including City-approved resolutions adopting budgets did not specify the legal level of budgetary control; budgeted amounts were not presented at a level that enabled users to readily determine if resources were expended within budget, consistent Commission intent; and budget-to-actual expenditure comparisons were not timely presented to the City Commission.
	11. Monitoring and transparency of the City's golf course operations could be improved.
	12. The City could improve accountability and transparency over redevelopment activities carried out pursuant to an interlocal agreement with Alachua County.
	13. City policies and procedures for obtaining and documenting background checks of applicants seeking employment need enhancement.
Expenditures – Use of Public Resources, Purchasing Cards, and Travel	14. Contrary to City policy, the City did not always conduct annual employee performance evaluations, and when evaluations were conducted, did not always promptly communicate the results of the evaluations to the employees.
	15. The GRU did not periodically use a competitive process to select certain professionals who assisted in the bond issuance process.
	16. Controls over City-assigned purchasing cards (P-cards) need improvement to ensure that P-card assignments and credit limits are periodically evaluated and appropriately adjusted.
	17. The City needs to enhance efforts to ensure that P-cards are promptly canceled upon a cardholder's separation
18. The GRU needs to enhance travel policies and procedures to require employees to sign their travel vouchers, reduce meal allowances paid to the traveler for meals included in conference registration fees, document the necessity of multiple individuals attending the same conference, and require that travel arrangements be made sufficiently far in advance to minimize travel costs.	

FLORIDA AUDITOR GENERAL - OPERATIONAL AUDIT – 1/10/2022

MANAGEMENT STATUS UPDATE

Auditor General Findings and Status of Management Responses						
Auditor General report issued 1.10.2022 - Response completion due within 18 months, or by July 2023						
Quarterly status update requested by City Commission						
AG Finding #	Short Title	Responsible	Not Started	In Progress	Completed	Management Comments
1	GRU Debt Levels	GRU		√		
2	GRU Transfers to the General Fund	GG, GRU		√		The CCOM approved a 2 million dollar reduction in the GFT per year up to the year 2027. Prior to 2027 a formula will be developed to begin in FY 2028.
3	Indirect Cost Recovery	GG		√		FY18 was trued up in the amount of \$201,733.71, however GRU did not pay \$70,473.64 in FY18. No true was made in FY19. FY20 was trued up in the amount of \$807,915. For FY 21, payroll numbers will be used. Once actuals are complete the numbers will be adjusted.
4	RHYA Program Oversight and Control	GG		√		City Has established a protocol for outside funding for the Reichert House and has a specialty account for those funds.
5	Use of Reichert House, Inc. to Support RHYA Program Operations	GG		√		The City of Gainesville continues to evaluate additional funding opportunities for the Reichert House through public and private funding. The efforts must be accountable, transparent, and cost-effective.
6	Oversight of Reichert House, Inc.	GG		√		
7	Transparency of Reichert House, Inc. and RHYA Program Operations	GG		√		The City of Gainesville created a new website for City services; the RHYA is in a transition with new staff and a mission to accentuate the youth development program. We anticipate a new Reichert Youth House Academy website in August 2022.
8	Use of Other Nonprofit Organizations for the RHYA Program	GG		√		The PBYS bank account was closed in April of 2021, and no other accounts are being operated through that entity specifically for RHYA. Regarding CFNCF, discussions are being held concerning the remaining balances and future relationships between CFNCF and the City of Gainesville to support RHYA.

See details in Auditor General report at legislative item #210792

FLORIDA AUDITOR GENERAL - OPERATIONAL AUDIT – 1/10/2022

MANAGEMENT STATUS UPDATE (CONT.)

