

AUDIT COMMITTEE

Agenda # 2023-900

September 18, 2023

GAINESVILLE CITY COMMISSION

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

AUDIT COMMITTEE MEMBERS

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



City Auditor Quarterly Update



INTERNAL AUDIT TEAM

BRECKA ANDERSON, CIA, CFE, INTERIM CITY AUDITOR

LISA SIEDZIK, CISA, IT INTERNAL AUDIT MANAGER

DIANA FERGUSON-SATTERTHWAITE, FCCA, CIA, INTERNAL AUDIT MANAGER

PETER DEMARIS, INTERNAL AUDITOR

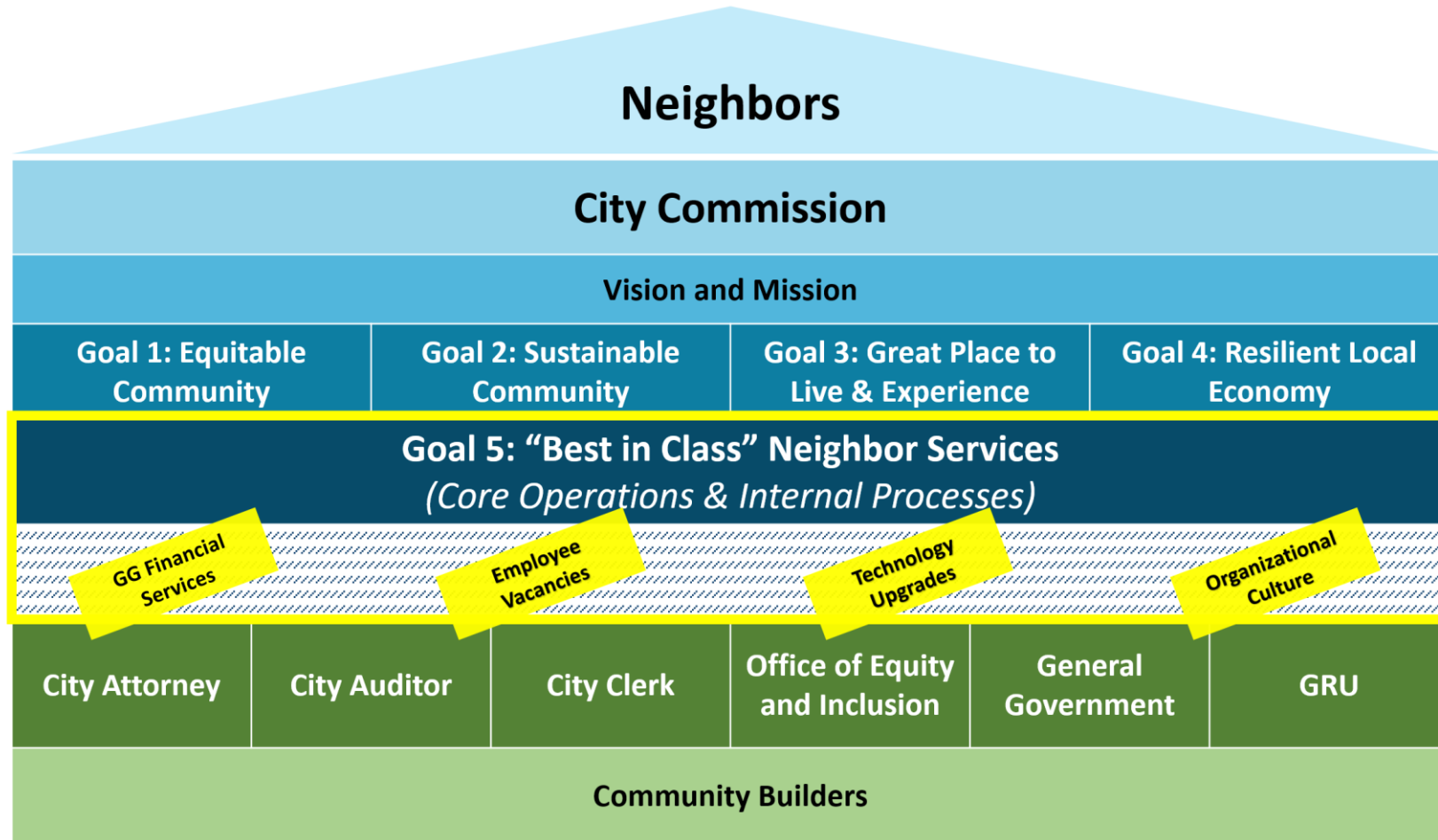
MEAYKI BATIE, AUDIT COORDINATOR



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CITYWIDE STRATEGIC PLAN FOCUS





