



FY2018/2019 – FY2019/2020 Internal Audit Work Plan

Office of Organizational Performance and Audit

City Council
November 6, 2018

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INTERNAL AUDIT SERVICES

Performance Audits

- Economy and Efficiency Review – reduce costs, increase revenue, improve quality of services provided to citizens
- Program Review – goals and objectives achieved; adequate internal controls; compliance to laws, regulations, policies/procedures; terms of agreements

Assurance & Consulting

- Advice on process re-engineering, new services, new or existing systems, risk mitigation strategies
- Advise management on operational risks and internal controls
- Provide tools - best practices; internal control self-assessments methods
- Coordinate CMO annual *External Performance Assessments & Financial Reviews*

Monitoring

- Citywide Administration Manual policies (updates)
- Fraud, Waste & Abuse Investigations
- Compliance reporting: P-card transactions, PSAs
- Internal and external audit recommendations and action plan updates
- Citywide Grants Administration

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BACKGROUND

1. On April 12, 2016, the City Council adopted the Resolution 22988, establishing the Internal Audit Governing Rules.
2. The Rules provide the framework for the conduct of the internal audit function as an independent and objective assurance and consulting activity.
3. The Rules require the Governmental Affairs Committee to review the fiscal two-year performance audit work plan before forwarding to the City Council.



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BACKGROUND

On October 3, 2018, the Governmental Affairs Committee received, discussed and unanimously recommended that the City Council approve the Internal Performance Audit Work Plan for Fiscal Years 2019.



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DISCUSSION

The two fiscal year Work Plan is a combination of

1. Performance audits in progress;
2. Audits based on assessment of various risk factors;
3. Audits based on requests from executive management; and
4. Follow-up reviews of previously completed audits.



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Work Plan – Fiscal Years 2019 and 2020

Internal Performance Audit	Audit Objective
Asset Management of Mobile Devices – IT (complete; to GAC and CC in Nov 2018)	Evaluate mobile device management practices and internal controls.
Software Asset Management – IT (in progress)	Assess software asset management practices to ensure compliance with vendor agreements and license-tracking through the lifecycle.
Temp Agency Services & Compliance with CalPERS – All departments (in progress)	Assess the overall management of temporary agency employees to ensure compliance with CalPERS; controls to reduce the risk of penalties/fines.
Utilization of City-Owned Commercial Leased Properties – General Services & CEDD (in progress)	Determine the extent of effective and efficient management of the City's commercially leased vertical properties.

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Work Plan – Fiscal Years 2019 and 2020 (cont.)

Sewer Laterals & City-Owned Trees Liability Assessment – Public Works (in progress)	Determine options to reduce sewer lateral repair costs absorbed by the City.
Protecting Personally Identifiable Information (PII) – All departments	Evaluate the oversight and process for protecting PII that is collected and/or stored by the City.
Firefighter Work Schedule Optimization – Fire Department	Assess the firefighter and staffing work schedule based on best practices and NFPA guidelines.
Solid Waste Diversion by 2020 – Public Works	Evaluate progress in complying to the State mandate of 75% diversion by 2020.
3-1-1 Call Center Operations – Public Utilities	Determine if the Call Center provides accurate and quality information to City departments; provides accurate and relevant performance data to management.
Development Impact Fees - CEDD	Assess overall management process and accounting.



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RECOMMENDATION

That the City Council review and approve the Internal Performance Audit Work Plan for Fiscal Years 2019 and 2020.



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