

# INTERNAL AUDIT

RESOURCES	ACTUAL FY03	ACTUAL FY04	BUDGET FY05	PROJECTED FY05	RECOMMENDED FY06
Personnel Expenses	\$ 769,163	\$ 768,573	\$ 818,921	\$ 818,921	\$ 705,480
Operating Expenses	63,149	98,095	149,026	93,797	42,374
Operating Budget	\$ 832,312	\$ 866,668	\$ 967,947	\$ 912,718	\$ 747,854
Capital Outlay	1,523	2,996	3,000	3,000	3,000
Budget Allocation	\$ 833,835	\$ 869,664	\$ 970,947	\$ 915,718	\$ 750,854
Authorized Positions	9	9	9	8	8

**Vision and Mission:** The internal audit department's vision is to be highly respected by its peers for its high quality, well researched assessments of city operations. Such assessments will enable the city to conserve resources and generate revenues while demonstrating integrity and outstanding services. The department's mission is to provide an independent assessment function within the city to assist members of the management team in the effective discharge of their duties. Management is provided appraisals, recommendations and pertinent, relative information concerning the activities and/or areas reviewed. The department reports directly to the mayor to achieve independence from city operations. The department is responsible for performing audits outlined in the annual agenda. Emphasis is on recurring audits of high risk, high dollar areas and special requests from the mayor or other city departments.

**Goals and Objectives:** The department is committed to the highest professional standards for conducting audits in government as promulgated by the Comptroller General of the United States and published in *Government Auditing Standards*. In executing its mission, the internal audit department is responsible for determining through audits that various governmental units, programs, activities and operations:

- Carry out activities or programs authorized by the mayor, city council, state or federal regulations or other authoritative sources: Perform audits in conformance with *Government Auditing Standards*.
- Conduct programs and use resources in an economical and efficient manner with results that are consistent with established goals and objectives: Audit selected activities at least every five years depending on the predetermined risk.
- Identify, measure, classify and report financial operating events in an accurate and timely manner: Perform audits within the assigned budget.
- Validate that adequate and effective internal controls are in place, that assets are safeguarded, and revenue sources are monitored: Perform follow-up post audit reviews six months after the completion of each audit. Provide auditors with adequate training to remain current with the latest auditing practices.

**Current Operations and Initiatives:** In FY05, the department received its third unqualified opinion from the National Association of Local Government Auditor's peer review team for the 3-year period ending September 30, 2004. The team concluded that the city's internal audit department complied with *Government Auditing Standards* issued by the Comptroller General of the United States. The review team went on to commend the department for its planning, risk assessment, follow-up, and procedures for evaluating the adequacy of computer generated data. Also noted were, the range and depth of work undertaken by the department in relation to its size and mission. In FY05, the position of deputy director was reclassified to an information technology (IT) auditor position and the tax revenue coordinator position was transferred to the revenue and finance department. The IT Auditor will perform reviews of the city's IT infrastructure, systems and applications. In FY05, a new 5-year strategic audit plan was developed and approved by the mayor.

Performance Measures	FY04	FY05	FY06
	Actual	Projected	Estimated
Audits	24	31	34
Special Audit Requests	9	5	5
Post Audit Reviews	15	20	25
Audits in Progress	12	5	5
Available Time	65%	62%	62%
Direct Time	77%	72%	72%