AUDIT PLAN UPDATE



Audit Plan Update

The City Auditor's Office is proposing the following change to the audit plan:

- Traffic-Related Surveillance Data Security and Privacy Controls Audit



RECENTLY COMPLETED PROJECTS



Recently Completed Projects

Ironwood Golf Course Financial Controls Limited Scope Review

- **Objective:** Review adequacy and effectiveness of select Ironwood Golf Course financial policies, procedures, operational processes, and internal controls.
- **Status:** Completed



WORK IN PROGRESS



Internal Audit Work in Progress

Police Overtime Billing and Collections Audit

- **Objective:** Review the adequacy and effectiveness of processes and controls for third-party billing and collections related to police overtime.
- **Status:** Fieldwork
The engagement is in the fieldwork phase. The audit report will be completed in October 2023 for presentation at the December 2023 Audit Committee meeting.

Internal Audit Work in Progress (Cont.)

Citywide Fleet Management Processes

- **Objective:** Review the policies, procedures and internal controls around the City's fleet management programs* to ensure efficiency of operations and appropriate risk management.
- **Status:** Fieldwork
The engagement is in the fieldwork phase. The audit report will be completed in October 2023 for presentation at the December 2023 Audit Committee meeting.

*The RTS Fleet management program is excluded from this review.

Internal Audit Work in Progress (Cont.)

IT Risk Assessment *(confidential pursuant to Florida Statutes Section 119.0725(2))*

- **Objective:** To identify the IT audit risk universe and perform a risk assessment of IT related areas for the City of Gainesville and GRU for audit planning.
- **Status:** Underway
This engagement and the resulting report are confidential and exempt from public record. This engagement is a phased approach, with report issuance slated for Spring 2024.

Internal Audit Work in Progress (Cont.)

Continuous Auditing Program – Pcards, Travel Expense and Reimbursement, Payroll Transactions

- **Objective:** To 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.
- **Status:** Part I & II Completed; Part III – Pre-Planning

A continuous auditing program was developed to conduct ongoing review of pcard transactions, travel expense and reimbursement, and certain payroll transactions based on risk. The continuous auditing is split into three parts. Part III of the engagement will include a review of certain payroll transactions, and will be presented as part of the final report for this project, which will be issued in Quarter I of FY 2024. Duration of the continuous auditing program will be dependent upon effectiveness of management's internal controls.



PERIODIC MONITORING



Periodic Monitoring

Enterprise IT Governance

Risk level: Moderate

- Enterprise IT Governance – Enterprise IT is being provided to General Government and GRU.
- Mobile Device Acceptable Use Procedure – Pending publishing.
- Cybersecurity Awareness and Training – Annual mandatory cybersecurity training for all users.
- Cybersecurity – In Phase II of plan, expected completion February 2024.
- IT Strategy 2023 – Initiatives are in process.

Periodic Monitoring

General Government Financial Reporting Internal Controls

Risk level: High

Objective: To monitor for timely implementation of General Government financial reporting internal control improvements by July 1, 2023.

Status: A new due date of April 7, 2023 was established for management to close the internal audit open issue resulting from the General Government Internal Control over Financial Reporting Audit Report published January 11, 2022. *A revised due date of December 31, 2023 was requested by management.*

Controls include:

- Month/Quarter/Annual financial close processes
- Cash and key balance sheet account reconciliations and timely research of variances
- Grant management processes and controls
- Readiness for GASB updates, including GASB 87-Leases



CULTURE CORNER



Culture Assessment and Report May 18, 2021

A. We recommend topic #1 Policy Research Workflow be enhanced by the Charter Officers and Policy Oversight team, and reviewed with City Commissioners for final approval.

B. We recommend topics #2-5 be handled by Human Resources management to consider risks and rewards of various program options and identify those options that could add the most value to the City.



RECOMMENDATIONS

P. 16

1. Policy Research Workflow

2. Leadership Training

3. Policy Management Framework

4. Internal Conflict Resolution

5. Employee Suggestions

Culture Assessment and Report -Published May 18, 2021

Management Status Update on Recommendations

- **#1 Enhanced Policy Research Workflow**

Completed.

- **#2 Leadership Training**

Underway. A Masterclass series (12 courses) was launched in January 2023 to help city employees become high level leaders. The City Learns initiative launched in January 2023. Thirty-three e-Learning courses were developed and launched in December 2022. It provides high-level training to departments around culture, strategy, and psychometric assessments. Emerging Leaders is slated to start in January 2024.

- **#3 Policy Management Framework**

Underway. Expected completion of the project in totality is 18 months. Implementation of City-wide policy approval group, new policy, and review and update of policies which apply to all City Staff.

