



# Office of the Auditor

## Strategic Business Plan

Effective Date: July 1, 2019

### **Oklahoma City Vision**

Oklahoma City seeks to further progress as a vibrant, diverse, safe, unified and welcoming community.

### **Oklahoma City Mission**

The mission of the City of Oklahoma City is to provide exceptional service to residents and visitors. We do this by ensuring the safety of the public, delivering quality services, and maintaining infrastructure to support the growth of the city.

### **Department Mission**

The mission of the Office of the City Auditor is to provide independent audit, investigative and advisory services to City Council, appointed officials and executive managers so they can make better-informed policy and operational decisions on behalf of residents.

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## Issues, Strategies, and Results

### Issue 1: Accountability

The continuing expectations for government accountability as evidenced by more extensive accounting and auditing regulations, City Council Strategic Priorities and the Leading for Results program, if not addressed, will result in:

- Loss of public trust and confidence
- Diminished ability to provide new revenue sources for infrastructure and public services
- Decreased employee confidence in City leaders and managers
- The lack of an ethical culture throughout the City leading to an increased risk of fraud, waste, abuse, and significant policy violations

### Strategies

- Identify important programs and operations for inclusion in the Audit Plan through a triennial citywide risk assessment.
- Plan and deliver audit services using a risk-based approach to ensure audit scope and objectives are defined clearly and focused on important issues or concerns.
- Respond to requests for advisory services and investigate potentially unethical or fraudulent acts in a professional, sensitive manner.
- Undergo a triennial peer review to ensure audit services are provided in accordance with generally accepted government auditing standards.
- Communicate with audit clients throughout service delivery to ensure a complete and accurate understanding of conditions, facts and circumstances.
- Provide professional opinions and recommendations for improving City programs through published reports.
- Provide Hotline information to employees through presentations, posters, brochures, intranet and direct mailings.

### Strategic Results

Annually, City Council and other City decision makers will continue to benefit from objective, timely and useful audit information as evidenced each year by:

- At least 90% of City Council and other City decision makers will rate audit services as “good” or “excellent”
- At least 95% of audit recommendations will be accepted by management



Through 2024, management and employees will benefit from timely review of reports of fraud, waste, abuse and significant policy violations as evidenced each year by:

- At least 90% of actionable allegations will be assessed and assigned for investigation within seven days of reporting.

## Issue 2: Complex Information Systems

The continuing reliance on complex information systems combined with rapid technology advancement creates a need for knowledge and expertise to assess controls over information systems that support critical operational and financial activities, which, if not addressed will lead to:

- Increased risks relating to system security, availability and integrity
- Programs failing to meet objectives
- Undetected violations of laws, regulations and policies

### Strategies

- Contract with an information technology expert to perform a citywide information systems risk assessment.
- By 2021, the risk assessment will be used to select future contracted information technology audits.

## Accomplishments

### **Audit Quality**

The percentage of audit recommendations accepted by management indicates whether audit services provided are objective, timely and useful. In FY19, management accepted and provided estimated implementation dates for 100% or all 51 recommendations included in seven project reports issued during the year. This exceeds the industry benchmark of 92% published by the Association of Local Government Auditors.

When management implements audit recommendations, the result is an improvement in services provided to residents and/or other City departments. For example, an April 2017 audit report contained several recommendations to improve Police Department alarm fee collections, ensure alarm operators obtain required permits, and reduce false alarms. In FY19, management used the audit report to obtain approval from the City Council to modify related sections of the Municipal Code and contract with a third-party alarm administrator.

Client satisfaction is another indicator of service quality. Audit clients offered positive feedback with audit service ratings of ‘good’ or ‘excellent’ on all 18 satisfaction surveys relating to services provided during FY19.

The August 2017 Peer Review confirmed that the department complied with generally accepted government auditing standards in performing audit and attestation engagements during the period July 1, 2014 – June 30, 2017.

The department continues to attract and retain talented personnel. The department’s seven auditors have a combined nine professional certifications, three advanced degrees, and average more than 17 years of experience in the department. Additionally, most staff members have held leadership positions in local and/or national audit organizations.

