

Gainesville

City of Gainesville, FL
Office of the City Auditor

Annual Report, Risk Assessment and Audit Plan



2022



MARCH 6, 2023

Brecka Anderson, Interim City Auditor

200 E. University Avenue

Gainesville, FL 32601



Office of the City Auditor

City of
Gainesville,
Florida

GAINESVILLE CITY COMMISSION

Harvey Ward, Mayor
Desmon Duncan-Walker, Mayor Pro Tem
Ed Book
Cynthia Moore Chestnut
Bryan Eastman
Reina Saco
Casey Willits

AUDIT COMMITTEE MEMBERS

Harvey Ward, Mayor
Desmon Duncan-Walker, Mayor Pro Tem
Harold Monk, CPA, CFE (Appointed)



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Section 1. Annual Audit Report

Introduction

The City Auditor's 2022 Annual Report highlights the department's activities and accomplishments over the past year. Sections include a description of who we are and what we do, activities and accomplishments, and our enterprise risk assessment and internal audit plan.

I. Internal Audit and Who We Are

Our History

The City of Gainesville Office of the City Auditor was established as a Charter Office in November 1979. In 2022 we celebrated our 43rd year of providing independent and objective auditing services to better serve the public good and to uphold the principles of good governance: (1) accountability for funds collected from the public and (2) efficiency, effectiveness, and equity in the delivery of public goods and services.

Our Mission

Our mission is to become an increasingly agile internal audit team while promoting honest, efficient, effective, transparent, and fully accountable government. To carry out this mission we perform risk-based audits, advisory services, special projects, and management requests. In addition, we manage the City's Fraud, Waste and Abuse Hotline and conduct investigations.

Our Values

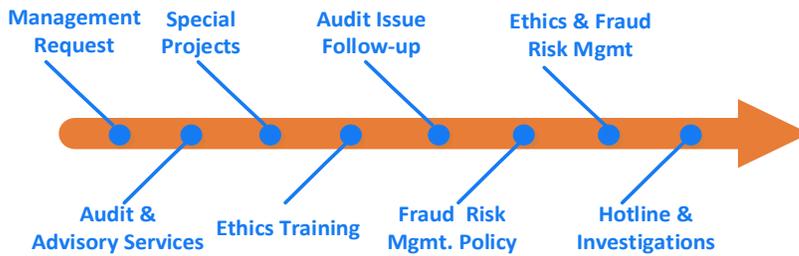
Our values in serving the public interest include conducting our work with an attitude that is independent and objective both in fact and in appearance. We demonstrate integrity, competence and use due professional care to ensure quality and accountability.

Our Goals and Objectives

In order to achieve our mission and goals, our fundamental objectives are to assist the City Commission and City management in the effective discharge of their duties. These objectives are met by providing analysis, consultation, assurance services, and recommendations that are actionable and value-added to promote accountability to the public, improve efficiency of government functions, ensure compliance with laws, policies, and procedures, and determine whether programs and services are accessible to all neighbors. Our goals are to:

- Periodically assess organizational risks that inform a risk-based audit plan.
- Support management's progress in strengthening risk management processes, including cybersecurity and fraud risk management.
- Add value and advance accountability through assurance and advisory services.
- Conduct quality occupational fraud investigations.
- Comply with internal auditing professional standards.
- Support personal and professional staff development.

II. 2022 Activities and Accomplishments



Completed Audit & Advisory Services

We successfully completed the following engagements in 2022 resulting in gained efficiencies, improved operations, and reduced risks as management remediation efforts are completed. *Table 1* depicts the list of completed engagements. Reports can be viewed on the City Auditor’s website:

<https://www.gainesvillefl.gov/Government-Pages/Government/City-Auditor/Audit-Reports>

