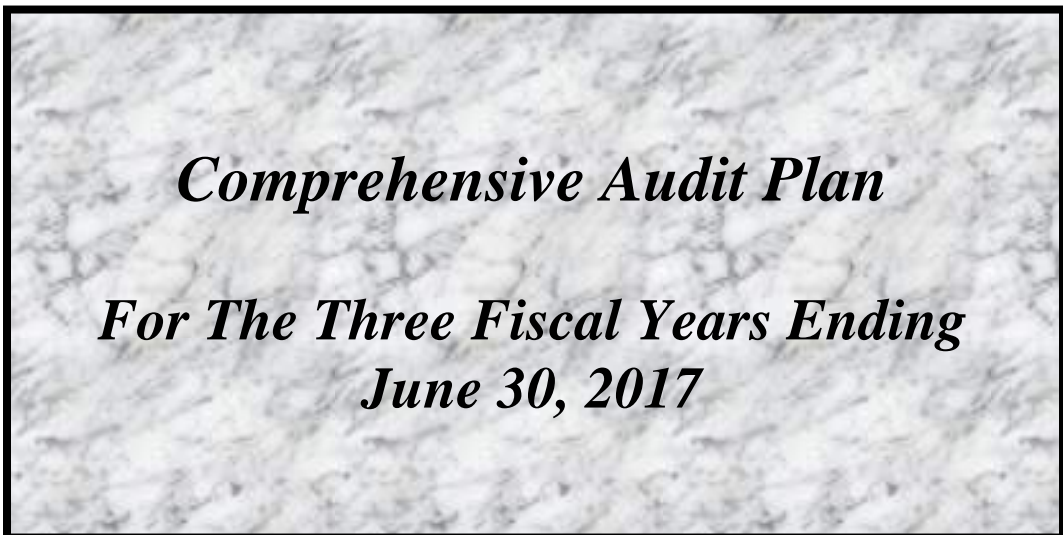


CITY AUDITOR
Jim Williamson, CPA, CIA



MAYOR AND CITY COUNCIL

<i>Mick Cornett</i>	<i>Audit Committee, Mayor</i>
<i>James Greiner</i>	<i>Ward 1</i>
<i>Ed Shadid</i>	<i>Ward 2</i>
<i>Larry McAtee</i>	<i>Audit Committee, Ward 3</i>
<i>Pete White</i>	<i>Ward 4</i>
<i>David Greenwell</i>	<i>Audit Committee, Ward 5</i>
<i>Margaret S. "Meg" Salyer</i>	<i>Ward 6</i>
<i>John A. Pettis Jr.</i>	<i>Ward 7</i>
<i>Patrick J. Ryan</i>	<i>Ward 8</i>



The Office of the City Auditor has prepared a risk-based Comprehensive Audit Plan for the three fiscal years ending 2017. The following process was used in developing the Audit Plan:

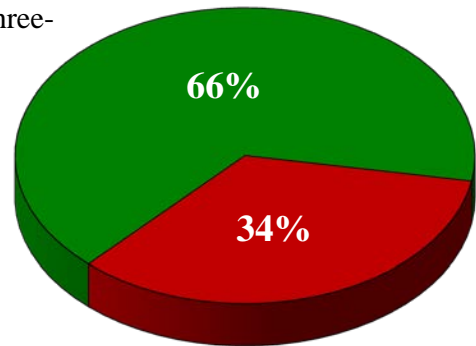
Assessment of Risk

- We defined 78 auditable units, primarily consisting of lines of business identified in City departmental strategic business plans.
- City department managers completed self-assessment questionnaires to identify potential control weaknesses and/or other financial or operational deficiencies.
- We interviewed City Council members and executive managers to obtain input on risks, difficulties and concerns within City operations.
- We assigned a risk rating of High, Medium or Low to each auditable unit using available financial/operating information, Council and management feedback, and six risk criteria factors.
- The Audit Committee reviewed a draft of the Audit Plan.