### **Management Assistance**

Other services are provided upon request to assist management with policy or operational improvements while protecting independence to perform future audits. For example, in FY20 the department assisted in investigating concerns regarding the Police Department’s Property Room cash safe. While providing this assistance, the department made several suggestions for improving related internal controls, many of which were implemented by management during the project.

### **Ethics Awareness**

The department contributes to maintaining the City’s ethical culture. The department assisted in updating the City’s Ethics Policy in FY18 and postcards reminding all employees about the availability of the Hotline were mailed in FY19.

## Lines of Business and Programs

### Department Organization

#### **Administrative Line of Business**

- Executive Leadership Program

#### **Audit Services Line of Business**

- Audit Services Program

#### **Ethics Assurance Line of Business**

- Ethics Assurance Program

## Administrative Line of Business

The purpose of the Administrative Line of Business is to provide leadership, support and information to the department, so it can achieve its strategic and operational results.

### Programs and Key Measures

Executive Leadership Program

 % of key measures and strategic results achieved



## Executive Leadership Program

The purpose of the Executive Leadership Program is to provide planning, management, administrative and reporting services to department employees and City leaders so they can achieve strategic goals and key results.

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Program Manager: Jim Williamson

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Program Budget: \$76,655 (FY20)

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Program Services:

- Agenda Items
- Annual Report
- Audit Committee Advisements and Support
- Audit Responses
- Budget Proposals
- Continuity of Operations Plan
- Contract Compliance Reviews
- Contracts, Leases, Agreements
- Executive Reports
  - Ad Hoc Reports
  - Performance Reports
  - Special Projects Reports
- FMLA Authorizations
- Grievance Resolutions
- Legislative Recommendations
- Personnel Transactions
- Plans (i.e. Master, Strategic Business Plans)
- Policies & Procedures
- Presentations
- Project & Financial Impact Analyses
- Resident Responses
- Triennial Audit Plan
- Triennial Peer Review

### Family of Measures

Results

 % of key measures and strategic results achieved

% of performance evaluations completed by the review date



## Audit Services Line of Business

The purpose of the Audit Services Line of Business is to provide independent audit, investigative and advisory services to the City Council and other City decision makers so they can have timely and useful information to better address policy and operational opportunities and/or deficiencies.

### Programs and Key Measures

#### Audit Services Program



% of audit recommendations accepted by management



% of City Council and other City decision makers rating audit services as “good” or “excellent”

## Audit Services Program

The purpose of the Audit Services Program is to provide scheduled (proactive) and unscheduled (responsive) audit, investigative and advisory services to City Council and other City decision makers so they can have timely and useful information to address policy and operational opportunities and/or deficiencies.

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Program Manager: Jim Williamson

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Program Budget: \$1,125,641 (FY20)

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Program Services:

- Advisory Services Memoranda
  - Audit Reports
  - Committee Advisements
  - Council Audit Briefings
  - Departmental Advisements
  - Information Technology Audit Contracts
  - Investigative Reports
  - Law Enforcement Referrals
  - Media Responses
  - Open Records Requests
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### Family of Measures



Results	 % of audit recommendations accepted by management
	 % of City Council and other City decision makers rating audit services as good or excellent
	% of available time on direct services
	% of audit services completed within deadlines
Outputs	# of direct service hours provided

## Ethics Assurance Line of Business

The purpose of the Ethics Assurance Line of Business is to provide ethics reporting and advisory services to City decision makers, so they can detect and quickly address all reported cases of fraud, waste, abuse and significant policy violations.

### Programs and Key Measures

#### Ethics Assurance Program

-  % of actionable allegations assessed and assigned for investigation within seven days of reporting
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### ***Ethics Assurance Program***

The purpose of the Ethics Assurance Program is to provide ethics reporting and advisory services to City decision makers, so they can detect and quickly address all reported cases of fraud, waste, abuse and significant policy violations.

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Program Manager: Jim Williamson

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Program Budget: \$52,211 (FY20)

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Program Services:

- Allegations Dispositions
  - Bid Tabulations
  - Ethics Committee Advisements
  - Hotline Marketing and Presentations
  - Hotline Operations
  - Retirement System Meetings
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#### Family of Measures

Results	 % of actionable allegations assessed and assigned for investigation within seven days of reporting
Outputs	# of allegation dispositions provided