



# City of Santa Monica

# FY 17-18 Internal Audit Program

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**Audit Subcommittee Meeting**

**August 23, 2017**



# Overview

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- I. Introduction
- II. Internal Audit Program Components
- III. Internal Audit Program Review
- IV. FY 17-18 Internal Audit Potential Projects
- V. FY 17-18 Internal Audit Recommended Plan

# I. Introduction

- The City retained Moss Adams to serve as the designated Internal Auditor and conduct projects focusing on:
  - Risks
  - Internal controls
  - Efficiency and effectiveness
  - Best practices
  - Compliance
- Work is being completed under the standards from the Institute of Internal Auditors (IIA) and AICPA consultancy standards



## II. Internal Audit Program Components

### Internal Audit

Risks

Internal Controls

Compliance

Performance

**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. Internal Audit Program Review

## Project

- Ambulance Contract Review
- Benefits Billing Review
- Cash Handling IC Testing
- Enterprise Risk Assessment
- Internal Controls review
- Parking Contract Review

## Results

28 findings & recommendations  
13 findings & recommendations  
21 findings & recommendations  
17 risk factors evaluated  
42 findings & recommendations  
6 findings & recommendations



### III. Internal Audit Program Review (cont.)

**Project**

**Status**

- Bank Reconciliation Support Completed
- External Audit Support Completed
- Accounts Receivable Review Ongoing
- Compensation Review Ongoing
- Policy & Procedure Validation Ongoing
- Supervisor Fraud Training Ongoing



## IV. FY 17-18 Internal Audit Potential Projects

1. Procurement Internal Controls Testing
2. P-Card Internal Controls Testing
3. Travel Expense Internal Controls Testing
4. Grants Management Internal Controls Testing
5. Fleet Efficiency Study
6. Computer Replacement Study
7. Big Blue Bus Efficiency Study
8. Ongoing Internal Audit Services



## IV. FY 17-18 Internal Audit Potential Projects (cont.)

1. Procurement Internal Controls Testing: Sample and test procurements for compliance with policies and procedures and compare to best practices (12 weeks)
2. P-Card Internal Controls Testing: Sample and test P-Card usage for compliance with policies and procedures and compare to best practices (12 weeks)
3. Travel Expense Internal Controls Testing: Sample and test travel expenses for compliance with policies and procedures and compare to best practices (12 weeks)
4. Grants Management Internal Controls Testing: Sample and test travel expenses for compliance with policies and procedures and compare to best practices (12 weeks)



## IV. FY 17-18 Internal Audit Potential Projects (cont.)

5. **Fleet Efficiency Study: Assess management and operations of the City's fleet function (14 weeks)**
6. **Computer Replacement Study: Assess the assignment, tracking, and replacement of City computers, as well as associated policies and procedures (14 weeks)**
7. **Big Blue Bus Overtime Study: Assess current use of overtime, review relevant policies and procedures, and compare to best industry practices (12 weeks)**
8. **Ongoing Internal Audit Services: Attend Audit Subcommittee and Council meetings; prepare status reports, manage internal audit program, and prepare FY 18-19 internal audit plan (52 weeks)**



# V. FY 17-18 Internal Audit Recommended Plan

#	Project	Duration	7-9/17	10-12/17	1-3/18	4-6/18
A	Accounts Receivable Review (cont.)	12 weeks				
B	Compensation Study (cont.)	36 weeks				
C	Policies and Procedures Validation (cont.)	52 weeks				
D	Supervisor Fraud Training (cont.)	4 weeks				
E	Fleet Efficiency Study	14 weeks				
F	P-Card Internal Controls Testing	12 weeks				
G	Big Blue Bus Overtime Study	12 weeks				
H	Ongoing Internal Audit Services	52 weeks				





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