



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL **DATE: SEPTEMBER 5, 2017**
FROM: INTERNAL AUDIT DIVISION **WARDS: ALL**
SUBJECT: FISCAL YEAR 2017/18 AND 2018/19 INTERNAL AUDIT WORK PLAN

ISSUE:

Receive, review, provide input on, and approve the Internal Audit Division two-year work plan for fiscal years 2017/18 and 2018/19.

RECOMMENDATION:

That the City Council receive, review, provide input on, and approve the Internal Audit Division two-year work plan for fiscal years 2017/18 and 2018/19.

LEGISLATIVE HISTORY:

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

COMMITTEE RECOMMENDATION:

The Governmental Affairs Committee met on August 2, 2017. Chair Andy Melendrez, Vice Chair Mike Gardner and member Chuck Conder were in attendance. The committee unanimously recommended to City Council the Internal Audit Division's fiscal year 2017/18 and 2018/19 audit work plan.

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 review of Citywide Professional Services Agreements
- Code Enforcement Workforce Assessment

Assurance/Consulting

- Managed 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*
- Developed a Department/Division Overtime Control Self-Assessment Tool; provided 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

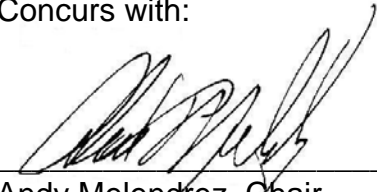
- Citywide Grants Management & Administration; oversee internal/external web portal reporting
- CMO *Performance Measurement & Reporting Program* data integrity
- External/internal audit recommendations & action plans
- Procurement Card (P-card) and Professional Services Agreements (PSAs)
- Administration 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 two-year operating budget.

Prepared by: Cheryl Johannes, Internal Audit Manager
Approved by: Marianna Marysheva, Assistant City Manager
Certified as to
availability of funds: Adam Raymond, Acting Chief Financial Officer/City Treasurer
Approved as to form: Gary G. Geuss, City Attorney

Concurs with:



Andy Melendrez, Chair
Governmental Affairs Committee

Attachment: Presentation