

Table of Protocols for Presenting Internal Audit Reports

Audit Document	City Auditor Action	Audit Committee Action	Jefferson Wells Comments	IBA Comments
<p>1. Audit Reports</p>	<p>All audit reports will be made public and copies distributed to the Audit Committee members, Mayor, City Council members, City Attorney, and administration officials. All audit reports will be placed on the City Auditor’s public website.</p>	<p>The Audit Committee Chair in consultation with the City Auditor will decide which audit reports are presented to the Committee. Any Audit Committee member may request through the Chair to place an audit report on the Audit Committee agenda. The City Auditor will make a presentation on the audit results including a discussion of audit findings and recommendations.</p>	<p>Audit Committee (AC) may want opportunity to review for a short period before public release for awareness only not for editing. Suggest 3 business days before posting on web.</p> <p>Also, the Audit Committee Charter specifies that the AC should review all internal audits listed in the Annual Audit Plan.</p>	<p>Okay only as a professional courtesy but audit reports should be distributed as “final” with no further editing allowed. If distributed to AC, should also be distributed to all Council members. AC to discuss and determine.</p> <p>Agree with IA on process for docketing/hearing of completed audits due to time constraints on agendas. Routine audits e.g. close out audits of exiting employees, may not need to be heard. IA should clearly recommend to the Chair which audits are significant and should</p>

				<p>be heard. If Chair does not agree to docket significant audits as recommended, IA to make other AC members aware. Any AC member or CC member may also request hearing on any audit.</p> <p>AC Charter currently states "The Committee shall review the results of internal financial audits and monitor the follow-up on recommendations." The Charter needs to be revised to include other audits, not just financial audits. Charter can also be revised to incorporate the process as described for reporting out on audits. For audits not heard at AC, all audit reports will be communicated to AC and Council.</p>

<p>2. Annual Audit Work Plan</p>	<p>At the beginning of each fiscal year, the City Auditor will propose an annual audit work plan that will identify all proposed audits to be undertaken throughout the year. The work plan will identify 1) all audits in progress; 2) audits not started; 3) required annual audits, such as the Report on Internal Controls, and Inventory Audit; 4) on-going audit assignments, such as close-out audits and Fraud Hotline referrals; 5) newly proposed audits based on the Citywide Risk Assessment model; and 6) input from the Mayor, City Council, and Administration on potential audit subjects. Additional information will include audit type, estimated start and completion date, and estimated audit hours. Audit requests received during the fiscal year will be addressed through the Audit Committee.</p>	<p>The Annual Audit Work Plan will be presented to the Audit Committee on an annual basis together with the results of the risk assessment. Requests to add audits to the work plan midyear will be presented to the Audit Committee with a City Auditor analysis of the impact of adding the proposed audit to the work plan.</p>	<p>There should be a definitive date for when the Audit Plan will be submitted to the AC.</p> <p>Recommend covering required staffing levels in the plan.</p> <p>Regarding “requests to add audits to the work-plan midyear”: suggest replacing midyear with “during the year.”</p> <p>It is our opinion that the Annual Audit Plan should be presented to the AC for “approval” rather than “review and recommend” as in AC charter.</p>	<p>Agree. Suggest first AC meeting of the fiscal year.</p> <p>IA has agreed to provide required audit hours in the Annual Audit Plan but not staffing levels.</p> <p>“Midyear” okay as general rule. Recommend “during the year” or “as needed” for audit requests that require significant resources and could negatively impact original priorities.</p> <p>Recommend keeping “review and recommend”. Reflects ability for AC to provide input, allowing Auditor to make final determination of Audit Work Plan.</p>
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3. Annual Activities and Accomplishments Report	<p>Annually, the City Auditor’s Office will make public a record of its activities and accomplishments. Beginning in January 2009, the City Auditor will issue an annual report for the period January 1, 2008 to December 31, 2008, with the following information:</p> <ul style="list-style-type: none"> • Audit authority and responsibility. • Mission statement. • Information on types of audits performed. • Benefits to city, in terms of cost savings and increased revenues, or strengthening internal controls in comparison to audit costs. • Audit recommendations by type—Improve operations or program effectiveness, or improve economy and effectiveness. • Office information, including budget and number of personnel. • Audit work plan and 	<p>The City Auditor will distribute this report to the Mayor, City Council, and the Audit Committee. If desired, this report will be scheduled for an Audit Committee meeting.</p>	<p>Issue on “fiscal year” basis rather than “calendar year.”</p> <p>Do not see where they are addressing the status of completion of the Annual Audit Plan.</p> <p>The IAD budget should be added to the Audit Document list. The IAD’s budget should be a critical supplemental report to facilitate a thorough assessment of the Annual Audit Plan listed above.</p>	<p>Either is acceptable. Fiscal year would match to work plan and budget cycles.</p> <p>Confirm with IA that this will be addressed in Annual Report.</p> <p>IA Budget will be determined each year in annual budget process which is completed by June. IA will discuss future audit and staffing requirements during the budget process. IA will be aware of what resources he/she can count on in coming fiscal year as he/she develops the Annual Work Plan for presentation to the AC</p>

