

Office of Internal Audit



May Porter
Director of Internal Audit

Office of Internal Audit

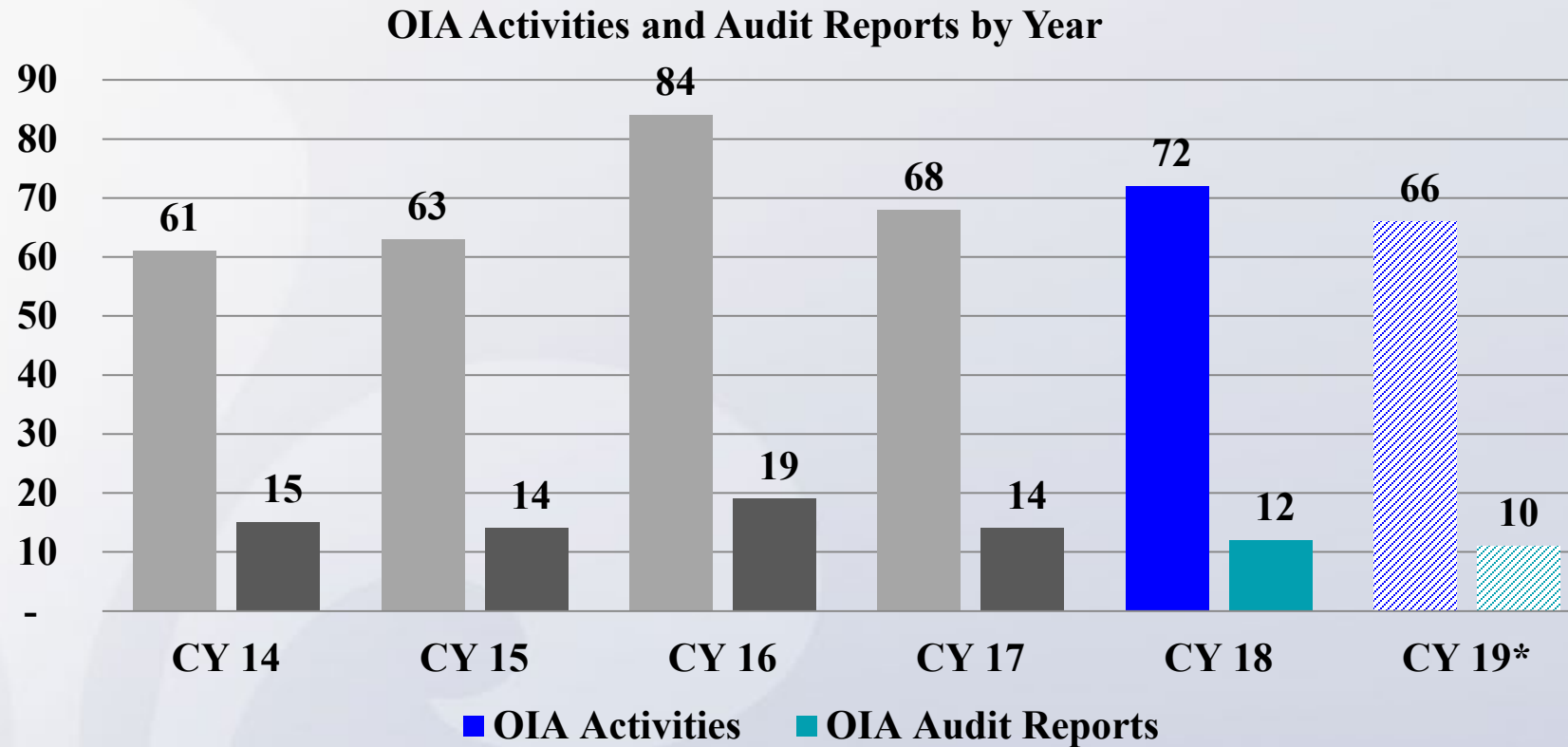
- Team Mission: Provide independent, objective assurance and consulting activities. Evaluate and improve the effectiveness of risk management, control, and governance processes.
- Team: Eight Auditors (currently two vacancies); Three Certified Internal Auditors, One Certified Public Accountant, and One 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.

Calendar Year 2018 Activities

- 72 assurance, consulting, integrity, and IT activities.
- 12 Audit Reports



***Projected CY19 Activities**

CY 18 – CY19 Audit and Consulting Engagements

<u>Operational Effectiveness and Efficiency</u>	<u>Compliance w/ Laws, Regulations, Contracts</u>	<u>Funding / Fiscal Management</u>
<ul style="list-style-type: none"> • Inmate Release and In Custody Classification Review • District 8 Data Analysis and Reporting • Deferred Maintenance Prioritization* • LMPD Overtime Usage* • Public Works Electrical Maintenance Operations* • Judicial Directive Compliance Review 	<ul style="list-style-type: none"> • Commercial Driver's License Activity • Tuition Reimbursement Activity • Paving Contract Compliance • IRS Internal Inspection • Payroll Timekeeper Documentation* 	<ul style="list-style-type: none"> • Tow Lot Cash Management Activity • P-Card Program Implementation • Travel Card Program Implementation • Gas Card Usage*
	<u>Availability and Adequacy of Staffing</u> <ul style="list-style-type: none"> • Employee Training Requirements* • Employee Performance Review Process* 	<u>Information Technology</u> <ul style="list-style-type: none"> • User Provisioning • Ransomware Readiness and Incident Management Assessment*

Office of Internal Audit: 2018 / 2019 Highlights

- **Over 50 Recommendations / Corrective Actions implemented or in process of implementation.**
 - Development of processes for monitoring, tracking, reviewing transactions and activities.
 - Policy, procedure, and process alignment and documentation.
 - Increased and formalized collaboration / communication b/t departments and external partners.
 - Development of templates and tools to facilitate consistency, data collection, and retention.
- **Best in Class Committee: Audit Process Webinar Series**
 - Collaboration w/ municipal audit shops through out the country
 - Three part webinar series, focused on improvement and streamlining of audit processes
 - Developed, facilitated by OIA Auditors
- **Hosting Association of Local Government Auditors Regional Conference**
 - Two day conference; Over 6 Training Sessions
 - Participation of over 5 municipal audit shops

Office of Internal Audit: FY20 Opportunities / Challenges

Challenges

- Fewer Audit Resources
- Budget Constraints = Increased Risk
- People Cuts = Control Cuts = Increased Risk

Opportunities

- Refresh Annual Risk Assessment
- Increase focus on Fraud
- Increase focus on Operational Risk

Questions?