- **#4 Internal Conflict Resolution**

Implemented and On-going. Citywide classes launched in December 2022.

- **#5 Employee Suggestions**

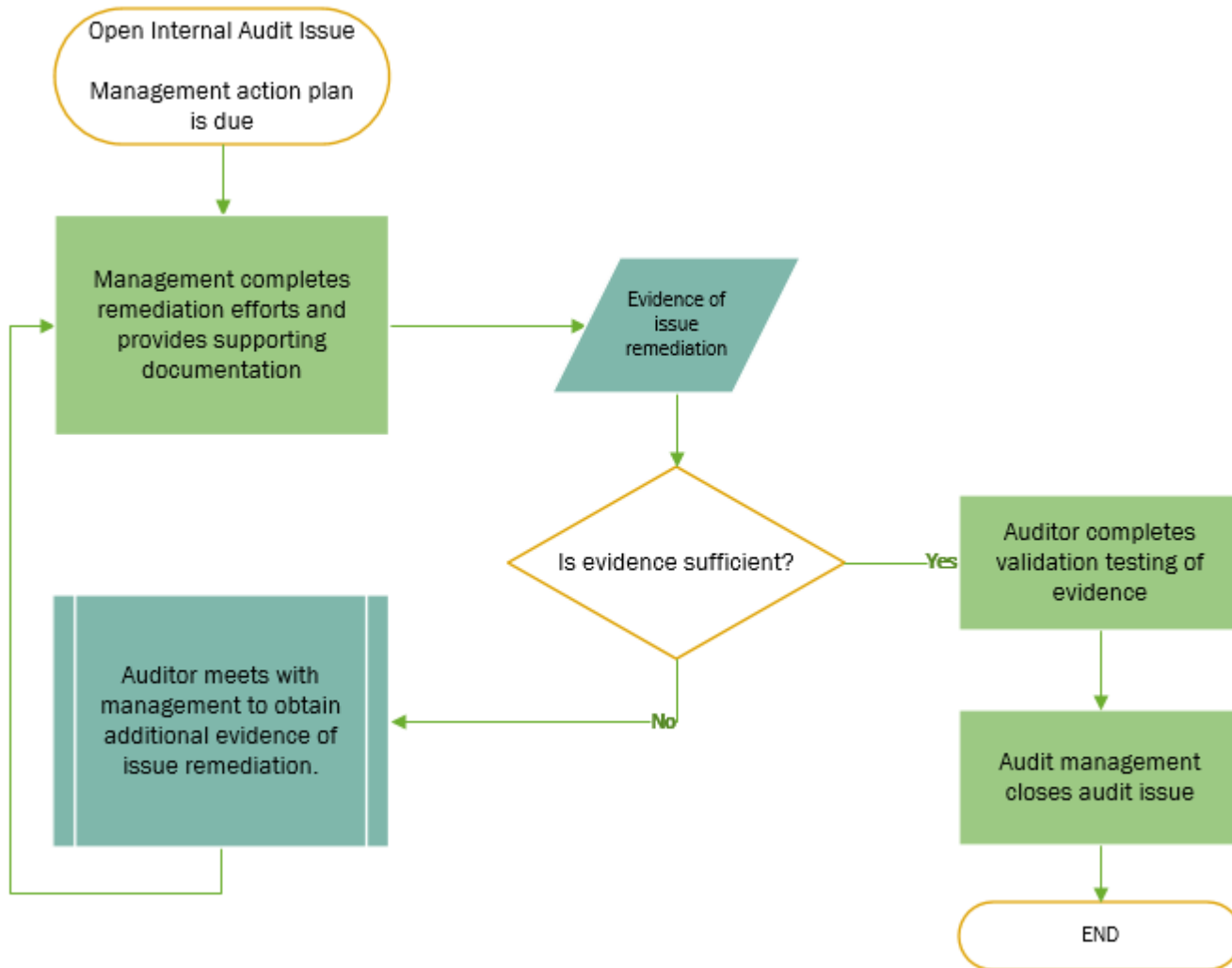
In Progress. An organizational health survey has been developed by HR and will be launched Summer 2023. Stay interviews are being developed. Other suggestions are currently received from employee exit interviews and New Employee Orientation surveys.



AUDIT ISSUE FOLLOW UP



Internal Audit Issue Follow up Program



- ❖ New audit issues are assigned a risk rating. Moderate and high risk issues require remediation typically within one year. A management responsible party is assigned and is accountable for providing evidence of issue remediation.
- ❖ All issues are assigned due dates. When management provides sufficient evidence of issue remediation, internal audit performs validation testing then closes the issue.
- ❖ Past due issues are reported to the Audit Committee.

