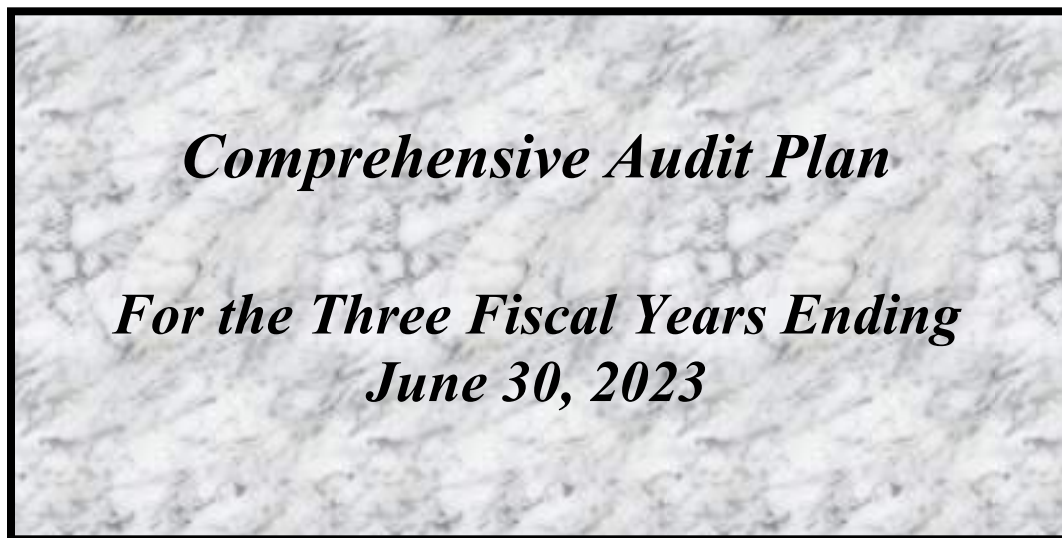


**CITY AUDITOR**  
**Jim Williamson, CPA, CIA**



**MAYOR AND CITY COUNCIL**

<b>David Holt</b>	<b>Mayor</b>
<b>James Greiner</b>	<b>Audit Committee, Ward 1</b>
<b>James Cooper</b>	<b>Ward 2</b>
<b>Larry McAtee</b>	<b>Audit Committee, Ward 3</b>
<b>Todd Stone</b>	<b>Ward 4</b>
<b>David Greenwell</b>	<b>Audit Committee, Ward 5</b>
<b>JoBeth Hamon</b>	<b>Ward 6</b>
<b>Nikki Nice</b>	<b>Ward 7</b>
<b>Mark K. Stonecipher</b>	<b>Ward 8</b>



The Office of the City Auditor has prepared a risk-based Comprehensive Audit Plan for the three fiscal years ending 2023. The following process was used in developing the Audit Plan:

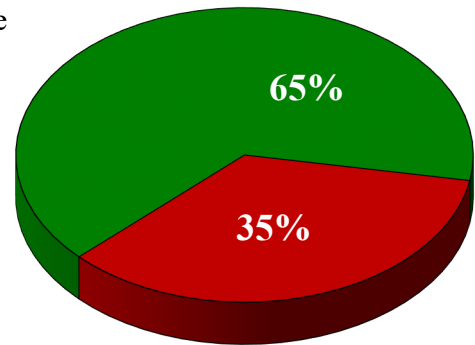
**Risk Assessment**

- We defined 92 auditable units, primarily consisting of lines of business identified in City departmental strategic business plans.
- We interviewed City Council members and executive managers to obtain input on risks, difficulties, and concerns within City operations.
- We assessed risk for each auditable unit using available financial/operating information; City Council and management feedback; and six risk criteria factors.
- The Audit Committee reviewed a draft of the Audit Plan.

**Available Hours Allocation**

We estimated **28,500** audit hours will be available during the three-year Audit Plan period.<sup>1</sup>

- ▶ **18,500** 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
- ▶ **10,000** hours were allocated to other audit services including unscheduled audit requests, investigations, committee participation and the Ethics Program.



*Scheduled* and *Other* audit service hours are detailed on page 2. Descriptions of new *Scheduled* audit projects are provided beginning on page 3.