	<p>Citywide Risk Assessment process.</p> <ul style="list-style-type: none"> • Organizational chart. • Staff information including education, certifications, and work experience. • Noteworthy recognition, appointments, and awards. • Website information and statistics. • Summary of audit work performed - executive summary of audit reports. • Most recent peer review report. 			<p>in July. IA Budget will be available and transparent in City budget documents.</p>
<p>4. Fraud, Waste, and Abuse Hotline Quarterly Report</p>	<p>On a quarterly basis, the City Auditor will provide a summary report to the Audit Committee regarding the number of calls to the hotline, category of calls received, and call disposition.</p>	<p>The Audit Committee will place on the meeting agenda a quarterly update from the City Auditor regarding the hotline. The City Auditor will make a presentation regarding the hotline results.</p>	<p>No comments provided.</p>	<p>Concur with IA proposal.</p>

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5. Monthly Reports	Each month, the City Auditor will issue a report to the Audit Committee. The report will contain 1) a listing of issued audit reports and memorandums; 2) a listing of all ongoing audit assignments, including information on audit status, hours, and target issuance date; 3) approved audits not started; and 4) a listing of significant City Auditor and staff activities and accomplishments.	On a quarterly basis, the Audit Committee will place on the meeting agenda a quarterly update from the City Auditor regarding office activities and accomplishments. The City Auditor will present a summary of the information contained in the monthly reports issued for the previous three months.	No comments provided.	Concur with IA proposal.
6. Recommendation Follow-Up Report	In order to ensure recommendations are implemented on a timely basis, the City Auditor will undertake an annual recommendation follow-up process to track the status of all previously issued audit recommendations. In February 2009, the City Auditor will prepare an annual report on the status of all recommendations for the previous	Annually, the Audit Committee will place on the meeting agenda the Recommendation Follow-up Report. The City Auditor will make a presentation on the status of all previously issued recommendations, with estimated	No comments provided.	Concur with IA proposal.

	12 month period ending December 31, 2008.	timeframes for implementation.		
7. Risk Assessment	On an annual basis, the City Auditor's Office will conduct a Citywide Risk Assessment to identify potential audit subjects. The City Auditor's Office will complete a Citywide Risk Assessment as a means to help identify, measure, and prioritize the City's potential audits based on the level of risk to the City. The results of the completed Citywide Risk Assessment will be utilized in preparing the City Auditor's annual work plan. When a City Activity Group is selected to be audited, we will perform a more in depth risk assessment to ensure our audit procedures cover the areas of highest risk for that Activity Group.	Annually, the Audit Committee will place on the meeting agenda the risk assessment report along with the proposed audit work plan.		