INTERNAL AUDIT ISSUE FOLLOW UP

<i>City Auditor Quarterly Update Status of Audit Issues</i>			
Audit Issue Status	9/8/2023	6/21/2023	3/6/2023
Audit issues closed since last City Auditor Quarterly Update ^A	3	2	0
Total open audit issues ^B	13	13	14
Total audit issues partially implemented ^C	3	3	0
Total audit issues validation in progress ^D	1	0	1
Total audit issues past due	0	0	1

^A See **closed** audit issue detail on p. 23

^B See **open** audit issue detail on p. 25

^C See **partially implemented** audit issue detail on p. 27

^D See audit issues with **validation in progress** detail on p. 28

Internal Audit Issue Follow up Program (Cont.)

A CLOSED AUDIT ISSUES

- **Compliance Audit Report – Colliers International Contract #1 – Closed 8/3/2023 – Original Report Date 1/11/2022**

The City Auditor's Office closed this audit issue. In fiscal year 2022 and 2023, management issued an RFP to seek applicants for a consultant in real estate services, but no consultants applied. Management decided to manage real estate services in house rather than hiring a consultant. Management has rolled the process for billing and collecting for leases into the Revenue and Receivables Division's general processes. The City Auditor will track the risk as part of the City's billing and collection process.

- **Citywide Gift Card Audit – Closed 9/1/2023 – Original Report Date 3/7/2022**

General Government and GRU Management implemented Gift Card Administrative Procedures in June 2023. The procedure covers gift card purchase authorization, storage, documentation, reconciliation, and monitoring. Additionally, gift card purchases for distribution to employees are prohibited.

Internal Audit Issue Follow up Program (Cont.)

A CLOSED AUDIT ISSUES

- **2023 Continuous Auditing Program – Part I – Closed 9/1/2023 – Original Report Date 3/6/2023**

Two-Part

General Government: Management reviewed P-card usage, discontinued declining balance cards, and reduced the number of active P-card users. Management also implemented a revised P-card procedure on May 31, 2023; the procedure covers monitoring. Management is developing an annual refresher training for all cardholders.

GRU: Management reviewed cardholders' credit limits, lowered the limits for some cardholders, and reduced the number of active P-card users. Management also implemented a revised P-card procedure on June 30, 2023; the procedure covers monitoring. Management evaluated the need for annual refresher training and determined that refresher training is not required at this time but is suggested across all departments. Cardholders can access the recommended training on GRU's intranet.

INTERNAL AUDIT ISSUE FOLLOW UP (CONT.)

B OPEN AUDIT ISSUES

Audit Issue Status	Audit Report Date	Audit Report Title	Audit Issue Title	Audit Issue #	Audit Issue Risk Rating	Impacted Department(s)	Responsible Party	Audit Issue Close Date	Audit Issue Due Date
On Hold Open	7/13/2021	GPD Property and Evidence Cash Audit	Inconsistent and Incomplete Policies and Procedures	1	H	GPD, Department of Financial Services	Sue Wang, Lieutenant Joy Robinson, Lieutenant Steven Bradford		12/31/2021 3/31/2023 6/1/2023 9/20/2023
Open	11/17/2021	GRU Badge Access and Physical Key Management Audit	Confidential	Confidential		GRU	Kristie Williams, T.C. Kelley		3/31/2023 12/31/2023
Open	6/15/2022	GCRA Project and Fiscal Management Audit	Project and Fiscal Management	1	M	GCRA	Phil Mann, Monica Deel, Rick Smith		3/31/2023 9/30/2023 4/1/2024
Open	6/15/2022	GCRA Project and Fiscal Management Audit	Policies and Procedures	2	M	GCRA	Phil Mann, Monica Deel, Rick Smith		12/10/2022 9/30/2023 4/1/2024
Open	9/6/2022	Cybersecurity Audit Phase II	Confidential	Confidential		GRU IT	Walter Banks		9/30/2023 3/31/2024
Open	12/13/2022	Public Records Policy Compliance Audit	Policy and Oversight Need Improvement	1	M	GG	Kristen Bryant, Shaneka Young		12/11/2023
Open	12/13/2022	Public Records Policy Compliance Audit	Internal Controls Around Responding to Public Records Requests Need Enhancing	2	M	GG, GRU	Kristen Bryant, Shaneka Young, Cynthia Curry, Anthony Cunningham		12/11/2023

INTERNAL AUDIT ISSUE FOLLOW UP (CONT.)

