



**City of Santa Monica
FY 16-17 Internal Audit Program**

**Audit Committee Meeting
April 19, 2016**

MOSS ADAMS_{LLP}

Certified Public Accountants | Business Consultants

Acumen. Agility. Answers.

AGENDA

- I. Introduction
- II. Internal Audit Program Overview
- III. Proposed FY 16-17 Internal Audit Plan

I. INTRODUCTION

- The City retained Moss Adams LLP in August 2014 to provide internal audit services focusing on:
 - Risks
 - Internal controls
 - Efficiency and effectiveness
 - Best practices
 - Compliance
- Work is being completed under the standards of the Institute of Internal Auditors (IIA) and under the consultancy standards of the American Institute of Certified Public Accountants (AICPA)

II. INTERNAL AUDIT PROGRAM OVERVIEW

Internal Audit

Risk/Opportunity
Improvement
Assessments

Performance
Audits

Internal
Controls
Reviews

Areas of Focus: accounting and financial reporting, asset management, capital programs, compliance, economics and funding, fraud, governance, human resources, internal controls, maintenance and operations, management, operations and service delivery, organization and staffing, processes and procedures, procurement, public safety, risk management, and technology

III. FY 16-17 INTERNAL AUDIT PLAN

1. Cash Handling Review (continuation)
2. AR & Revenue Review
3. Enterprise Risk Assessment
4. Parking Citation Vendor Audit
5. Policies and Procedures Validation
6. Supervisor Fraud Training
7. Ongoing Internal Auditor Services

III. FY 16-17 INTERNAL AUDIT PLAN (CONT.)

#	Process	7-9/16	10-12/16	1-3/17	4-6/17
1	Cash Handling Review				
2	AR & Revenue Review				
3	Enterprise Risk Assessment				
4	Parking Citation Vendor Audit				
5	Policies and Procedures Validation				
6	Supervisor Fraud Training				
7	Ongoing Internal Audit Services				

III. FY 16-17 INTERNAL AUDIT PLAN (CONT.)

1. Cash Handling Review: Continuation of a more thorough assessment of cash handling processes and controls throughout the City, develop recommendations, and provide training as needed (6-8 weeks)
2. AR and Revenue Review: Based on results of the Internal Controls Review, conduct a more thorough assessment of AR and revenue collection processes and controls throughout the City, develop recommendations, and provide training as needed (12-14 weeks)
3. Enterprise Risk Assessment: Assess risks across the City to provide foundational information, along with results of Internal Controls Review, for a multi-year audit program. (12-16 weeks)
4. Parking Citations Contractor Audit: Conduct an audit of the City's parking citations contractor (12 weeks)

III. FY 16-17 INTERNAL AUDIT PLAN (CONT.)

5. **Policies and Procedures Validation:** Review the City's updated policies and procedures for addressing Internal Controls Review findings and recommendations (4-6 weeks)
6. **Supervisor Fraud Training:** Develop content and provide fraud training to supervisors (4 weeks)
7. **Ongoing Internal Auditor Services:** Attend Audit Committee and Council meetings; develop an annual audit program, and provide status reports on program activities (52 weeks)