

INTERNAL AUDIT

RESOURCES	ACTUAL FY06	ACTUAL FY07	BUDGET FY08	PROJECTED FY08	RECOMMENDED FY09
Personnel Expenses	\$ 670,865	\$ 777,400	\$ 535,720	\$ 533,345	\$ 526,055
Operating Expenses	<u>31,606</u>	<u>39,867</u>	<u>40,409</u>	<u>35,893</u>	<u>38,580</u>
Operating Budget	\$ 702,471	\$ 817,267	\$ 576,129	\$ 569,238	\$ 564,635
Capital Outlay	<u>3,000</u>	<u>0</u>	<u>6,000</u>	<u>6,000</u>	<u>6,000</u>
Budget Allocation	\$ 705,471	\$ 817,267	\$ 582,129	\$ 575,238	\$ 570,635
Authorized Positions	8	8	5	5	5

Vision and Mission: The internal audit department's vision is to be highly respected by its peers for its high quality and well researched assessments of city operations. Such assessments will enable the city to conserve resources and generate revenues while demonstrating integrity and outstanding service delivery. 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 by providing them appraisals, recommendations, and pertinent, relevant information concerning the activities and/or areas reviewed. 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 Generally Accepted Government Auditing Standards (GAGAS). The department will continue to provide assurances that city government operates effectively, efficiently, provides outstanding customer service, and implements "best practices" in carrying out its operations and activities. In executing its mission, the department will focus on the following goals and objectives:

- Perform all audits in compliance with Generally Accepted Government Auditing Standards.
- Develop the annual audit agenda and individual audit objectives using risk-based analysis.
- Perform audits within the assigned time budgets.
- Perform a post audit review 6 months after the completion of each audit.
- Provide auditors sufficient training to satisfy GAGAS continuing education requirements.
- Charge an average of 1,400 hours per auditor to the performance of audits.
- Work towards achieving government auditing benchmarks of available audit time (78%) and direct audit time (67%).
- Help ensure a 3-year average of recommendations implemented of 80%.

Current Operations and Initiatives: The department has been successful in implementing its audit agenda and responding to special requests from the mayor and city departments. Using a risk-based approach, audit objectives have been developed to identify ways to improve effectiveness, efficiency, and customer service. During 2007 and 2008, an internal controls training and education curriculum was developed that focused on delivering internal controls training where the highest risks reside. As a result of FY08 budget reductions, totaling 37% of the audit department's budget, two auditor positions and an audit supervisor position were eliminated. These reductions had a significant impact on the department's operations and reduced our available audit hours by 3,500 hours or approximately 30 percent. However, it is important to note that at the request of the mayor, the audit department in addition to its core responsibilities, focused on identifying savings opportunities for the city, and was able to identify cash savings opportunities that exceed the department's total annual budget by more than 150%, and fully off-set the department's cost.

Performance Measures	FY07 Actual	FY08 Projected	FY09 Estimated
Audits Completed	15	17	15
Special Audit Requests	10	12	10
Post Audit Reviews	16	15	15
Average Chargeable Time	1,189	1,387	1,400
Available Time	72%	78%	78%
Direct Time	58%	68%	68%