Table 1 –2022 Completed Engagements

Audit Report Name	Audit Objective	# of Opportunities for Improvement
<i>Citywide Gift Card Audit</i>	To review the policies, procedures, controls and security around the handling of gift cards and determine if internal controls are adequately designed and operating effectively to sufficiently mitigate the risk of gift card fraud, waste and abuse.	One
<i>Florida Hwy Safety and Motor Vehicles Data Exchange Compliance Audit</i>	To assess the design and operating effectiveness of controls related to the Florida Highway Safety and Motor Vehicles data exchange processes from February 6, 2020 through April 30, 2022.	Confidential Report
<i>GCRA Project and Fiscal Mgmt Audit</i>	To review internal controls around project management activities to ensure effective and efficient operations and transparent management of GCRA funds and reporting.	Three
<i>American Rescue Plan Act (ARPA) Grant Compliance Audit Phase</i>	To review the design of the internal controls for the ARPA grant administration program and select program elements. The City was awarded \$32,408,804 in ARPA funds, which must be used for purposes in compliance with the Final Rule.	One
<i>Citywide Cybersecurity Phase II Audit</i>	To provide an independent assessment of the City's cybersecurity governance structure, adequacy of current policies and procedures, and effectiveness of internal controls.	Confidential Report
<i>RTS Limited Scope Review</i>	To analyze preventable driver incidents and collisions data to identify potentially inequitable management practices.	One
<i>Public Records Policy Compliance</i>	To review citywide staff compliance with the G-5 Public Records Policy to ensure efficient use of City resources, timely response to requests, and effective monitoring for compliance.	Two

Completed Special Projects

We successfully completed the following special projects in 2022, as depicted in *Table 2*:

Table 2 –2022 Completed Special Projects

Special Project Name	Summary
<i>Review of Management Due Diligence Results - Unsolicited Proposal</i>	In July 2021 City Commission requested the City Auditor provide an independent review of management’s due diligence efforts and results for the unsolicited proposal received in June 2021 from a private entity (Developer), to establish and operate a supermarket in the City of Gainesville, before the City Commission decides on moving forward with or committing funds for the unsolicited proposal. The City Auditor attended management due diligence discussions, reviewed documentation, and reviewed management’s recommendation to the City Commission to ensure it fairly represents facts and aligns with management’s due diligence results. Our results are summarized in the Memo to the Mayor, City Commission, and Audit Interim City Manager.
<i>Internal Control Follow Up – GRU Deerhaven Generating Station</i>	The City Auditor’s Office conducted an internal control follow-up on the management of non-inventoried equipment at the Deerhaven Generating Station following a 2021 theft event. The objective was to determine if the risks relating to storage and physical security controls of non-inventoried electronic equipment were addressed. Our results are summarized in the Memo to the Mayor, City Commission, and Audit Committee Members.
<i>Fraud Risk Management Policy, Awareness, and Training</i>	The Office of the City Auditor drafted the City’s first Fraud Risk Management Policy approved by the City Commission on October 21, 2021. The Office of the City Auditor will provide training and tips to staff this year during International Fraud Awareness week scheduled November 12- 18, 2023. The Office of the City Auditor’s Office, in collaboration with the Learning and Development, developed an Ethics and Anti-fraud e-learning module for citywide staff training. The on-demand training module launched November 2022.
<i>Internal Audit Corner</i>	The City Auditor’s Office launched an Internal Audit monthly feature in the City’s Daily newsletter to promote risk and control awareness to city personnel. The October 2022 feature included an overview of Operational Risk.

Audit Issue Follow up Program

The **Audit Issue Follow up Program** begins with Internal Audit identifying risk during an audit that results in an audit issue. Internal Audit and management agree on an action plan to remediate the risk to an acceptable level, management responsible parties for ensuring the action plan stay on track, and a due date for the completion of the management action plan. Internal Auditors periodically check in with management on their action plan progress. When management has completed their action plan, Internal Audit requests evidence and performs validation testing. When the implemented action plan passes validation testing, the audit issue is closed. Any past due audit issue is reported to the Audit Committee and requires management explanation until the issue is closed.

Summary of 2022 Audit Issue Follow up Activity

Internal Audit tracks all audit issues and reports status in the City Auditor Quarterly Update. As of December 31, 2022, 16 audit issues remained open. 16 audit issues were fully remediated and closed in 2022, resulting in improved controls around Affirmative Action Plan, Succession Planning, GPD Property and Evidence Cash management, Administration and Management of Evergreen Cemetery Operations, Body Worn Camera Compliance. There were no past due audit issues at the end of the year. See the tables below for FY 2022 audit issue statistics, and FY 2022 audit issues closed.

