

Office of Internal Audit



May Porter

Director of Internal Audit

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Objectives

- Office of Internal Audit
- Office of Internal Audit Services
- Audit Selection
- Recent Metro Council Requested Engagements
- Periodic Reporting
- 2018 Annual Activities Report
- Questions

Office of Internal Audit

- Team Mission: Provide independent, objective assurance and consulting activities. Evaluate and improve the effectiveness of risk management, control, and governance processes.
- Team: Eight Auditors (currently two vacancies); Three Certified Internal Auditors, One Certified Public Accountant, and One Certified Fraud Examiner
- Reporting Structure: Administrative and *Limited* Functional Reporting to the Metro Council and the Mayor.
 - Audit Committee Establishment

Office of Internal Audit Services

- The Office of Internal Audit provides the following core services:
 - **Assurance** - Reviewing operations, policies, and procedures to ensure that the appropriate control structure is in place and that business risks are considered.
 - **Consulting** - Providing services to help address specific issues and concerns.
 - **Information Technology** - Ensuring that electronic information is processed as intended, data integrity is maintained, and the control structure is assessed.
 - **Integrity** - Investigating allegations regarding employee misconduct and/or non-violent criminal acts involving LMG resources.



Audit Selection

(Two Methods)

- **Annual Risk Assessment**
 - Goal: Understand Objectives and related Risks
 - Select programs, processes, and activities for an audit based on level of risk.
 - One on One Interviews w/ Mayor's Office, Department Directors
 - Process Owner Survey, Metro Council Survey
 - Facilitated Group Sessions (Metro Council)

Audit Selection

(Two Methods)

■ Special Request

- May be initiated by an individual Councilmember or Department Director
- Contact OIA to determine the feasibility of the request – prior to initiating a resolution. An Engagement Request Form will be provided to the requestor
- Must come from the Mayor's Office or Metro Council by way of a Resolution

Recent Metro Council Requested Engagements

- Open
 - LMPD Overtime Usage
 - Legal Claims and Settlement Prevention Activity Review
- Completed
 - Judicial Directive Compliance Review Contract Administration (outsourced)
 - Inmate Release and In Custody Classification Movement Activity
 - District 8 - CY17 Performance Data Analysis and Reporting

Recent Metro Council Requested Engagements

- Completed (Continued)
 - Regulatory and Code Enforcement Activity at 1066 (1064) S. 28th Street

Office of Internal Audit

Periodic Reports

- Monthly Activity Report (Not Publicly Issued)
- Annual Report of Activities
- Monthly Ethics Tipline Activity Report
- Annual Ethics Tipline Activity Report
- Semi Annual Audit Follow-up Report
- Annual Audit Plan
- Annual Risk Assessment Report

Questions?



2018 Annual Report of Activities



February 12, 2019

May Porter, CIA
Chief Audit Executive



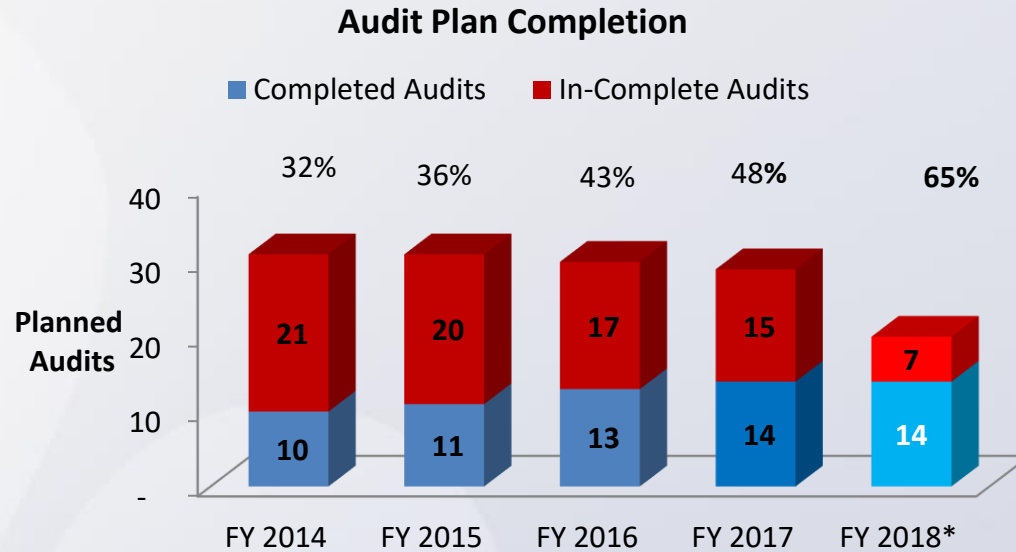
Office of Internal Audit: 2018 Highlights

