



City of Arts & Innovation

Governmental Affairs Committee Memorandum

City of Arts & Innovation

TO: GOVERNMENTAL AFFAIRS COMMITTEE **DATE: AUGUST 2, 2017**
FROM: INTERNAL AUDIT DIVISION **WARDS: ALL**
SUBJECT: FISCAL YEAR 2017/18 AND 2018/19 AUDIT WORK PLAN

ISSUE:

Receive, review, provide input on, and recommend to the City Council approval of the Internal Audit Division two-year work plan for fiscal years 2017/18 and 2018/19.

RECOMMENDATION:

That the Governmental Affairs Committee receive, review, provide input on, and recommend to the City Council approval of the Internal Audit Division two-year work plan for FY2017/18 and FY2018/19.

LEGISLATIVE HISTORY:

The Internal Audit Governing Rules, adopted by a City Council resolution on March 2, 2016, require the two-year work plan be approved annually by the City Council through the Governmental Affairs Committee.

BACKGROUND:

On October 5, 2016, the Governmental Affairs Committee approved and recommended to the City Council a revised Internal Audit Division two-year work plan for FY2016/17 and FY2017/18. The City Council approved the two-year work plan on November 8, 2016. The two-year work plan for FY2017 – 2019 has been revised to include new Performance Audit topics, additional Assurance/Consulting projects and expanded Monitoring activities.

DISCUSSION:

The Internal Audit Services include Performance Audits, Advisory/Consulting engagements and projects, and various Monitoring functions/activities. Developing the two-year Internal Audit work plan is a fluid process that includes input from Council members and executive management, national and local events/topics, and examining the City's budget and City activities.

FY2016/17 Work Plan Accomplishments

In FY2016/17 the Internal Audit Division completed the following:

Performance Audits

- Follow-up of review Citywide Professional Services Agreements
- Code Enforcement Workforce Assessment

Assurance/Consulting

- Manage the CMO Annual *External Performance Assessment and Financial Review* for the Police Department, Office of the Mayor, and Office of the City Manager
- Co-lead the CMO *Performance Measurement & Reporting Program*
- Develop a Department/Division Overtime Control Self-Assessment Tool; provide guidance in the self-assessment process

Monitoring

- Administration Manual – updated 36 out of 60 policies
- Procurement cards (P-cards) – issued 5 monthly reports and 1 quarterly report
- CMO Annual *External Performance Assessment and Financial Review* Action Plan Updates – Riverside Public Utilities, Human Resources Department, Finance Department
- Investigated initial allegations of overtime abuse in RPU; consultant to be hired for an audit of spending and approval practices.

FY2017 – 2019 Work Plan

The proposed two-year fiscal work plan currently includes:

Performance Audits

- Complete the FY2016/17 Citywide Outsourcing & Privatization Study
- Assessment of City-owned properties and property leases
- Review of internal controls for various incentives for Commercial Businesses – Public Utilities
- Asset Management of Mobile Devices – Innovation Technology
- Management of Contracts/Agreements – C&ED

Assurance/Consulting

- Citywide Overtime Control Self-Assessment (CSA)
- General Liability & Repair Claims Due to City Owned Trees
- Assist consultant – Forensic Analysis of RPU Overtime and Approval Practices
- CMO Annual *External Performance Assessments and Financial Reviews*
- CMO *Performance Measurement & Reporting Program - Enhancements*

Monitoring

- Citywide Grants Management & Administration; oversee internal/external web portal reporting
- CMO *Performance Measurement & Reporting Program* data integrity
- External/internal audit recommendations & action plans
- Procurement Card (P-card) and Professional Services Agreements (PSAs)
- Administration Manual Policy Updates
- Fraud, Waste, Abuse HOTLINE Investigations

FISCAL IMPACT:

There is no fiscal impact associated with this report. The resources to accomplish the Internal Audit Work Plan are included in the approved operating budget.

Prepared by: Cheryl Johannes, Internal Audit Manager

Certified as to

availability of funds: Adam Raymond, Acting Chief Financial Officer /City Treasurer

Approved by: Marianna Marysheva, Assistant City Manager

Approved as to form: Gary G. Geuss, City Attorney

Attachment: Presentation