Table 3 – FY 2022 Audit Issue Statistics

City Auditor Status of Audit Issues	Number of Audit Issues*
Number of Audit Issues Open as of January 1, 2022	19
Number of Audit Issues Opened in 2022	13
Number of Audit Issued Closed in 2022	16
Number of Audit Issues Remaining Open as of December 31, 2022	16

**Note: Counts do not include confidential security issues*

Table 4- Audit Issues Closed FY 2022

Audit Report Title	Audit Issue Title	Impacted Department(s)	Audit Issue Close Date
Affirmative Action Plan Audit 2019	Implement regular reporting/audit practices to eliminate the need to pull these physical paper records for periodic audit review	Equal Opportunity	2/20/22
Affirmative Action Plan Audit 2019	Review how to better align the new ERP with universal EEO field and tabular nomenclature to help eliminate standardization and human interpretation challenges.	Equal Opportunity	2/25/22
Citywide Succession Planning Audit	Lack of a formal and centralized policy, procedures and guidelines	Human Resources	6/2/22
GPD Property and Evidence Cash Audit	Insufficient Separation of Key Duties	GPD	2/22/22
GPD Property and Evidence Cash Audit	Inadequate Oversight and Monitoring	GPD	2/21/22
GPD Property and Evidence Cash Audit	Inadequate information Technology Controls	GPD IT, Enterprise IT	2/21/22
Administration and Management of Evergreen Cemetery Operations Audit	Incomplete Cemetery Lot Inventory	Evergreen Cemetery, PRCA	4/18/22
Administration and Management of Evergreen Cemetery Operations Audit	Insufficient Oversight and Monitoring	Evergreen Cemetery, PRCA	4/18/22
Administration and Management of Evergreen Cemetery Operations Audit	Inadequate User Access Management Process	Evergreen Cemetery, PRCA, Enterprise IT	4/18/22
Body Worn Camera Compliance Audit	Body Worn Camera Supervisor Review Compliance Not Being Monitored	GPD	5/31/22
Body Worn Camera Compliance Audit	Incomplete Documentation for required BWC Training	GPD	5/3/22
Body Worn Camera Compliance Audit	Insufficient Axon User Access Management Process	GPD	4/8/22
GRU Badge Access and Physical Key Management Audit	Confidential	GRU	6/13/22
GRU Badge Access and Physical Key Management Audit	Confidential	GRU, Enterprise IT Governance	6/7/22
Compliance Audit Report- Colliers International Contract	Insufficient Contract Administration Procedures	CAPER	8/3/22

Fraud, Waste and Abuse Hotline

The Office of the City Auditor manages the contract with Lighthouse to provide anonymous hotline services to the City. Lighthouse is committed to protecting the identity of all persons who use the service. The Office of the City Auditor investigates fraud reports where there is predication and works with Human Resources investigators as appropriate for matters that fall under their responsibility.

According the Association of Certified Fraud Examiners 2020 Report to the Nations, Government Edition, tips are by far the most common method for identifying fraud. Furthermore, the report indicates fraud detection by tip was substantially higher in organizations with hotlines (48% vs 32% with no hotline).

City of Gainesville Fraud, Waste, and Abuse Hotline

- To report an incident, call 1-844-818-2492 or
Visit <https://www.lighthouse-services.com/cityofgainesville>
(copy and paste URL into internet browser address bar)

To report other issues:

- Harassment or Discrimination Issues, call the Equal Opportunity Office at 352-334-5051
- Employee Relations Issues, call Human Resources at 352-334-5077

New Cases:	27
Cases Closed:	28
Cases Open at 10/31/2022:	4

Approximately half of the matters referred to Human Resources or Management.

Most matters categorized as ethics/code of conduct, or policy violation concerns.

Four matters specifically related to employee relations.

Two matters related to conflicts of interest.

One matter involved employee theft investigated by GPD.

One matter involved external attempt to receive a payment from GRU through illicit means and referred to GPD.

Annual Training for City Commissioners, Boards and Committees, and City Leadership



On December 7, 2022, the City Auditor’s Office hosted the Florida Ethics Commission Assistant General Counsel for a live ethics presentation and training to the Commissioners, Charter Officers, Directors, and Board Members on the Florida Code of Ethics two hour training requirement.

