

Office of Internal Audit



May 9, 2018

May Porter, CIA
Chief Audit Executive

Office of Internal Audit: Purpose

Enhance and Protect organizational value.

- Support the accomplishment of Louisville Metro Government's objectives
 - ☐ Provide independent, objective assurance and consulting activities.
 - ☐ Evaluate and improve the effectiveness of risk management, control, and governance processes.

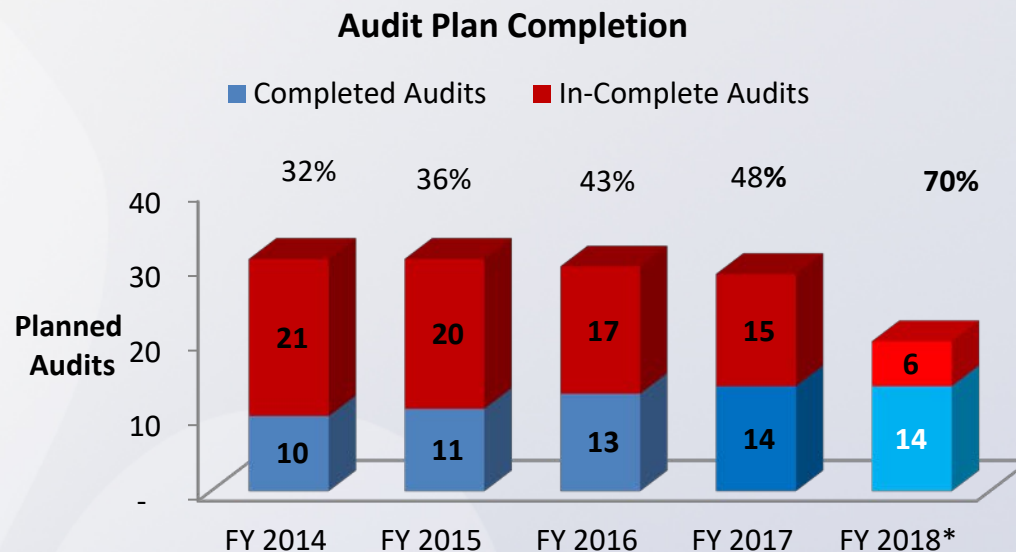
Office of Internal Audit: Core Services

- **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.

Office of Internal Audit: Audit Plan Completion

Audit Plan Completion

We are on track to complete 70% of the audit plan during FY18. This is an improvement over prior years audit plan completion.



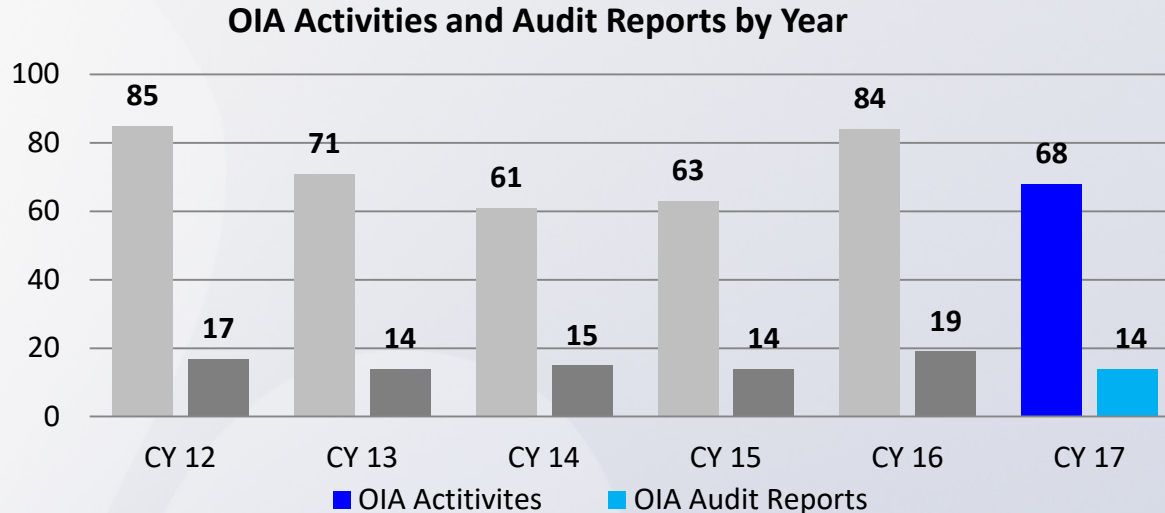
Factors

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

Office of Internal Audit: Activity

Calendar Year 2017 Activities

- 68 assurance, consulting, integrity, and IT activities.
 - 14 Audit Reports



Productivity decrease by 17%

- Decrease in requests for Information and Advice (Client Driven)
- Resource Constraints: Staff vacancies
- Internal process improvement projects.

Office of Internal Audit: Internal Process Improvement

66% increase in hours dedicated to Internal Process Improvement.

Projects Include:

- Annual Risk Assessment
- Audit Report Format
- Audit Follow-up Process and Reporting
- Client Entrance and Exit Processes
- Electronic Workpaper Implementation
- Examination Templates
- Examination Methodologies
- Audit Process Improvement Series
- 2018 ALGA Regional Conference

Office of Internal Audit: Quality Assurance Review

- Required by IIA Professional Standards, every three years.
- Performed by external consultants, Honkamp Krueger, and Co.
- Outcome: “The Office of Internal Audit generally conforms to the International Standards for the Professional Practice of Internal Auditing, which is the highest of the three possible Institute of Internal Audit ratings. Additionally, the office received a rating of “pass” related to Generally Accepted Government Auditing Standards (GAGAS). The “pass” rating is the highest of three possible GAGAS ratings.”

Office of Internal Audit: Quality Assurance Review

- Consultant Recommendations:
 - Establish an Audit Committee
 - Update IA Charter / Ordinance
 - Performance of CAE Performance Review

Questions