AG Finding #	Short Title	Responsible	Not Started	In Progress	Completed	Management Comments
9	Financial Statement Preparation	GG		√		Carr, Riggs & Ingram have been retained to complete the FY 2021 audit. A Finance Director and a Controller (CPAs) have been hired and will be onsite June 13th.
10	Budget Management	GG		√		The updated resolution for the FY 22 budget included legal level. FY18/19 & FY19/20 budgets report all other funds at the function and project level. General Fundt projects are typically reported in non-departmental and those are highlighted in the General Fund reporting. The departments within the General Fund are reported at the department level. Departments are then reported on by fund, department and unit.
11	Transparency of Golf Course Operations	GG		√		The budget office and dedicated analysts have been meeting quarterly with PRCA staff to review all of their accounts. This includes the golf course.
12	Gainesville Community Reinvestment Area	GG		√		In progress; details will be presented in the internal GCRA Audit issue #1
13	Employee Background Screenings	GG	√			
14	Employee Evaluations	GG		√		Workday has been configured to require both mid-year check ins as well as the annual performance evaluation. Data will show if these requirements are effective after the annual performance evaluation cycle for FY22.
15	Selection of Debt Professionals	GRU		√		GRU was scheduled to complete an RFP process in the first quarter of calendar year 2022. This has been pushed back to the first quarter of calendar year 2023 due to GRU Finance having to provide support to GG Finance.
16	Purchasing Cards – Periodic Reviews	GG, GRU		√		Procurement will run an annual report in October to review annual spend and card limits. It will be provided to the CFO/Finance Director for direction/approval regarding card limit adjustments. The recommended change would be sent to the cardholder's supervisor for agreement or justification why the limit should not be changed prior to the change being implemented. This does not impact temporary increase requests throughout the year.
17	Purchasing Cards – Separations	GG, GRU		√		Procurement will review the cardholder list with the active employee's list at the end of each quarter, suspend any cards belonging to inactive employees and close the card account once all charges have been reconciled.
18	Travel	GRU			√	

See details in Auditor General report at legislative item #210792

FY 21 EXTERNAL FINANCIAL STATEMENT AUDIT GAINESVILLE REGIONAL UTILITIES

EXTERNAL AUDITOR – BAKER TILLY



External Audit Report as of September 30, 2021	Deficiency in internal control	Audit Status
FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT	NONE	Completed

FY 21 EXTERNAL FINANCIAL STATEMENT AUDIT GENERAL GOVERNMENT

EXTERNAL AUDITOR – PURVIS GRAY & COMPANY



External Audit Report For the fiscal year ended September 30, 2021	Audit Status
FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT	The audit is currently in progress.

FY 20 EXTERNAL FINANCIAL STATEMENT AUDIT

GENERAL GOVERNMENT

EXTERNAL AUDITOR – PURVIS GRAY & COMPANY



External Audit Report For the fiscal year ended September 30, 2020	Finding	Audit Status
FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT	RETIREE HEALTH INSURANCE PROGRAM - None	Completed 5/10/2021
	EMPLOYEES' PENSION FUND - None	
	CONSOLIDATED POLICE OFFICERS AND FIREFIGHTERS RETIREMENT PLAN - None	
	WILD SPACES AND PUBLIC PLACES FUND - None	

FY 20 EXTERNAL FINANCIAL STATEMENT AUDIT
GENERAL GOVERNMENT (CONT.)
EXTERNAL AUDITOR – PURVIS GRAY & COMPANY

External Audit Report For the fiscal year ended September 30, 2020	Finding	Audit Status
FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT	2018-01/2020-01 - Bank reconciliations were not completed on a timely basis and included unreconciled differences. Certain transactions, such as credit card receipts, are not reconciled monthly.	Completed 4/15/2021
	2018-02/2020-02 – Several accounts were materially misstated, including revenue, accounts receivable, expenditures/expenses, accounts payable, debt, capital assets, and equity resulting in material audit adjustments.	
	2020-03 - \$4,266,520 of federal & state grant expenditures related to Utility had been left off the City's SEFA. Additionally, \$612,489 of expenditures were incorrectly included on the SEFA.	

FY 20 EXTERNAL FINANCIAL STATEMENT AUDIT
GENERAL GOVERNMENT (CONT.)
EXTERNAL AUDITOR – PURVIS GRAY & COMPANY

External Audit Report For the fiscal year ended September 30, 2020	Finding	Audit Status
FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT	2020-04 – The City had not accrued revenues for certain expenditure-driven grants, resulting in an understatement of \$1,853,148 in grants receivables and revenues.	Completed 4/15/2021
	2018-04/2020-05 - Segregation of Duties - The following financial reporting processes lacked adequate segregation of incompatible duties: payroll division; payroll timekeepers; journal entries.	
	2020-06 – Auditors were unable to obtain a report of building permits issued during the year that agreed to the revenues recorded in the general ledger.	