City of Gainesville External Audits

External Financial Statement Audits

The City Auditor’s Office facilitates the selection of the General Government and Gainesville Regional Utilities external financial statement auditors and oversees administration of those contracts; however, Internal Auditors do not manage or direct activities of finance and accounting staff. The results of the external financial statement audits are presented to the Audit Committee annually. Results and any findings are communicated by the external auditor to those charged with governance and to management. Internal audit provides a summary slide in the City Auditor Quarterly Update.

The FY21 GRU external financial statement audit reports were presented to the Audit Committee on April 20, 2022. As part of the financial statement audit process the independent auditors issue a report on internal control over financial reporting and on compliance with certain provisions of laws, regulations, contracts and grant agreements. This report is presented within the item above. The external auditors' communication to those charged with governance and management, and internal control report over financial reporting related to Gainesville Regional Utilities indicate that there were no recommendations in the current year.

The FY21 General Government external financial statement audit reports were presented to the Audit Committee on December 13, 2022. As part of the financial statement audit process the independent auditors issue a report on internal control over financial reporting and on compliance with certain provisions of laws, regulations, contracts and grant agreements. This report is presented within the item above. The external auditors' communication to those charged with governance and management, the internal control report over financial reporting related to General Government indicate that there were findings significant deficiency and material weakness.

Florida Auditor General Operational Audit of the City of Gainesville

The City Auditor served as the City’s liaison for the Florida Auditor General operational audit of the City of Gainesville that kicked off in March 2020. The Auditor General wrapped up their work near the end of 2021 and issued their audit report on January 10, 2022. FL Auditor General staff presented their report to the Audit Committee on January 11, 2022 and expects to follow up on findings within 18 months. Beginning in June 2022, Internal Audit began communicating management progress updates in the City Auditor Quarterly Update.

City Auditor’s Office Quality Assurance and Improvement Program (QAIP)



Internal Audit recently updated internal policy, procedures, and guidelines to reflect revised professional standards (Generally Accepted Government Auditing Standards; Institute of Internal Auditor’s Professional Practices Framework), IT auditing standards, and investigation professional standards. Our procedures include engagement level workpaper and report review requirements.

Internal Audit undergoes an external Peer Review process. Government auditing standards issued by Comptroller General of the United States (the “yellow book”) requires reviews be performed once

every three years, while the Institute of Internal Auditors' standards (the "red book") requires reviews every five years.

The City Auditor's Office recently underwent a peer review by the Association of Local Government Auditors. The Office received a *pass* rating, indicating that our Office's internal quality control system was suitably designed and operating effectively to provide reasonable assurance of conformance with Generally Accepted Government Auditing Standards (yellow book) and with the Institute of Internal Auditor's Professional Practices Framework (red book). The City Auditor's Office has received Certificates of Compliance for Peer Reviews for more than 25 years. For the first time, we were certified under the red and yellow book professional standards.

Internal Audit distributes a post-engagement customer satisfaction survey to management following each engagement requesting feedback on what we did well and what we can improve. While individual responses remain confidential, the City Auditor incorporates suggestions for improvement into the monthly team training. Suggestions for improvement may result in updated procedures or other process improvements. Kudos, are shared with the audit team to ensure we continue to develop and leverage core strengths.



Team Building

Once per year the City Auditor's Office sets aside a few hours for team building activities. In December 2022 we visited the Kanapaha Water Reclamation Facility guided by a knowledgeable GRU tour guide. We also participated in a tour of the City's historic Cotton Club, and visited the Florida Museum of Natural History.

Team Professional Development, Certifications, and Associations

Our office conducts engagements in conformance with International Standards for the Professional Practice of Internal Auditing, Generally Accepted Government Auditing Standards (GAGAS), and ISACA Information Systems Audit and Assurance Standards. These standards establish minimum requirements for competence and continuing professional education (CPE) to ensure that auditors are knowledgeable and proficient.

Internal Audit Staff complete a minimum of 40 continuing professional education hours annually to comply with professional standards and additional hours as needed to maintain various professional certifications including Certified Public Accountant, Certified Internal Auditor, Certified Government Auditing Professional, Certified Information Systems Auditor, Certified Risk and Information Systems Control, and Certified Fraud Examiner. Staff have completed training in ethics, government auditing, audit project management, information technology, cybersecurity, and fraud prevention and detection, among other topics.