- Productivity increased slightly during 2018 with the number of projects increasing 6% from the prior year.
- We made 54 recommendations, of which 48 (89%) were agreed to by the audited agencies. The audited agencies have agreed to implement 85% of the recommendations.
- Designing, building, and piloting an automated electronic workpaper solution using Microsoft SharePoint.
- Two auditors accepted into the Executive Fellows Program with Office of Performance Improvement
- Best in Class Committee: Audit Process Webinar Series
- Hosting Association of Local Government Auditors Regional Conference

Office of Internal Audit: Audit Plan Completion

Audit Plan Completion

We completed 65% of the audit plan during FY18. This is an improvement over prior years audit plan completion.



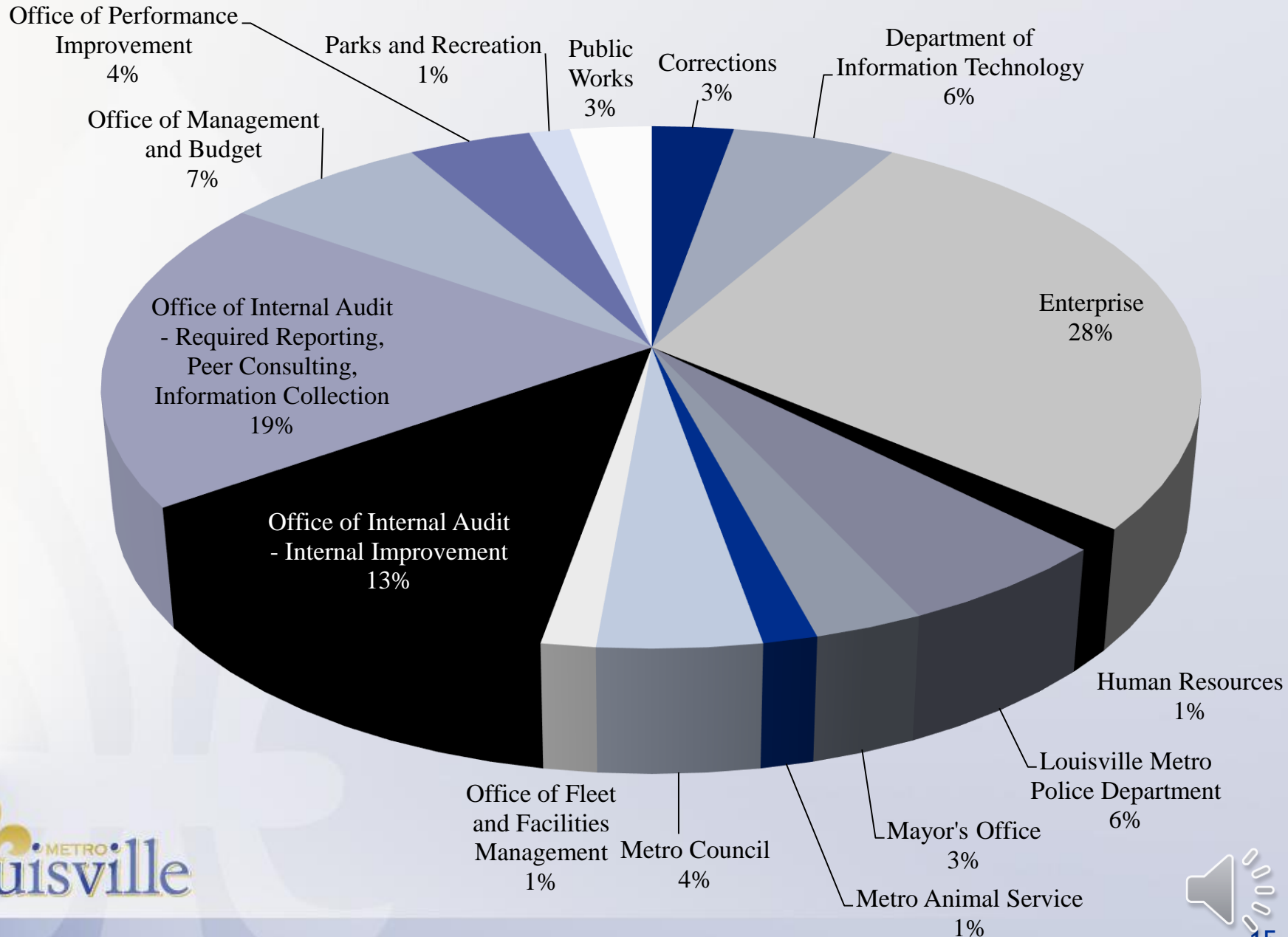
Factors

- Unplanned Projects (i.e. Special Requests)
- Staff Vacancies

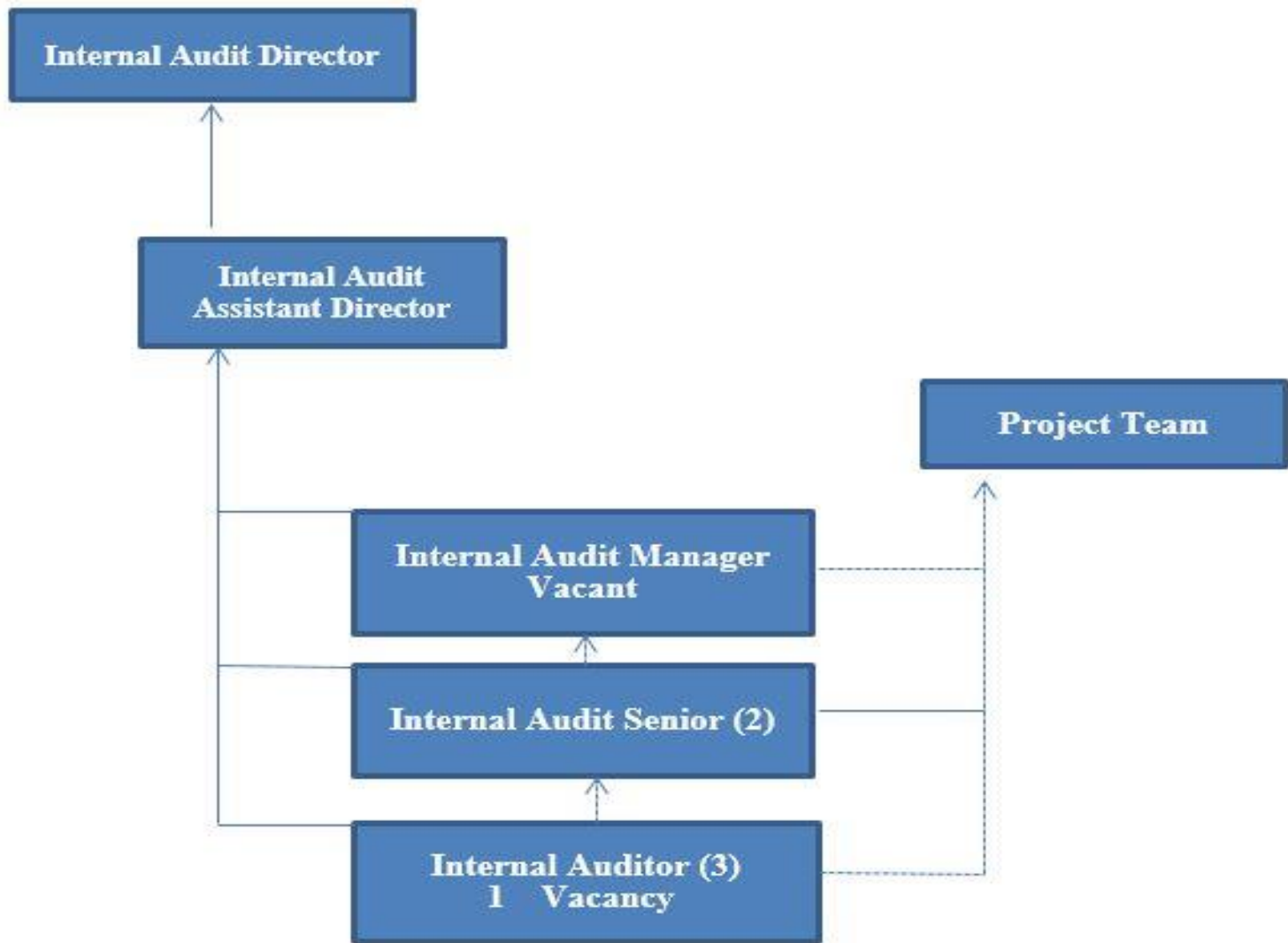
Calendar 2018 – Core Service

| Table 1 – Resource Allocation by Core Service | | | |
|--|---------------------------------|---------------------------|--------------------|
| Core Service | Type of Project | Number of Projects | Total Hours |
| Assurance | | 20 | 7,752 |
| | Compliance | 6 | 2,698 |
| | Expenditure | 2 | 717 |
| | Operational | 4 | 1,405 |
| | Required Reporting | 6 | 2,129 |
| | Revenue | 1 | 776 |
| | Special Request | 1 | 27 |
| Consulting | | 45 | 3,104 |
| | Advice and Information | 22 | 247 |
| | Committee / Workgroup | 5 | 253 |
| | Education and Training | 1 | 10 |
| | Internal Improvement Activities | 10 | 1,890 |
| | Partnership / Collaboration | 1 | 11 |
| | Special Request | 6 | 693 |
| Information Technology | | 1 | 97 |
| | IT Technical | 1 | 97 |
| Integrity | | 6 | 797 |
| | Ethics Awareness / Fraud | 3 | 330 |
| | Detection Best Practices | 1 | 459 |
| | Special Request | 1 | 459 |
| | Tipline Investigations | 2 | 8 |
| Grand Total | | 72 | 11,750 |