B OPEN AUDIT ISSUES (cont'd)

Audit Issue Status	Audit Report Date	Audit Report Title	Audit Issue Title	Audit Issue #	Audit Issue Risk Rating	Impacted Department(s)	Responsible Party	Audit Issue Close Date	Audit Issue Due Date
Open	12/13/2022	RTS Limited Scope Review	Incomplete and Inconsistent Documentation of RTS Collisions	1	M	RTS	Jason Bunce, Helen Harris		12/31/2023
Open	6/21/2023	2023 Continuous Audit Program Part II	Workday Travel Approval Process Opportunities- GG	Part II	M	GG	Cesar Leal		10/31/2023
Open	6/21/2023	2023 Continuous Audit Program Part II	Travel Authorization and Reimbursement Policy/Procedure Non Compliance -GG	Part II	M	GG	Cesar Leal		10/31/2023
Open	6/21/2023	2023 Continuous Audit Program Part II	Purchasing Card Spend Cost Saving Opportunities - GRU	Part II	M	GRU	Anthony Cunningham		9/30/2023
Open	6/21/2023	2023 Continuous Audit Program Part II	Other Purchasing Card Spend Opportunities - GRU	Part II	M	GRU	Anthony Cunningham		9/30/2023
Open	6/21/2023	2023 Continuous Audit Program Part II	Travel Authorization and Reimbursement Policy/Procedure Non Compliance	Part II	M	GRU	Anthony Cunningham		9/30/2023

INTERNAL AUDIT ISSUE FOLLOW UP (CONT.)

Audit Issues Partially Implemented ^C

Audit Issue Status	Audit Report Date	Audit Report Title	Audit Issue Title	Audit Issue #	Audit Issue Risk Rating	Impacted Department(s)	Responsible Party	Audit Issue Close Date	Audit Issue Due Date
Partially Implemented	2/5/2020	Affirmative Action Plan Audit 2019	Establish standard periodic review of AAP hiring goals, which are integrated as a part of HR data capture, management, and extraction.	2	M	Office of Equity and Inclusion	Zeriah Folston, Laura Graetz		6/30/2020 12/31/2021 12/31/2022 12/31/2023
On Hold Open Partially Implemented	5/18/2021	Citywide Succession Planning Audit	Lack of a formal and centralized citywide succession planning program	1	H	Human Resources	Laura Graetz, Jordan Vale		12/31/2021 5/5/2023 12/31/2023
On Hold Open Partially Implemented	1/11/2022	General Government Internal Control over Financial Reporting Audit	Inadequate Internal Control Over Financial Reporting	1	H	Department of Financial Services	Sue Wang, Dennis Nguyen		9/30/2022 4/7/2023 12/31/2023

INTERNAL AUDIT ISSUE FOLLOW UP (CONT.)

D AUDIT ISSUE WITH VALIDATION IN PROGRESS

Audit Issue Status	Audit Report Date	Audit Report Title	Audit Issue Title	Audit Issue #	Audit Issue Risk Rating	Impacted Department(s)	Responsible Party	Audit Issue Close Date	Audit Issue Due Date
Validation in Progress	6/15/2022	GCRA Project and Fiscal Management Audit	Management and Monitoring of Conflicts of Interest	3	M	GCRA	Phil Mann, Monica Deel, Rick Smith		10/31/2022 9/30/2023



FRAUD HOTLINE AND INVESTIGATIONS



Fraud Hotline and Investigations

<i>City Auditor Quarterly Update Fraud Hotline and Investigations * As of 9/11/2023</i>				
Audit Committee Meeting	9/18/2023*	6/21/2023	3/6/2023	12/13/2022
New Cases Since Last Audit Committee	5	7	9	10
Open Investigations	2	5	4	3
Closed Investigations	6	7	8	10



EXTERNAL AUDITS





FLORIDA AUDITOR GENERAL OPERATIONAL AUDIT

REPORT PUBLISHED JANUARY 10, 2022

FL AUDITOR GENERAL OPERATIONAL AUDIT

(REPORT PUBLISHED JANUARY 10, 2022)