In 2022, Internal Audit Staff maintained memberships in the following professional associations: Association of Certified Fraud Examiners (ACFE), American Institute of Certified Public Accountants (AICPA), Florida Institute of Certified Public Accountants (FICPA), Association of Local Government

Auditors (ALGA), Government Finance Officers Association (GFOA), Institute of Internal Auditors (IIA), Association of Chartered Certified Accountants (ACCA), and ISACA.

In 2022, staff from the City Auditor's Office serve on the Association of Local Government Auditor's Constitution and Bylaws Committee, and on committees of the North Central Florida Institute of Internal Auditors.

Section 2. Enterprise Risk Assessment and Audit Plan

III. Enterprise Risk Assessment

Introduction

Internal Auditors provide independent oversight, through the audit process, to determine whether we as City governance, leadership, management and staff, are meeting the standards that have been set for us and are meeting the standards we have set for ourselves. Internal audit activities help build trust between the City and the public, improve processes and strengthen controls. How do auditors determine what to audit?

The Office of the City Auditor performs enterprise risk assessment (ERA) activities to assess the City's risk exposure and ensure internal audit resources are allocated to audit engagements based on risk. Our professional standards require risk be assessed and the audit plan updated based on risk at least annually.

We assess risk exposure based on the likelihood a risk event would occur, and the impact or significance the risk event would pose for the organization if it did occur. *Inherent risk* describes risk without considering management control activities. *Residual risk* may be lower than inherent risk when management has effective internal controls in place to mitigate inherent risk. Internal auditors are interested in identifying moderate and high inherent risk exposures and determining whether residual risk is at an acceptable level (according to management's risk appetite).

Internal auditors typically track enterprise risk by auditable entity, which is a classification unique to each organization that identifies its key services and operations. The Office of the City Auditor defines the City's auditable entities as the key offices, departments and funds described in the annual budget book. Auditors aggregate risk information by auditable entity over time. Macro risks affecting several or all-auditable entities may result in "citywide" audit engagements.

Approach

One of the most effective methods to identify key risks impacting our organization is through discussions with stakeholders including elected officials, Charter Officers, management and staff. These discussions include focus on the City's strategic goals and objectives, management priorities and initiatives, risks to achieving those objectives and priorities, emerging risks, available resources, and missed opportunities. We perform more in-depth interviews on a biennial basis (2022 ERA) and otherwise conduct risk surveys and other less resource intensive discussions (2021 ERA). Table 1, below, defines example risk categories that help facilitate risk conversations with stakeholders.

Table 6 - Example Risk Categories

Organizational Risk Category	Risk Description
Compliance Risk	Risk of loss due to noncompliance with policies, contracts, agreements, or grants.
Environmental Risk	Risk of loss of life, financial loss, failed services, or missed opportunities due to extreme weather, natural disasters, human-made disasters, loss of biodiversity, etc.
Financial Risk	Risk of loss due to inadequate or ineffective controls around tax, accounting, financial reporting, capital and debt management, investments, and other financial processes.
Fraud, Waste and Abuse Risk	Risk of loss and other consequences due to misappropriation of assets, corruption, or financial statement fraud.
Information Technology Risk	Risk of financial loss and service failure around privacy and confidentiality, security, cybersecurity, cloud computing, mobile device security and IoT, business continuity and disaster recovery, software asset management, user access management, data governance, and remote workplace processes and systems.
Legal and Regulatory Risk	Risk of noncompliance with local, state or federal laws and regulations.
Operational Risk	Risk that City processes and services are not effective or efficient, or not in alignment with City goals and objectives; or human capital is not sufficient to meet operational or business continuity goals.
Public Safety Risk	Risk that communication policies, safety standards, physical security, emergency response training, routine security, and other related process and systems controls are not adequate to sufficiently mitigate safety risk for the public or employees.
Reputation Risk	Risk of decreased quality of services, community engagement, and trust, due to negative word of mouth or other neighbor communications.
Strategic Risk	Risk that the City's strategic priorities are not achieved. <i>Management goals and objectives should align with the City's strategic priorities.</i>
Third Party Risk	Risk of financial loss, inability to provide services, data breach, noncompliance with contract terms, or other failure related to third party agreements.

