

INTERNAL AUDIT

RESOURCES	ACTUAL FY05	ACTUAL FY06	BUDGET FY07	PROJECTED FY07	RECOMMENDED FY08
Personnel Expenses	\$ 622,295	\$ 670,865	\$ 770,857	\$ 770,857	\$ 535,720
Operating Expenses	66,534	31,606	56,585	43,811	39,319
Operating Budget	\$ 688,829	\$ 702,471	\$ 827,442	\$ 814,668	\$ 575,039
Capital Outlay	2,993	3,000	3,000	3,000	6,000
Budget Allocation	\$ 691,822	\$ 705,471	\$ 830,442	\$ 817,668	\$ 581,039
Authorized Positions	9	8	8	8	5

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 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. Management is provided appraisals, recommendations, and pertinent, relevant information concerning the activities and/or areas reviewed. The department reports directly to the mayor to ensure 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 (GAS). 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 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 GAS 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 82% (government auditing benchmark of 86%).

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, internal audit implemented a tracking and reporting tool to follow-up on the status of recommendations and help ensure higher implementation rates. Additionally, during 2007 and 2008, an internal controls training and education curriculum will be developed that is focused on delivering internal controls training where the highest risks reside. To achieve FY08 budget reductions, two auditor positions and an audit supervisor position were eliminated. These reductions will have a significant impact on the department's operations and will reduce our available audit hours by 3,500 hours or approximately 30 percent.

Performance Measures	FY06 Actual	FY07 Projected	FY08 Estimated
Audits Completed	22	23	15
Special Audit Requests	4	6	3
Post Audit Reviews	20	18	20
Average Chargeable Time	1,341	1,320	1,400
Available Time	77%	73%	78%
Direct Time	64%	60%	67%