WRAP UP



Upcoming Committee Meetings

- September 6, 2022 - Audit Committee
- December 7, 2022 - Ethics Training for City Commissioners, Officers and Directors, and Board Members
- December 13, 2022 - Audit Committee

Fraud, Waste, and Abuse Hotline

- To report an incident, call 1-844-818-2492 or
- Visit <https://www.lighthouse-services.com/cityofgainesville>
- To report other issues:
 - **Harassment or Discrimination Issues**, call the Equal Opportunity Office at 352-334-5051
 - **Employee Relations Issues**, call Human Resources at 352-334-5077

Thank You

Office of the City Auditor

Ginger Bigbie, CPA, CFE | City Auditor | City of Gainesville

200 E University Avenue, Gainesville, FL 32601

Office: 352-334-5020

URL: <https://www.gainesvillefl.gov/Government-Pages/Government/City-Auditor>



APPENDIX A - OPEN AUDIT ISSUES



APPENDIX A – OPEN AUDIT ISSUE DETAIL **B**

Audit Report Date	Audit Report Title	Audit Issue Title	Audit Issue Number	Impacted Department(s)	Audit Issue Due Date
4/3/2019	Audit of the City of Gainesville’s Reichert House Youth Academy – Governance, Financial Processes, and Performance Metrics - Part A	Obtaining and Managing Grants Outside of the City’s Oversight	3	GPD	See Note*
11/17/2021	GRU Badge Access and Physical Key Management Audit	Confidential	Confidential	GRU	4/30/2022
1/11/2022	Compliance Audit Report - Colliers International Contract	Insufficient Contract Administration Procedures	2	CAPER	6/30/2022
3/7/2022	Citywide Gift Card Audit	Inadequate Policy and Procedures	1	GG Finance, Utility Finance	12/15/2022
6/15/2022	GCRA Project and Fiscal Management	Project and Fiscal Management	1	GCRA	3/31/2023
6/15/2022	GCRA Project and Fiscal Management	Policies and Procedures	2	GCRA	12/10/2022
6/15/2022	GCRA Project and Fiscal Management	Management and Monitoring of Conflicts of Interest	3	GCRA	10/31/2022

*Note: There were no grant expenditures relevant to the RH program to test in 2020 or 2021. The unused RESET grant expired 9/30/2021. RH management was unable to hire qualified staff during the pandemic to fulfill the purpose of the RESET grant. The City Auditor’s Office will keep the RH audit issue #3 open until RH participates in a grant program at which time a new due date will be established and grant management processes will be tested to close the issue.



APPENDIX B - INTERNAL AUDIT PLAN



APPENDIX B – INTERNAL AUDIT PLAN

Audit Engagement Title	Primary Department	Audit Service Type	Audit Objective	Audit Status	Budgeted Hours
NEW Gainesville Regional Transit System (RTS) – Targeted Audit	Transportation and Mobility	Audit	Review internal controls around management of incident reporting and follow up.	Planning	400
Review of GG ERP User Access Management	Information Technology	Audit	Review the design and effectiveness of controls around the General Government ERP user identity, authorization and authentication. Work performed during the external financial statement audit by Purvis Gray.	Fieldwork	10
Citywide Cybersecurity Audit -Phase II	Information Technology	Audit	Provide an independent assessment of the City's cybersecurity governance structure, adequacy of current policies and procedures, and effectiveness of internal controls. Ensure identified risks are communicated to management and the board allowing for the opportunity to strengthen the City's ability to identify, assess, and mitigate cybersecurity risks to an acceptable level.	Planning	500
ARPA Reporting Compliance Audit	Financial Services	Audit	Establish audit program to periodically assess effectiveness of ARPA reporting internal controls and compliance with U.S. Treasury Coronavirus State & Local Fiscal Recovery Funds Final Rule.	Planning	200
Continuous Auditing – Pcards, Travel Expense and Reimbursement, Payroll Transactions	Citywide	Audit	Establish a program for continuous auditing of Citywide purchasing card programs, travel expense reimbursement policy and activity, and certain payroll transactions to reduce the City's risk of fraud, waste, and abuse.	Planning	800
GG Finance Indirect Cost Allocation Attestation (Annual)	Financial Services	Attestation	Management's request and Auditor General action plan to review accuracy of management's indirect cost allocation calculations.	Not started	100
G-5 Public Records Policy Compliance Audit	Citywide	Audit	Review citywide staff compliance with G-5 Public Records Policy to ensure efficient use of city resources, timely response to requests, and effective monitoring for compliance.	Not started	400
Citywide Fleet Management Processes	Public Works, GRU, RTS, GPD	Audit	Review the policies, procedures and internal controls around the City's fleet management programs to ensure efficiency of operations and appropriate risk management.	Not started	800
Traffic-Related Surveillance Data Security and Privacy Controls Audit	GG Transportation and Mobility	Audit	Review security and privacy controls around capturing, storing, handling, and accessing traffic-related surveillance data.	Not started	600
SHIP and Local Housing Assistance Plan Audit	Affordable Housing	Audit	Audit use of SHIP funds and adequacy of Local Housing Assistance Plan intended to produce and preserve affordable homeownership and multifamily housing.	Not started	800

APPENDIX B – INTERNAL AUDIT PLAN (Cont.)