STATE OF FLORIDA Operational Audit	Finding
Gainesville Regional Utilities (GRU) Financial Condition and Payments for General Government Services	1. GRU debt levels are significantly higher than comparable municipal utilities.
	2. The City had not established a reasonable and consistent methodology for determining the amount of the annual transfer from the GRU to the City's General Fund considering the GRU's long-term ability to pay.
	3. City indirect cost allocation procedures did not provide for an independent review of the indirect cost worksheet or a reconciliation of recovered indirect costs to actual indirect costs after the completion of each fiscal year. As a result, the City overcharged indirect costs to the GRU.
Reichert House Youth Academy (RHYA) Program and Related Organizations	4. The City did not effectively oversee or control RHYA Program operations.
	5. The City did not, of record, assess that it was economically or otherwise advantageous for the City to use the nonprofit entity, Reichert House, Inc., to support RHYA Program operations, and the use of this entity resulted in less accountability and transparency of RHYA Program operations.
	6. The City did not effectively oversee Reichert House, Inc. operations.
	7. Reichert House, Inc. and RHYA Program operations lacked appropriate transparency.
Administration and Management	8. City records did not demonstrate authorization for, or the necessity of, using the services of certain nonprofit organizations in lieu of the services of City personnel for soliciting, receiving, and disbursing grantor and donor funds for the RHYA Program, resulting in diminished transparency and accountability for those resources. In addition, for a \$20,000 National Police Athletic/Activities Leagues (NPAL) grant administered by one of the nonprofit organizations, City records did not demonstrate that the grant application was made for an eligible entity or that grant proceeds were expended for RHYA Program purposes in accordance with NPAL guidelines.
	9. The lack of City personnel's knowledge and capability for compiling financial statements that comply with GAAP for the 2017-18 and 2018-19 fiscal years resulted in additional costs for assistance in preparing the City's financial statements and audit findings considered by the auditor to be significant deficiencies and material weaknesses in the City's internal controls over financial reporting.

FL AUDITOR GENERAL OPERATIONAL AUDIT (CONT.)

(REPORT PUBLISHED JANUARY 10, 2022)



STATE OF FLORIDA Operational Audit	Finding
Administration and Management	10. City records, including City-approved resolutions adopting budgets did not specify the legal level of budgetary control; budgeted amounts were not presented at a level that enabled users to readily determine if resources were expended within budget, consistent Commission intent; and budget-to-actual expenditure comparisons were not timely presented to the City Commission.
	11. Monitoring and transparency of the City's golf course operations could be improved.
	12. The City could improve accountability and transparency over redevelopment activities carried out pursuant to an interlocal agreement with Alachua County.
	13. City policies and procedures for obtaining and documenting background checks of applicants seeking employment need enhancement.
Expenditures – Use of Public Resources, Purchasing Cards, and Travel	14. Contrary to City policy, the City did not always conduct annual employee performance evaluations, and when evaluations were conducted, did not always promptly communicate the results of the evaluations to the employees.
	15. The GRU did not periodically use a competitive process to select certain professionals who assisted in the bond issuance process.
	16. Controls over City-assigned purchasing cards (P-cards) need improvement to ensure that P-card assignments and credit limits are periodically evaluated and appropriately adjusted.
	17. The City needs to enhance efforts to ensure that P-cards are promptly canceled upon a cardholder's separation
	18. The GRU needs to enhance travel policies and procedures to require employees to sign their travel vouchers, reduce meal allowances paid to the traveler for meals included in conference registration fees, document the necessity of multiple individuals attending the same conference, and require that travel arrangements be made sufficiently far in advance to minimize travel costs.

FLORIDA AUDITOR GENERAL - OPERATIONAL AUDIT

MANAGEMENT STATUS UPDATE SEPTEMBER 2023

The Florida Auditor General's Office is currently conducting a follow-up audit of the 18 findings to validate implementation. Since the review is underway, a report of management's implementation status of the 18 findings is not included in this quarterly status update.

The Auditor General's follow-up report is expected to be released in Fall 2023.



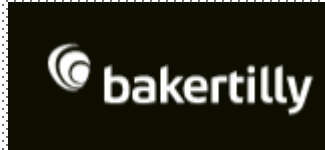
EXTERNAL FINANCIAL STATEMENT AUDIT

GAINESVILLE REGIONAL UTILITY

EXTERNAL FINANCIAL STATEMENT AUDIT

GAINESVILLE REGIONAL UTILITIES

EXTERNAL AUDITOR – BAKERTILLY



FY22 External Audit Report as of September 30, 2022	Deficiency in internal control	Audit Status
FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT	NONE	Completed



EXTERNAL FINANCIAL STATEMENT AUDIT

GENERAL GOVERNMENT

FY 22 EXTERNAL FINANCIAL STATEMENT AUDIT

GENERAL GOVERNMENT (CONT.)