There are many ways to evaluate and quantify risk but it is important to avoid spending unnecessary resources on scoring and quantification processes that do not add additional value or insight. An example of the overall ERA process is depicted in Figure 1.

Figure 1 – Overall Enterprise Risk Assessment Process



Source: (p.7) <https://iaa.no/wp-content/uploads/2019/11/2019-PG-Unique-Aspects-of-Internal-Auditing-in-the-Public-Sector.pdf>

Micro Risk Factors

Staffing and talent management was the leading risk communicated by management in our 2021 enterprise risk surveys, and remains the leading risk communicated by management in our 2022 enterprise risk assessment interviews. In 2021, Internal Audit completed a Succession Planning audit to address some of these concerns. One audit issue management action plan has been implement, and one remains open with a due date in 2023.

ERP system **data reliability** was the next significant risk communicated by management. In 2022, management began working with a consultant to address some of these concerns.

Utility billing was frequently communicated as a significant risk. A new utility billing system is being implemented in 2023. A post-implementation audit of the new system is on the Audit Plan.

The next most significant risk communicated by management was **utility debt**. The utility's debt defeasance program (and necessary cash reserves) is being reviewed as a top utility management priority.

The next most significant risk identified by management was the City's ability to manage **cybersecurity** risk. Internal Audit participates in periodic Enterprise IT Governance discussions and completed a phase II cybersecurity audit in 2022.

Infrastructure was the next most frequent risk noted.

The Federal Trade Commission reports Florida as the 3rd highest state in per capita reported incidents of identity theft, as depicted in Figure 3.

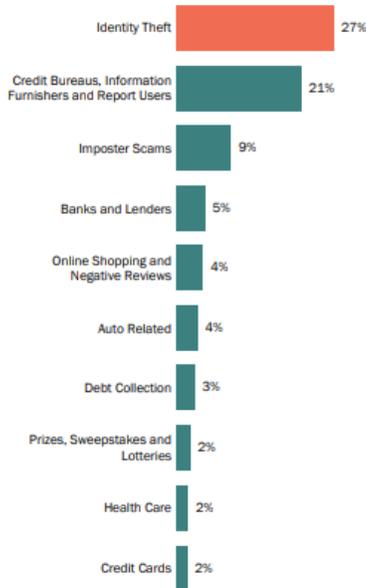
Figure 3

CONSUMER SENTINEL NETWORK

DATA BOOK 2022

Florida

Top Ten Report Categories



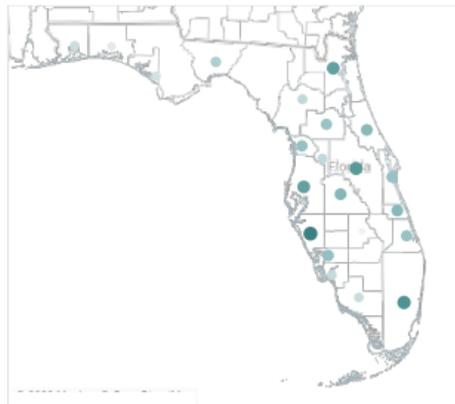
Fraud & Other Reports



Fraud Losses



Fraud & Other Reports by Metropolitan Area



Top Identity Theft Types



Identity Theft Reports



Percentages are based on the total number of relevant 2022 reports from Florida consumers, as indicated in the chart title. This page excludes reports provided by the Florida Department of Agriculture and Consumer Services. Consumers can report multiple types of identity theft.
FEDERAL TRADE COMMISSION • ftc.gov/data

Source: <https://www.ftc.gov/reports/consumer-sentinel-network-data-book-2022>

IV. Internal Audit Plan

In light of management addressing priorities from the February 2023 Joint Legislative Audit Committee (JLAC) meeting, we propose not making any changes to the audit plan. The audit plan will be reevaluated as the City decides on direction. Our reviews will be to highlight risks and provide independent and objective reviews of approaches.

