



MEMORANDUM

To: City Council

From: Craig Hametner

Date: November 13, 2013

Re: FY14 Annual Internal Audit Plan

BASIS FOR PLAN

The basis for the plan comes from risk assessments provided by management, analyzed and prioritized by the City Auditor and vetted by Senior Management.

Additionally, the available resources to complete audits were examined. The hours required to perform the identified audits are estimated hours. After considering hours that are unavailable for audits due to paid time off, administrative duties, required training, meetings, and other time off, the net available hours for audits are determined.

Combining available hours and audits yielded the annual audit plan.

Total hours are considered to be 1,720.

Administrative hours which include items such as: Preparing for and Attending Meetings, Creating Policies and Procedures for Internal Audit and Training are estimated at 240 hours.

Time-off includes vacation, sick, holidays and other available absences. This is estimated at 130 hours.

This leaves 1350 hours available for audits, investigations and advisements.

FY14 ANNUAL INTERNAL AUDIT PLAN

AUDITS

Contract Administration – Evaluate the process and determine if accountability is in place – 400 Hours

CIP – Project Delivery – Determine if the process is as efficient and effective as it can be – 400 Hours

Inventory Controls for Water and Sanitary Sewer Lines – Determine if accountability exists for these assets – 300 Hours

Inventory Controls for Fleet Parts – Determine if accountability exists for these assets – 300 Hours

Procurement Card Audit – Determine if controls are adequate and operating effectively – 300 Hours

INVESTIGATIONS, ADVISEMENTS, RISK ASSESSMENT/ANNUAL AUDIT PLAN

This section estimated at 200 Hours

TOTAL AUDIT, INVESTIGATIONS, ADVISEMENTS, RISK ASSESSMENT/ANNUAL AUDIT PLAN HOURS = 1,900 HOURS

ADDITIONAL AUDITS TO BE CONSIDERED

City Attorney's Office – Analysis of In-House Services vs. Outsourcing – 100 Hours

Policies and Procedures – Evaluate the process for developing, inventorying, categorizing, updating and communicating Policies and Procedures – 150 Hours

Sales Tax Audit – Determine if the city is receiving all the revenue it is entitled to – 400 Hours

Franchise Fee Audit – Determine if the city is receiving all the revenue it is entitled to – 400 Hours

Library – Objective(s) to be determined