EXTERNAL AUDITOR – PURVIS GRAY & COMPANY

FY22 External Audit Report For the fiscal year ended September 30, 2022	Finding	External Audit Status
FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT	2018-01/2022-01 Bank Reconciliations Bank reconciliations were not completed on a timely basis during the year. The final bank reconciliation for September 2022 was not completed until April 2023.	Open (Material Weakness)
	2018-02/2022-02 Financial Close and Reporting Due to ongoing turnover during the past several years and the implementation of a new enterprise resource planning (ERP) system during fiscal year 2021, the prior year audit was significantly delayed and not completed until December 2022, after the current fiscal year ended. As a result, the City had limited time to prepare for the 2022 audit which began three months after the prior audit was issued. Upon commencement of the audit many accounts still required significant adjustments, with approximately 100 journal entries posted after the trial balance was provided.	Open (Material Weakness)

FY 22 EXTERNAL FINANCIAL STATEMENT AUDIT

GENERAL GOVERNMENT

EXTERNAL AUDITOR – PURVIS GRAY & COMPANY



FY22 External Audit Report For the fiscal year ended September 30, 2022	Audit Status
FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT	Completed



WRAP UP



Upcoming Committee Meetings

- Dec. 5, 2023 Ethics Training for City Commissioners, Charter Officers, Directors, & Board Members
- Dec. 6, 2023 Audit Committee Meeting
- March 2024 (TBD) Audit Committee Meeting

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

Office of the City Auditor

Brecka Anderson, CIA, CFE | Interim City Auditor | City of Gainesville

200 E University Avenue, Gainesville, FL 32601

Office: 352-334-5020

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



APPENDIX A - INTERNAL AUDIT PLAN



APPENDIX A – INTERNAL AUDIT PLAN

Audit Engagement Title	Primary Department	Audit Service Type	Audit Objective	Audit Status	Budgeted Hours
Ironwood Golf Course Financial Controls – Limited Scope Review	Parks, Recreation and Cultural Affairs	Audit	Review adequacy and effectiveness of select Ironwood Golf Course financial policies, procedures, operational processes, and internal controls.	Fieldwork	300
Enterprise Risk Assessment and Annual Report	Citywide	Risk Assessment	Enterprise risk assessment conversations with Commissioners and management to identify and prioritize risks throughout the City, and inform the audit plan.	Completed	300
Continuous Auditing – Pcards, Travel Expense and Reimbursement, Payroll Transactions	Citywide	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.	Planning	800 1,000 (250 hrs per quarter)
GRU and GG Budgeting Processes and Reporting, including Indirect Cost Allocation	GG and GRU Financial Services	Audit	Assess the effectiveness and accuracy of GRU and GG budget preparation, reporting and City Commission approval processes.	Not started	800
City Commission Office Fund Policy Compliance Annual Audit	City Clerk	Audit	Evaluate expenses and review adequacy of internal controls designed to assure compliance with the discretionary fund policy.	Not started	200
Citywide Fleet Management Processes	Public Works, GRU, RTS, GPD	Audit	Review the policies, procedures and internal controls around the City's fleet management programs to ensure efficiency of operations and appropriate risk management.	Fieldwork	800 500
Parking Charge Capture	GG Transportation and Mobility	Audit	Review charge capture processes and fee collection around City parking spaces and garages.	Not started	400
Traffic-Related Surveillance Data Security and Privacy Controls Audit (Removed)	GG Transportation and Mobility	IT Audit	Review security and privacy controls around capturing, storing, handling, and accessing traffic-related surveillance data.	Not started	600
SHIP and Local Housing Assistance Plan Audit	Affordable Housing	Audit	Audit use of SHIP funds and adequacy of Local Housing Assistance Plan intended to produce and preserve affordable homeownership and multifamily housing.	Not started	800
Customer Complaint Management process Review	GRU	Audit	Review effectiveness of utility customer complaint management processes.	Not started	500
GRUcom Asset Management and Capitalization Processes Review	GRUcom	Audit	Review internal controls around asset management and capitalization processes, including recovery for operating radio systems (police, fire).	Not started	500
Utility Billing System Post-implementation Audit	GRU	IT Audit	Review accuracy and completeness of customer billing and financial reporting, including customer billing for Public Works services (refuse and recycle).	Not started	500 800

APPENDIX A – INTERNAL AUDIT PLAN (Cont.)

ONGOING INTERNAL AUDIT ACTIVITIES				Budgeted Hours
Audit Issue Follow up	Monitoring	Monitor management's establishment of enterprise information technology governance supporting the City's strategies and objectives.	Ongoing	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.	Ongoing	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	Ongoing	100
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.	Ongoing	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.	Ongoing	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.	Ongoing	300
Audit Committee Management	Board Reporting	Ongoing resources needed to prepare for and present to the City's Audit Committee at least quarterly.	Ongoing	200

APPENDIX A – INTERNAL AUDIT PLAN (Cont.)

