



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: NOVEMBER 6, 2018

FROM: OFFICE OF ORGANIZATIONAL PERFORMANCE WARDS: ALL
AND AUDIT

SUBJECT: INTERNAL PERFORMANCE AUDIT WORK PLAN FOR FISCAL YEARS 2019
AND 2020

ISSUE:

Review and approve the Internal Performance Audit Work Plan for Fiscal Years 2019 and 2020.

RECOMMENDATIONS:

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

COMMITTEE RECOMMENDATION:

The Governmental Affairs Committee met on October 3, 2018, with Chair Andy Melendrez, Vice Chair Mike Gardner and member Chuck Conder in attendance. The committee received, discussed and unanimously recommended that the City Council approve the Internal Performance Audit Work Plan for Fiscal Years 2019 and 2020.

BACKGROUND:

Internal Audit is an independent and objective assurance and consulting activity that is guided by a philosophy of adding value to improve the operations of the City of Riverside. It assists City Government in accomplishing its objectives through a systematic and disciplined evaluation of and improvements to the effectiveness of the organization's governance, risk management and internal controls.

The following chart outlines key activities and services conducted by Internal Audit:

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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On April 12, 2016 the City Council adopted Resolution 22988, establishing the Internal Audit Governing Rules. The Rules provide the framework for the conduct of the internal audit function as an independent and objective assurance and consulting activity guided by a philosophy of adding value to improve the operations of the City. The also ensure our office has direct access to the City Council.

The Governmental Affairs Committee reviews the two fiscal year performance audit work plan, provides input and recommends approval by the City Council. Upon completion of an internal audit, the final report, with management responses and action plan, is also presented to the City Council through the Governmental Affairs Committee.

DISCUSSION:

The two fiscal year audit work plan is a combination of performance audits in progress, planned audits based on assessment of risk factors, planned audits based on requests from executive management, and follow-up reviews of audits conducted in FY2016.

While assurance and consulting projects by their nature cannot be pre-planned, performance audits are identified with preliminary objectives based on staffing resources. We maintain the flexibility to amend the work plan as needed to address unforeseen or urgent issues in a timely manner.

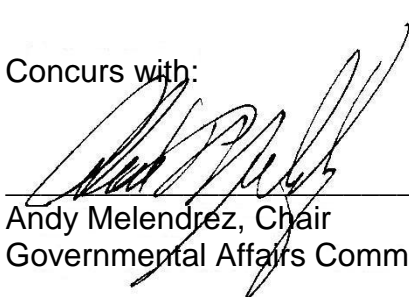
The following table summarizes the Internal Performance Audit Work Plan for Fiscal Years 2019 and 2020:

Internal Performance Audit	Audit Objective
Asset Management of Mobile Devices - IT	Evaluate mobile device management practices and internal controls.
Software Asset Management - IT	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	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	Determine the extent of effective and efficient management of the City's commercially leased vertical properties.
Sewer Laterals & City-Owned Trees Liability Assessment – Public Works	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 quality customer services; provides accurate and relevant performance data to management.
Development Impact Fees - CEDD	Assess overall management process and accounting.
Follow-Up on various FY2016 Audits	Assess the status and quality of implementation for each recommendation.

FISCAL IMPACT:

There is no fiscal impact associated with this report. Resources to accomplish the internal performance audit work plan is included in the two-year operating budget.

Concurs with:


 Andy Melendrez, Chair
 Governmental Affairs Committee

Prepared by: Cheryl Johannes, Office of Organizational Performance & Audit Manager
Certified as to
availability of funds: Edward Enriquez, Interim Chief Financial Officer/Treasurer
Approved by: Al Zelinka, FAICP, City Manager
Approved as to form: Gary G. Geuss, City Attorney

Attachment:

1. Presentation