


Internal Audit Program Work Plan Review



**Finance
Committee**

January 13, 2022

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Background

- The City's internal audit program was initiated in 2020
- Goal to continuously review various areas of City operations with both financial and operational reviews
- With the reports for last year's program nearly complete, it is time to identify topics for the current year's program
- Staff are recommending creation of a panel of audit firms to facilitate future reviews
 - An RFP process is underway to select the panel firms
 - Will facilitate both fresh perspectives and more cost-effective proposals

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Moss Adams Assessment

- The original Moss Adams report outlined 13 areas of focus for future reviews
- Five reviews are complete or nearly complete
- Eight topics have not yet been reviewed

	Key Controls	Progress	Task Resource
1	Purchasing and Contracts Management	Complete	MGO
2	Cash, Billing, Collections, and Accounts Receivable - Daily Reconciliation and Reporting	Complete January 2022	Moss Adams
3	Information Technology - System Security, Help Desk Workflow, System Support and Monitoring	Complete January 2022	Moss Adams
4	Fiscal Policy Inventory and Implementation Plan	Complete	Moss Adams
5	Inventory Management - Central Warehouse and Automotive Inventory Management	Complete	City Manager's Office
6	Accounts Payable and Disbursements - Evaluate Vendor Changes, Weekly Check Batch Controls, Segregation of Duties		
7	Payroll - Employee Timecard Processing		
8	Fixed Asset Management - Physical Inventory Process and Asset Record Maintenance		
9	Financial Reporting - System Access, Segregation of Duties, Account Reconciliation and Financial Reporting Documentation		
10	Budgeting - Budget to Actual Reporting, Budget Amendment Process, Budget Process		
11	Business Continuity and Disaster Planning Assessment		
12	Police Property and Evidence Internal Controls Testing - Review how operation handles all evidence, found property or property held for safekeeping to ensure integrity for criminal prosecutions		
13	Finance Customer Service Operational Review		

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FY 2021-22 Internal Audit Program

- Sufficient funding is available to undertake three reviews this fiscal year
- Staff recommends initiating two additional reviews from the Moss Adams assessment
 - Accounts payable and disbursements
 - Payroll
- The Finance Committee's input is requested to select the third review topic
 - An additional topic can be selected from the Moss Adams list (need not be in order)
 - The Committee may desire to conduct a financial or operational review on a specific topic not included on the Moss Adams list

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Recommendation and Next Steps

- Staff request the Finance Committee's concurrence with staff's two selections and feedback regarding a third selection
- Once topics have been selected and the RFP process for audit firms has been concluded, staff will initiate the three reviews for FY 2021-22
- Reports to the Finance Committee can be anticipated in January or February 2023
 - At that time, topics will be selected for the FY 2022-23 internal audit program

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Questions?

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