Calendar 2018 – Resource Allocation by Client



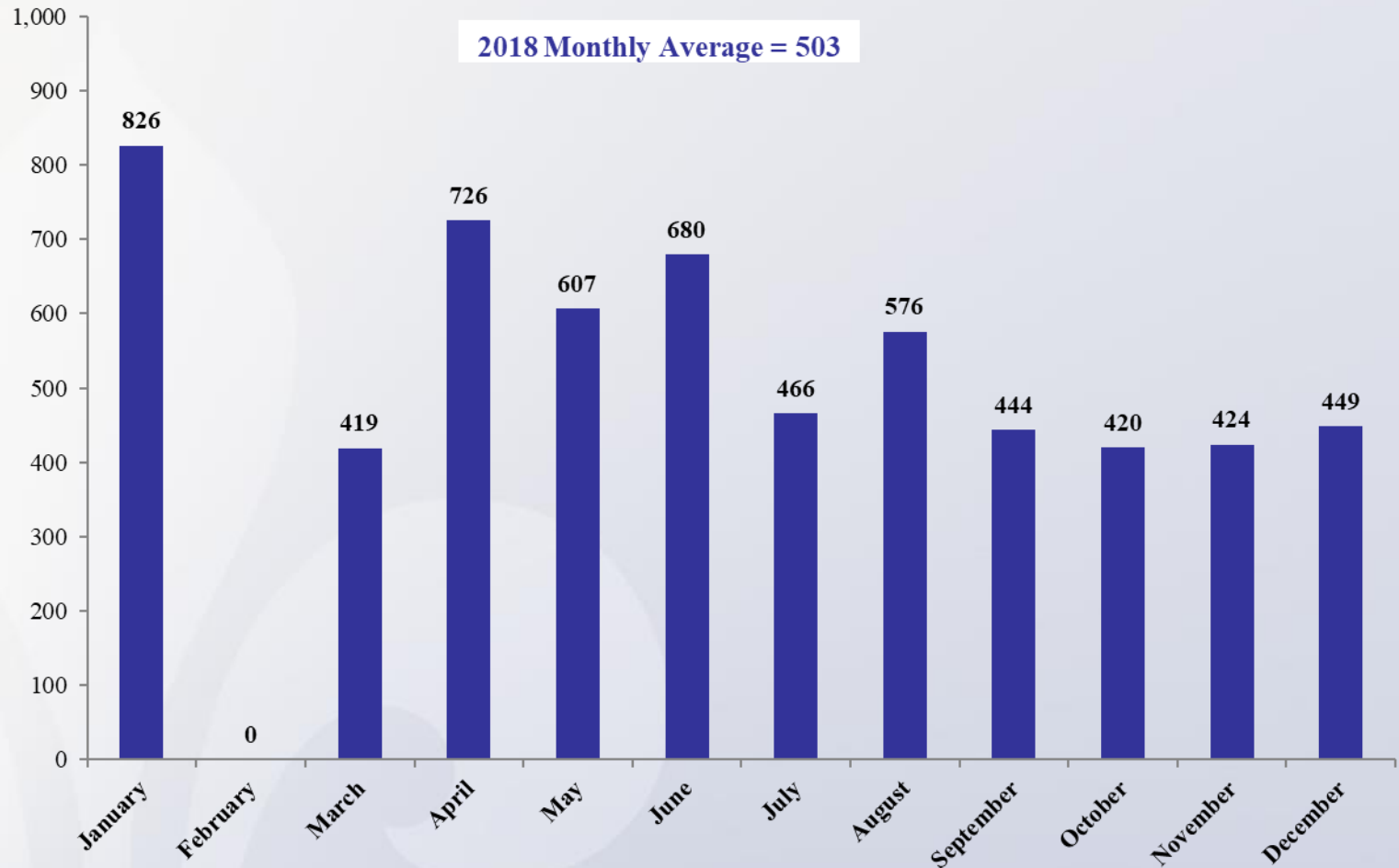
Office of Internal Audit



Staff Professionalism

| Name | Position | Advanced Degree | Certification(s) | OIA Tenure | Audit Experience |
|------------------|--------------------|-----------------|------------------|------------|------------------|
| May Porter | Director | MBA | CIA | 8 yrs. | 12 yrs. |
| Jacqueline Lewis | Assistant Director | MAcc | CIA CPA | 3 yrs. | 11 yrs. |
| Vacant | Manager | - | | | |
| Andrew Googe | Senior | - | | 2 yrs. | 2 yrs. |
| Brandon Booth | Senior | MPA | CIA, CGFM, CFE | 4 yrs. | 5 yrs. |
| Vacant | Auditor | - | - | | |
| Laketa Short | Auditor | MBA | - | 4 yrs. | 4 yrs. |
| Tiffany V. Smith | Auditor | MBA | - | 1 yr. | 1 yr. |

Accountability and Transparency



Quality Assurance and Improvement Program

- External Quality Assurance Review
 - Required by Professional Standards
 - External Party Review
 - Every 3-5 Years
 - 2018

- Results
 - Highest Ranking Available
 - Conforms to Professional Standards
 - Opportunities for Improvement

Questions?



Office of Internal Audit