Determination and Allocation of Available Hours

We estimated **34,000** audit hours will be available during the three-year Audit Plan period.¹

- ▶ **22,400** hours were allocated to scheduled audits, which are generally aimed at determining whether:
 - ▶ programs are achieving desired results
 - ▶ operations are efficient
 - ▶ revenues are complete and accurate
 - ▶ expenditures are valid and compliant with laws, regulations and policies
 - ▶ operating and financial records/reports are accurate and complete
 - ▶ fraud, waste and abuse are prevented and/or detected
 - ▶ recommendations from previously issued audit reports have been addressed
- ▶ **11,600** hours were allocated to other audit services including unscheduled audit requests, investigations, committee participation and the Ethics Program.



A breakdown of *Scheduled* and *Other* audit service hours is provided on page 2. An Engagement Prospectus for *Scheduled* audit service hours relating to new projects is provided on pages 3 through 5.

¹ Available audit hours exclude leave, administrative and training time and include hours that may not be realized due to position vacancies.



Office of the City Auditor Project Listing

FY 2015-17

Audit Area	Estimated Hours
► Scheduled Audit Services:	22,400
City Manager - Economic Development Expenditures	800
City Manager - Cultural Facility Revenue	800
Citywide - Response to Citizen Concerns	800
Court Administration - Court Fees	600
Fire - Construction Plan Review and Inspections	1,200
Finance - Sales Tax, Use Tax and 911 Fee Enforcement	800
Information Technology - Asset Inventory	800
MAPS/OKC Sports Facilities Special Sales Tax Funds	800
Parks - Box Office Operations	800
Parks - Recreation Fee Collections	800
Personnel - Benefits Eligibility	800
Police - Emergency Management	600
Public Transportation and Parking - Parking Meter Revenue	800
Utilities - Bulk Water Purchase Contracts	800
Expenditure of Municipal Funds (a)	2,400
Payroll (a)	1,800
Public Safety Sales Tax Annual Report (a)	2,400
Follow-up on Previous Recommendations:	
Development Services - Development Center Fee Collection and License Enforcement	600
Police - Alarm Permitting Program	600
Public Works - General Obligation Bond Program	500
Public Works - Capital Street Project Construction Administration	800
Additional Requirements for FY14 Audits:	
Citywide Non-Major Grants	600
Police - Undercover Funds	300
Public Transportation and Parking - Parking Garage Contract	800
Public Works - Privately Constructed Roads	50
Public Works - Pavement Management Program	150
Other	200
► Other Audit Services:	11,600
Unscheduled Audits and Investigations	6,800
Committees and Advisory Services	2,500
Ethics Program	1,500
Risk Assessment/Audit Plan Development - FY 2018-20	800
Total Estimated Hours Available (b)	34,000

(a) Mandated by Ordinance or other regulations.

(b) Includes hours that may not be available due to audit position vacancies.



**Office of the City Auditor
Engagement Prospectus**

FY 2015-2017

Audit Area	Objective/Significance	Anticipated Value	Estimated Hours
City Manager – Economic Development Expenditures	Verifying compliance with requirements relating to General Obligation Limited Tax Bonds. \$44 million of \$68 million in GOLT Bonds authorized in 2007 have been issued as of June 30, 2014.	Enhanced compliance with incentive requirements.	800
City Manager – Cultural Facility Revenue	Evaluating the adequacy and determining the effectiveness of controls over cultural facility revenue, which totaled over \$2 million in FY 2014.	Improved accuracy and completeness of revenue.	800
Citywide – Response to Citizen Concerns	Assessing procedures ensuring complete and efficient response to citizen concerns. Citizens may express concerns to personnel at various locations throughout the City. These concerns are forwarded to departmental personnel for inspection and/or corrective action.	Enhanced response to citizen concerns and improved operating efficiency.	800
Court Administration – Court Fees	Verifying compliance with statutory regulations governing expenditure of court fees. Court fees are expected to exceed \$11 million in FY 2015.	Enhanced compliance with State Statutes.	600
Fire – Construction Plan Review and Inspections	Assessing the timeliness and efficiency of the Construction Inspections Program. Approximately 1,300 construction plan reviews and 14,000 inspections are expected to be completed during FY 2015.	Enhanced operating efficiency and improved program results.	1,200
Finance – Sales Tax, Use Tax and 911 Fee Enforcement	Evaluating the adequacy and determining the effectiveness of procedures for monitoring sales tax, use tax and 911 fee collections. These taxes and fees are expected to exceed \$475 million in FY 2015.	Improved accuracy and completeness of revenue.	800
Information Technology – Asset Inventory	Evaluating the adequacy and effectiveness of controls over inventories of technology assets within the department and/or citywide. IT maintains internal inventories of noncapital assets in addition to supporting numerous and varied technology assets used citywide.	Enhanced asset accountability and policy compliance.	800