<sup>1</sup> 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 2021-23**

<b>Audit Area</b>	<b>Estimated Hours</b>
<b>► Scheduled Audit Services:</b>	<b>18,500</b>
City Manager - Cultural Facility Contracts	800
Citywide - Medical Marijuana	800
Citywide - GO Bond Fund Restrictions	800
Finance - State Apportioned Taxes	800
Fire - Annual Code Inspections	800
Personnel - Hiring Process	1,200
Police - Body Worn Cameras	1,200
Public Information and Parks - Special Event Permits	800
Public Transportation - Maintenance Operations	800
Public Works - Utility Street Cuts	800
Information Technology Audits	1,200
Expenditure of Municipal Funds (a)	1,800
Payroll (a)	1,800
Public Safety Sales Tax Annual Report (a)	2,400
Follow-up on Previous Recommendations:	
Fire - Construction Inspections	400
Information Technology - Radio Inventory	600
Police - Property Management Unit	1,000
Ongoing Audits:	
Development Services - Code Inspections	300
Other	200
<b>► Other Audit Services:</b>	<b>10,000</b>
Unscheduled Audits and Investigations	6,000
Committees and Advisory Services	2,100
Ethics Program	1,500
Risk Assessment/Audit Plan Development	400
<b>Total Estimated Hours Available (b)</b>	<b>28,500</b>

(a) Mandated by Ordinance or other regulations.

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



**Office of the City Auditor  
Engagement Prospectus**

**FY 2021-2023**

<b>Audit Area</b>	<b>Objective/Significance</b>	<b>Anticipated Value</b>	<b>Estimated Hours</b>
City Manager – Cultural Facility Contracts	Evaluating the adequacy and effectiveness of controls ensuring compliance with terms of significant agreements for management/operation of City-owned cultural facilities.	Improved compliance, completeness of revenue, and/or cost avoidance.	800
Citywide – Medical Marijuana	Assessing the adequacy and effectiveness of medical marijuana permitting and revenue monitoring procedures. Approximately 1,200 certificates of compliance and more than \$4.5 million in revenue relating to medical marijuana are expected to be realized in FY21.	Improved compliance and enhanced completeness of revenue.	800
Citywide – GO Bond Fund Restrictions	Assessing the adequacy and effectiveness of controls ensuring expenditures, interest allocations, and administrative charges comply with GO Bond Fund restrictions.	Enhanced compliance.	800
Finance – State Apportioned Taxes	Evaluating the adequacy and effectiveness of controls over Tobacco Excise Taxes and E911 Tariffs, which are expected to total approximately \$4 million and \$6 million, respectively, in FY21.	Improved accuracy and completeness of revenue.	800
Fire – Annual Code Inspections	Assessing the timeliness and efficiency of the Fire Code Compliance Program. The department has identified over 3,000 high-risk commercial businesses.	Enhanced operating efficiency and improved program results.	800
Personnel – Hiring Process	Evaluating the hiring process for timeliness and diversity. Approximately 450 full-time, non-uniformed positions are expected to be filled in FY21.	Improved timeliness and workforce diversity.	1,200
Police – Body Worn Cameras	Assessing compliance with OCPD policies governing body worn cameras.	Enhanced compliance.	1,200
Public Info. and Parks – Special Event Permits	Evaluating the efficiency of the special event permitting process. Over 600 special event permits were issued in FY20.	Improved efficiency.	800



**Office of the City Auditor  
Engagement Prospectus**

**FY 2021-2023**

<b>Audit Area</b>	<b>Objective/Significance</b>	<b>Anticipated Value</b>	<b>Estimated Hours</b>
Public Transportation – Maintenance Operations	Assessing the adequacy and effectiveness of controls over bus and streetcar maintenance operations, expenditures for which are expected to exceed \$7 and \$3.5 million, respectively, in FY21.	Cost avoidance and improved operational efficiency.	800
Public Works – Utility Street Cuts	Evaluating the adequacy of procedures to coordinate street resurfacing work with utility repairs.	Cost avoidance and improved operational efficiency.	800
Information Technology Audits	Utilizing consultants to perform selected audits of information technology applications, processes, and infrastructure.	Improved integrity and availability of technology.	1,200
Expenditure of Municipal Funds	Evaluating the adequacy and effectiveness of controls ensuring expenditures are accurate, appropriately authorized and in compliance with regulations.	Stronger internal control and enhanced compliance.	1,800
Payroll	Evaluating the adequacy and effectiveness of controls over accurate, complete, and timely processing of payroll in selected departments.	Enhanced compliance and stronger internal control.	1,800
Public Safety Sales Tax Annual Report	Determining whether the annual report presents revenues and expenditures consistently with the City’s Comprehensive Annual Financial Report and whether the City has materially complied with the Journal Entry of Judgment.	Verified compliance with administrative requirements.	2,400
Fire – Construction Inspections	Evaluating the status of recommendations included in our report relating to construction inspections in the Fire Marshal’s Office.	Enhanced program efficiency and inspection timeliness.	400
Information Technology – Radio Inventory	Evaluating the status of recommendations included in our report relating to radio inventory procedures.	Improved inventory accountability.	600
Police – Property Management Unit	Evaluating the status of recommendations included in our report relating to currency maintained by and assessing optimal operating structure for the Property Management Unit.	Stronger internal controls and operating efficiency.	1,000