2022-2023 Internal Audit Plan – 12 months (Remains Unchanged)

Audit Plan Status	Auditable Entity	Proposed Audit Engagement Name	Audit Service Type	Proposed Audit Objective	Estimated Internal Audit Budget
Planning	Parks, Recreation and Cultural Affairs	Ironwood Golf Course Financial Controls – Limited Scope Review	Audit	Review adequacy and effectiveness of select Ironwood Golf Course financial policies, procedures, operational processes, and internal controls.	300
		Enterprise Risk Assessment and Annual Report	Risk Assessment	Enterprise risk assessment conversations with Commissioners and management to identify and prioritize risks throughout the City, and inform the audit plan.	300
Part I Completed	Citywide	Continuous Auditing – Pcards, Travel Expense and Reimbursement, Payroll Transactions	Audit	Establish a program for continuous auditing of Citywide purchasing card transactions, travel expense reimbursement policy and activity, and certain payroll transactions to reduce the City's risk of fraud, waste, and abuse.	1000 (250 hours per quarter)
Planning	City Attorney	Case Management System User Access Review	IT Audit	Assess adequacy and effectiveness of user access management and related controls to ensure authorized access to the case management system.	300
	City Clerk	City Commission Discretionary Fund Policy Compliance Annual Audit	Audit	Evaluate expenses and review adequacy of internal controls designed to assure compliance with the discretionary fund policy.	200
	GG and GRU Financial Services	GRU and GG Budgeting Processes and Reporting, including Indirect Cost Allocation	Audit	Assess the effectiveness and accuracy of GRU and GG budget preparation, reporting and City Commission approval processes.	800
	Public Works, GRU, RTS, GPD	Citywide Fleet Management Processes	Audit	Review the policies, procedures and internal controls around the City's fleet management programs to ensure efficiency of operations and appropriate risk management.	800
	GG Transportation and Mobility	Traffic-Related Surveillance Data Security and Privacy Controls Audit	Audit	Review security and privacy controls around capturing, storing, handling, and accessing traffic-related surveillance data.	600
	GG Transportation and Mobility	Parking Charge Capture	Audit	Review charge capture processes and fee collection around City parking spaces and garages.	400
	Affordable Housing	SHIP and Local Housing Assistance Plan Audit	Audit	Audit use of SHIP funds and adequacy of Local Housing Assistance Plan intended to produce and preserve affordable homeownership and multifamily housing.	800
	GRUCom	GRUCom Asset Management and Capitalization Processes Review	Audit	Review internal controls around asset management and capitalization processes, including recovery for operating radio systems (police, fire).	500
	Utility Billing System	GRU customer billing for Public Works services Audit Utility Billing System Post-implementation Audit	Audit	Review accuracy and completeness of customer billing and financial reporting, including customer billing for Public Works services (refuse and recycle).	500
	GRU	Customer Complaint Management process Review	Audit	Review effectiveness of utility customer complaint management processes.	500
				Subtotal - Budgeted Hours, Audits and Advisory Services (12 Months):	<u>7,000</u>

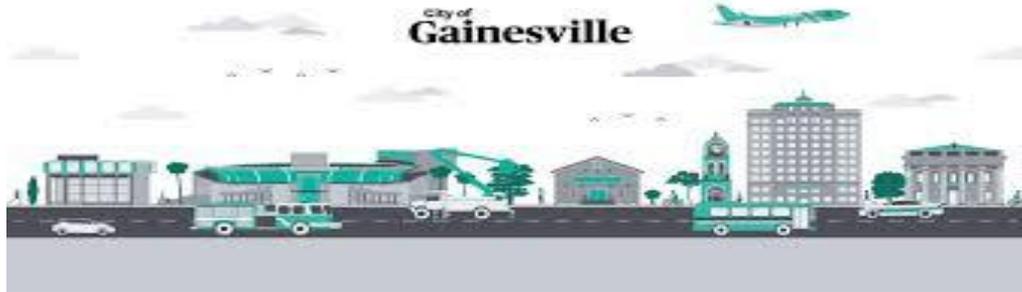
2022-2023 Internal Audit Plan – 13-18 months