Audit Engagement Title	Primary Department	Audit Service Type	Audit Objective	Audit Status	Budgeted Hours
Police Overtime Billing & Collections	GPD	Audit	Review processes and controls for third party billing and collections related to police overtime.	Fieldwork	500
HR Data Quality Review	Human Resources Data Quality	Audit	Review controls around HR data intake, processing and output with use of disparate systems and manual processes.	Not started	500
Review GG and GRU Capital Improvement Plans	GG and GRU Infrastructure	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.	Not started	800
PRCA Billing and Collections Audit	Parks, Recreation and Cultural Affairs	Audit	Perform a risk-based evaluation of GPRC internal controls for billing and collections processes and merchant account handling.	Not started	800
GRU and GG Grants Administration Audit -Phase II	GRU Grants	Audit	Assess adequacy and effectiveness of governance and internal controls over grant administration.	Not started	400
Operational Risk Management Advisory project	Parks, Recreation and Cultural Affairs	Advisory	Demonstrate example framework for identifying key risks and assessing controls for key PRCA services and activities to enhance resource allocation and risk management.	Not started	500
Review of Governance, Compliance and Internal Controls around Business Tax Processes	GG Finance Billing and Collections	Audit	Assess governance, compliance and internal controls around General Government business tax processes.	Not started	200
Total Budget additional audits, 13-18 Month Audit Plan:					3,700



APPENDIX B - COMPLETED AUDITS



APPENDIX B – 2022 COMPLETED AUDITS

COMPLETED AUDITS					
Audit Committee Report Date	Audits, Consultations and Projects	Primary Department	Types	Objective	Status
1/6/22	Independent Review of Management's Due Diligence Results for the Community Grocery Store Project.	GG	CCOM Request	Perform an independent review of management's due diligence for the unsolicited proposal for the Gainesville eastside supermarket to ensure key risks were researched by management and material facts were fairly presented to the City Commission prior to the Commission making a decision on the proposal.	Completed
1/11/22	Review the Design and Effectiveness of Internal Controls Over Financial Reporting (GG)	GG Finance and Accounting	Audit	Assess the design and effectiveness of internal controls over financial reporting processes to ensure the risks of error, financial reporting misstatement, and fraud are sufficiently mitigated.	Completed
1/11/22	Contract Compliance Audit - Colliers International Contract	CAPER	Audit	Evaluate compliance with the deliverables, terms and conditions of the City's contract with Colliers International Florida.	Completed
3/7/22	Gift Card Audit	GG and GRU Finance	Audit	Review the policies, procedures, controls and security around the handling of gift card and determine if internal controls are adequately designed and operating effectively to sufficiently mitigate the risk of gift card fraud, waste and abuse	Completed
3/7/22	2021 Annual Report, Risk Assessment and Audit Plan	Citywide	Annual Report	The City Auditor's 2021 Annual Report highlights the department's activities and accomplishments over the past year, and enterprise risk assessment results with internal audit plan.	Completed
6/15/22	GCRA Project and Fiscal Management Audit	GCRA	Audit	Review internal controls around movement of GCRA funds and project management to ensure transparency in financial reporting processes and compliance with policy and regulations. Construction contract audit will be included if resources permit, or may be separately added to the audit plan.	Completed
6/15/22	FL Highway Safety and Motor Vehicles Internal Control and Data Security Compliance Audit	Risk Management; Information Technology	Compliance Audit	Assess compliance with the Memorandum of Understanding between the City of Gainesville and FL Department of Highway Safety and Motor Vehicles which requires appropriate data exchange internal controls.	Completed
6/15/22	Internal Control Follow up - Deerhaven	GRU	Investigation Follow up	Communicate Internal Audit's internal control follow up on the management of non-inventoried equipment at the Deerhaven Generating Station following a 2021 theft event.	Completed
9/6/22	Citywide Cybersecurity Audit -Phase II	Information Technology	Audit	Provide an independent assessment of the City's cybersecurity governance structure, adequacy of current policies and procedures, and effectiveness of internal controls.	Completed
9/6/22	ARPA Reporting Compliance Audit -Phase I	Financial Services	Audit	Phase I - Review the design of the internal controls for the American Rescue Plan Act (ARPA) grant administration program and select program elements.	Completed
12/13/22	G-5 Public Records Policy Compliance Audit	Citywide	Audit	Review citywide staff compliance with G-5 Public Records Policy to ensure efficient use of city resources, timely response to requests, and effective monitoring for compliance.	Completed
12/13/22	Gainesville Regional Transit System (RTS) – Limited Scope Review	Transportation and Mobility	Audit	Review of internal controls around management of incident reporting and corrective action.	Completed
12/13/22	Review of GG ERP User Access Management (Purvis Gray)	Information Technology	Audit	As part of the external financial statement audit, IT testing, review the design and effectiveness of controls around the General Government ERP user identity, authorization and authentication. Work performed during the external financial statement audit by Purvis Gray.	Completed