Audit Engagement Title	Primary Department	Audit Service Type	Audit Objective	Audit Status	Budgeted Hours
Customer Complaint Management process Review	GRU	Audit	Review effectiveness of utility customer complaint management processes.	Not started	500
Operational Risk Management Advisory project	Parks, Recreation and Cultural Affairs	Advisory	Demonstrate example framework for identifying key risks and assessing controls for key PRCA services and activities to enhance resource allocation and risk management.	Not started	500
Utility Billing System Post-implementation Audit	GRU	Audit	Review accuracy and completeness of customer billing and financial reporting, including customer billing for Public Works services (refuse and recycle).	Not started	500
Case Management System User Access Review	City Attorney	Audit	Assess adequacy and effectiveness of user access management and related controls to ensure authorized access to the case management system.	Not started	300
On Hold GRU and GG Budgeting Processes and Reporting	GG and GRU Financial Services	Audit	Assess the effectiveness and accuracy of GRU and GG budget preparation, reporting and City Commission approval processes.	Not started	800
On Hold Police Overtime Billing & Collections	GPD	Audit	Review processes and controls for third party billing and collections related to police overtime.	Not started	500
On Hold Parking Charge Capture	GG Transportation and Mobility	Audit	Review charge capture processes and fee collection around City parking spaces and garages.	Not started	400
On Hold HR Data Quality Review	Human Resources Data Quality	Audit	Review controls around HR data intake, processing and output with use of disparate systems and manual processes.	Not started	500
On Hold Review GG and GRU Capital Improvement Plans	GG and GRU Infrastructure	Audit	Review plans to ensure resources are adequately allocated to improve infrastructure at greatest risk to impact neighbor and community builder health and safety and to ensure reliable delivery of services over time.	Not started	800
On Hold PRCA Billing and Collections Audit	Parks, Recreation and Cultural Affairs	Audit	Perform a risk-based evaluation of GPRC internal controls for billing and collections processes and merchant account handling.	Not started	800
On Hold GRU and GG Grants Administration Audit -Phase II	GRU Grants	Audit	Assess adequacy and effectiveness of governance and internal controls over grant administration.	Not started	400
On Hold GRUcom Asset Management and Capitalization Processes Review	GRUcom	Audit	Review internal controls around asset management and capitalization processes, including recovery for operating radio systems (police, fire).	Not started	500
On Hold Review of Governance, Compliance and Internal Controls around Business Tax Processes	GG Finance Billing and Collections	Audit	Assess governance, compliance and internal controls around General Government business tax processes.	Not started	200
Subtotal - audits and advisory projects:					11,310

APPENDIX B – INTERNAL AUDIT PLAN (Cont.)

ONGOING INTERNAL AUDIT ACTIVITIES					
	Audit Issue Follow up	Monitoring	Monitor management's establishment of enterprise information technology governance supporting the City's strategies and objectives.	Ongoing	200
	City Commissioner and Management Requests	Special Projects	Allocate limited hours annually to support City Commissioner and Management special projects, advisory services, or limited-scope audits.	Ongoing	200
12/9/20	Citywide Records Management Program	Advisory	Provide advisory services to support improved records management processes, including digitization, data storage, data retention schedules and data destruction.	Ongoing	100
	Investigations (Fraud, Waste and Abuse Hotline)	Hotline	Between final ERP pre-implementation audit report and start of a post-implementation assurance engagement, monitor management's ERP implementation progress and management of project-related risks.	Ongoing	200
	Enterprise Risk Assessment Activities	Assessment	Ongoing and annual risk assessment conversations with Commissioners and management to identify and prioritize risks, and inform the audit plan.	Ongoing	200
	Internal Audit Quality Assurance and Improvement Program, including professional training (40 Professional CPE hours per internal auditor required annually)	Quality Assurance	Ongoing efforts to assess and improve program effectiveness and project quality, including external Peer Review conducted every 3 years.	Ongoing	400
	Audit Committee Management	Board Reporting	Ongoing resources needed to prepare for and present to the City's Audit Committee at least quarterly.	Ongoing	200
Subtotal - administrative and ongoing internal audit activities:					1,500
Total Audit Plan Budgeted Hours (16-18 months):					12,810
2022 Internal Audit Team Total Available Hours (12 month period):					10,099