

INTERNAL AUDIT

Mission Statement:

The Internal Audit Department is committed to the systematic, objective appraisal of the diverse operations and controls within the City to determine that (1) financial and operating information is accurate and reliable, (2) risks to the City are identified and minimized, (3) regulations, laws, and policies and procedures are followed, (4) satisfactory standards are met, (5) resources are used efficiently and economically to achieve the City's objectives - all for the purpose of assisting members of the organization in the effective discharge of their responsibilities.

Goals and Objectives:

- To utilize a structured risk assessment methodology to enable the Internal Audit function to quantify the level of risk related to City departments and processes. Internal Audit can then develop an appropriate audit schedule that will ensure adequate review of all City operations based on the risk scores calculated for each department factoring in previous audit coverage.
- To present accurate, comprehensive reports to management, the Audit Committee, and others covering the scope and objectives of assigned audits included in the audit plan within the time frame approved by the Audit Committee. This process holds the department accountable for effective use of its time and also ensures the results of our effort are provided to management.
- To provide sufficient follow-up on audit reports to determine the degree of compliance with audit recommendations. The department will strive to perform follow-up audits within 18 – 24 months of the original audit report date. This process will enable us to determine whether recommendations are implemented.
- To provide consultation services to management and staff in an effort to ensure adequate implementation of change or new processes in order to reduce the time required by audit staff for subsequent review and troubleshooting after the process has been implemented.
- To establish and maintain constructive working relations with management through use of interim briefings during the audit engagement, draft report review and a constructive orientation for reporting. This goal will ensure management is well informed throughout the audit process and that we maintain a "no surprises" approach to each project. This goal is intended to build a level of trust between Internal Audit and management in an effort to become a pro-active resource.
- To provide a comprehensive continuing professional education program for audit personnel to maintain the knowledge and skills necessary to satisfactorily perform assigned audits and stay abreast of new audit tools and techniques.
- To have an independent review of the department performance (peer review) at a minimum once every three years. This review should address the quality of work performed, the department's compliance with its objectives and audit standards and the affect the department has had upon the City.

2006 AUDIT PLAN:

City Utilities Annual Financial Statement Audit
HANDS Annual Audit
Follow-up Audits
Community Development Administration
Community Development Projects
Community Development Economic Development
Community Development Land Use/Permitting
Community Development Redevelopment Commission
Information Systems
Purchasing
Parks Building and Grounds

Yard Waste
Street Light Engineering
Transportation Engineering Services
Metro
Detective Bureau
Police Lab/Crime Scene
Vice and Narcotics
Police Records Bureau
Risk Assessment Model
Cost Allocation Study

INTERNAL AUDIT
 Dept # 010-012-OFFC
 2007 BUDGET COMPARISON

		<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>\$ INCREASE</u>	<u>% CHANGE</u>
		<u>ACTUAL</u>	<u>APPROVED</u>	<u>SUBMITTED</u>	<u>(DECREASE)</u>	<u>FROM 2006 APPR</u>
			<u>THRU 06/30/06</u>		<u>TO 2007</u>	<u>TO 2007</u>
4111	WAGES-REG	\$ 142,489	\$ 151,585	\$ 156,133	\$ 4,547	3.00%
4131	PERF	7,125	8,337	9,758	1,421	
4132	FICA	10,495	11,596	11,944	348	
4134	GROUP HEALTH INSUR	21,000	23,550	25,500	1,950	
4136	UNEMPLOYMENT	84	76	156	80	
4137	WORKERS COMP	372	324	276	(48)	
413A	PERF/FRINGE	4,277	4,548	4,684	136	
TOTAL 4100		\$ 185,842	\$ 200,016	\$ 208,451	\$ 8,435	4.22%
4212	STATIONARY/FORMS	\$ 18	\$ -	\$ -	\$ -	
4219	OTHR OFC SUPPL	224	280	300	20	
TOTAL 4200		\$ 242	\$ 280	\$ 300	\$ 20	7.14%
4314	CONSULTING	\$ -	\$ 2,500	\$ -	\$ (2,500)	
431K	SEMINAR FEES	690	1,560	2,025	465	
4322	POSTAGE	40	60	80	20	
4323	TELEPHONE	553	552	672	120	
4324	TRAVEL	2,480	1,216	2,760	1,544	
4326	MILEAGE	-	150	-	(150)	
432L	LONG DISTANCE	10	40	40	-	
4342	LIABILITY INSUR	72	108	114	6	
4343	OFCL/CRIME BOND	14	15	15	-	
4391	SUBS & DUES	570	560	560	-	
4399	OTHR SRVCS	-	450	450	-	
TOTAL 4300		\$ 4,429	\$ 7,211	\$ 6,716	\$ (495)	-6.86%
4444	PUR OTH EQUIP	\$ 335	\$ -	\$ -	\$ -	
TOTAL 4400		\$ 335	\$ -	\$ -	\$ -	-
TOTAL EXPENSES		\$ 190,848	\$ 207,507	\$ 215,467	\$ 7,960	3.84%

Internal Audit 2007-2011 Capital Improvement Program

FUNDING SOURCE CODE:						
CC-Cumulative Capital Fund	GRP-Grant Pending	PT-Property Tax				
CDBG-Community Development Block Grant	LE-Lease	RB-Revenue Bond				
CEDIT-Co. Economic Development Income Tax	InfraBd-Infrastructure Bond	ST-State Source				
CO-County Source	LRS-Local Roads & Streets	SU-Sewer Utility				
FED-Federal Source	MISC-Miscellaneous	SWU-Stormwater Utility				
GOB-General Obligation Bond	MVH-Motor Vehicle Highway	TIF-Tax Increment Financing				
GRA-Grant Approved	PCBF-Park Cumulative Bldg. Fund	UF-User Fee				
	PS-Private Source	WU-Water Utility				

Item #	Project Title & Description	Funding Source	Expenditure				
			2007	2008	2009	2010	2011
1	Printer Replacement	PT	-	1,000	-	-	-
2	Laptop Computer Replacement	PT	-	1,300	-	-	-
TOTAL			-	2,300	-	-	-

1. Internal Audit shares a printer. Based on the replacement schedule, this printer should have been replaced in 2002. The printer is still in fine working order, so we intend to postpone replacement until 2008.
2. The laptop is used for fieldwork on offsite audits, special projects, and could be used as a backup if one of the desk top computers were to crash. The laptop was scheduled for replacement in 2007, we intend to postpone replacement until 2008.

STAFFING LEVELS
BUDGETED
INTERNAL AUDIT

CLASSIFICATION TITLE	EXEMPT GRID/* UNION														
		99	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	
Director of Internal Audit	I	1	1	1	1	1	1	1	1	1	1	1	1	1	1
Staff Auditor	E	2	2	2	2	2	2	2	2	2	2	2	2	2	2
TOTAL		3	3	3	3	3	3	3	3	3	3	3	3	3	3