**Office of the City Auditor
Engagement Prospectus**

FY 2015-2017

Audit Area	Objective/Significance	Anticipated Value	Estimated Hours
MAPS/OKC Sports Facilities Special Sales Tax Funds	Verifying compliance with restrictions relating to limited-purpose sales taxes, expenditures of which are budgeted at over \$250 million for FY 2015.	Enhanced compliance with applicable restrictions.	800
Parks - Box Office Operations	Evaluating the adequacy and determining the effectiveness of controls over Box Office revenue including compliance with ticketing service contracts. Box Office revenue is budgeted at approximately \$2 million for FY 2015.	Improved accuracy and completeness of revenue and enhanced contract compliance.	800
Parks – Recreation Fee Collections	Evaluating the adequacy and determining the effectiveness of controls over recreation related fee collections. Recreation fees are expected to exceed \$1 million during FY 2015.	Improved accuracy and completeness of revenue.	800
Personnel - Benefits Eligibility	Evaluating the adequacy and determining the effectiveness of controls over participant eligibility for health benefits. Health benefit costs covering more than 11,000 participants are budgeted at over \$55 million for FY 2015.	Enhanced policy compliance and improved accuracy of expenditures.	800
Police – Emergency Management	Assessing preparedness for identifying and documenting federally reimbursable costs associated with disaster response. Federal Emergency Management Agency grant reimbursements during fiscal year 2014 totaled over \$1.8 million.	Enhanced process efficiency and improved cost recovery.	600
Public Transportation and Parking – Parking Meter Revenue	Evaluating the adequacy and determining the effectiveness of controls over parking meter revenue. Parking meter revenue is expected to exceed \$1 million for FY 2015.	Improved accuracy and completeness of revenue.	800
Utilities – Bulk Water Purchase Contracts	Evaluating the adequacy and determining the effectiveness of controls over billings related to contracts with other government entities for bulk water purchases, which is more than \$20 million annually.	Improved accuracy and completeness of revenue and enhanced contract compliance.	800



**Office of the City Auditor
Engagement Prospectus**

FY 2015-2017

Audit Area	Objective/Significance	Anticipated Value	Estimated Hours
Expenditure of Municipal Funds	Evaluating the adequacy and determining the effectiveness of controls ensuring expenditures are accurate, appropriately authorized and in compliance with regulations. Evaluating the status of recommendations included in previously issued audit reports.	Stronger internal control and enhanced compliance with applicable policies and regulations.	2,400
Payroll	Evaluating the adequacy and determining the effectiveness of controls over accurate, complete and timely processing of payroll in selected departments. Evaluating the status of recommendations included in previously issued audit reports.	Enhanced compliance with applicable policies, regulations and contracts, and stronger internal control.	1,800
Development Services – Follow-up	Evaluating the status of recommendations included in our two reports relating to fee collection and license enforcement in the Development Center.	Improved accuracy and completeness of revenue and enhanced Code enforcement.	600
Police – Follow-up	Evaluating the status of recommendations included in our report relating to administration of the alarm permitting program.	Improved revenue collection, Code enforcement and enhanced operational efficiency.	600
Public Works – Follow-up	Evaluating the status of recommendations included in our follow-up report relating to the General Obligation Bond Program.	Improved compliance with federal regulations and enhanced program administration.	500
Public Works – Follow-up	Evaluating the status of recommendations included in report relating to administration of capital street projects.	Improved program results.	800