Audit Plan Status	Auditable Entity	Proposed Audit Engagement Name	Audit Service Type	Proposed Audit Objective	Estimated Internal Audit Budget
	GPD	Police Overtime Billing & Collections	Audit	Review processes and controls for third party billing and collections related to police overtime.	500
	Human Resources Data Quality	HR Data Quality Review	Audit	Review controls around HR data intake, processing and output with use of disparate systems and manual processes.	500
	GG and GRU Infrastructure	Review GG and GRU Capital Improvement Plans	Audit	Review plans to ensure resources are adequately allocated to improve infrastructure at greatest risk to impact neighbor and community builder health and safety and to ensure reliable delivery of services over time.	800
	Parks, Recreation and Cultural Affairs	PRCA Billing and Collections Audit	Audit	Perform a risk-based evaluation of PRCA internal controls for billing and collections processes and merchant account handling.	800
	GRU Grants	GRU and GG Grants Administration Audit - Phase II	Audit	Assess adequacy and effectiveness of governance and internal controls over grant administration.	400
	Parks, Recreation and Cultural Affairs	Operational Risk Management Advisory project	Advisory	Demonstrate example framework for identifying key risks and assessing controls for key PRCA services and activities to enhance resource allocation and risk management.	500
	GG Financial Services - Billing and Collections	Review of Governance, Compliance and Internal Controls around Business Tax Processes	Audit	Assess governance, compliance and internal controls around General Government business tax processes.	200
				Subtotal - Budgeted Hours, Audits and Advisory Services (13-18 Months):	<u>3,700</u>
Audit Plan Status	Auditable Entity	Proposed Audit Engagement Name	Audit Service Type	Proposed Audit Objective	Estimated Internal Audit Budget
ONGOING INTERNAL AUDIT ACTIVITIES					
		Audit Issue Follow up	Monitoring	Monitor management's establishment of enterprise information technology governance supporting the City's strategies and objectives.	200
		City Commissioner and Management Requests	Special Projects	Allocate limited hours annually to support City Commissioner and Management special projects, advisory services, or limited-scope audits.	200
		Periodic Monitoring	Advisory	Provide advisory services to champion management's build out of risk management capabilities around Enterprise IT Governance, Records Management, and Data Governance capabilities.	100

2022-2023 Internal Audit Plan – 13-18 months

	Investigations (Fraud, Waste and Abuse Hotline)	Hotline	Between final ERP pre-implementation audit report and start of a post-implementation assurance engagement, monitor management's ERP implementation progress and management of project-related risks.	200
	Enterprise Risk Assessment Activities	Assessment	Ongoing and annual risk assessment conversations with Commissioners and management to identify and prioritize risks, and inform the audit plan.	200
	Internal Audit Quality Assurance and Improvement Program, including professional training (40 Professional CPE hours per internal auditor required annually)	Quality Assurance	Ongoing efforts to assess and improve program effectiveness and project quality, including external Peer Review conducted every 3 years.	300
	Audit Committee Management	Board Reporting	Ongoing resources needed to prepare for and present to the City's Audit Committee at least quarterly.	200
			Subtotal - Budgeted Hours, Ongoing Internal Audit Activities:	<u>1,400</u>
			Total Audit Plan Budgeted Hours:	<u>12,100</u>

AVAILABLE TEAM HOURS PER 12 MONTH PERIOD			
Utilization assumption	Non-Admin Budget		Hours
70%	City Auditor (1)		1,344
75%	Assistant City Auditor (1)		1,440
78%	Audit Manager (2)		2,995
80%	Senior Auditor/Internal Auditor (2)		3,072
	2022 Internal Audit Team Total Available Hours (12 month period):		<u>10,291</u>



Office of the City Auditor

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200 E University Avenue, Gainesville, FL 32601
Office: 352-334-5020

URL: <https://www.gainesvillefl.gov/Government-Pages/Government/City-Auditor>

Fraud, Waste, and Abuse Hotline

- To report an incident, call 1-844-818-2492 or
- Visit <https://www.lighthouse-services.com/cityofgainesville>

- To report other issues:
 - **Harassment or Discrimination Issues**, call the Equal Opportunity Office at 352-334-5051
 - **Employee Relations Issues**, call Human Resources at 352-334-5077

Thank You from the Internal Audit Team!

Our Internal Audit Team

Brecka Anderson, CIA, CFE, Interim City Auditor
Lisa Siedzik, CISA, MBA, IT Audit Manager
Diana Ferguson-Satterthwaite, FCCA, CIA, Internal Audit Manager
Peter DeMaris, Internal Auditor
Meayki Batie, Executive Assistant to the City Auditor