FY17 Annual Audit Plan (Work Plan)
Presentation to City Council
October 11, 2016

Presented by
John H. Sanderlin, City Auditor
AGENDA

• Overview
• Objective
• Development of the FY17 Annual Work Plan
• FY17 Plan Details and Timeline
OVERVIEW

We Work Together: Building A Well-Managed Government

The Audit Function plays a key and critical role in the function of government and works together with management in building a well-managed government. The Audit Function (The Office of the City Auditor) is part of Team Norfolk in Building a Well Managed Government through its role of evaluating, appraising, reviewing, inspecting, analyzing, and assessing government services, programs, and operations and providing feedback through recommendations and suggestions. As a group of independent professionals within government, the Audit Function adds value by increasing the level of confidence and trust citizens have in government. Therefore, the Audit Function is of great importance in making Team Norfolk a success in promoting accountability and transparency as the Council’s vision and priorities are implemented.
Continued……OVERVIEW

The Annual Plan presented each year is an instrument to officially document planned work of the Office of the City Auditor. It is impacted by other demand work such as fraud, waste, and abuse investigations, management requests, or other unforeseen needs or priorities. This year’s plan is a combination of assessments at the operational level of bureau or divisions and at the program level of specific initiatives or programs. It includes 13 audits of which five are from the prior fiscal year and four are anticipated to go into FY18. Each year the plan builds in a number of surplus audits to offset any possible decreases in the workload as related to investigations or other demand work.
PLAN OBJECTIVE

- Establishes the framework for audits to be conducted
- Guides activities and workflow of the City Auditor’s Office
- Outlines area of audits focus
- Allows flexibility

*The Plan is subject to change (unanticipated higher risk issues, inquiries-investigations, other priorities)
## DEVELOPING THE PLAN

<table>
<thead>
<tr>
<th>Audit Leads</th>
<th>Prior Audits</th>
<th>Inquiries/Investigations</th>
<th>Complaints</th>
<th>City Financial Audit</th>
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<tr>
<td><strong>Internal</strong></td>
<td>City Auditor Staff</td>
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<td>Risk</td>
<td>Assessment</td>
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<td><strong>External</strong></td>
<td>Citizens</td>
<td>Current Events</td>
<td>Trends</td>
<td>Other Localities</td>
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<td><strong>Hotline Complaints</strong></td>
<td>City Employees</td>
<td>Citizens</td>
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<td>Management Concerns</td>
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<td>Council Priorities</td>
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<td>Specific Requests</td>
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FY17 Audit Work Plan
1st Quarter (July, August, September 2016)

Audits
• Assessment of the Administrative Hurdles for the Norfolk Interagency Consortium
• Evaluation of the Challenges and Effectiveness of Management Controls for Citywide Contract Administration
• Evaluation of the Challenges and Effectiveness of Management Controls for the Citywide Maintenance Process
• Assessment of the Challenges and Effectiveness of Management Controls of the Detention Center
• Assessment of the Challenges and Effectiveness of Management Controls for Cemetery Operations
1st Quarter – Rollover Audits

1st Quarter FY17
(July - September)

- Administrative Hurdles: Norfolk Interagency Consortium
- Challenges/Effectiveness of Management Controls: Citywide Contract Administration
- Challenges/Effectiveness of Management Controls: Citywide Maintenance Process
- Challenges/Effectiveness of Management Controls: Detention Center
- Challenges/Effectiveness of Management Controls: Cemetery Operations

2nd Quarter FY17
(October - December)
FY17 Audit Work Plan
2nd Quarter (October, November, December 2016)

Audits
• Evaluation of the Challenges and Effectiveness of Management Controls for Citywide Contract Administration
• Evaluation of the Challenges and Effectiveness of Management Controls for the Citywide Maintenance Process
• Assessment of the Challenges and Effectiveness of Management Controls of the Detention Center
• Assessment of the Challenges and Effectiveness of Management Controls for Cemetery Operations
➢ Assessment of the Challenges and Effectiveness of the Administration of the City's Homeless and Poverty initiatives
➢ Evaluation of the Challenges and Effectiveness of Management Controls for the Operation of the Department of Development Program and Services
2nd Quarter – Rollover Audits

2nd Quarter FY17
(October - December)

- Challenges/Effectiveness of Management Controls: Citywide Contract Administration
- Challenges/Effectiveness of Management Controls: Citywide Maintenance Process
- Challenges/Effectiveness of Management Controls: Detention Center
- Challenges/Effectiveness of Management Controls: Cemetery Operations

3rd Quarter FY17
(January - March)
21st Quarter – New Audits

2nd Quarter FY17 (October - December)

3rd Quarter FY17 (January - March)

4th Quarter FY17 (April - June)

Challenges/Effectiveness of the Administration of the City's Homeless and Poverty initiatives

Challenges/Effectiveness of Management Controls: Department of Development Program and Services
FY17 Audit Work Plan
3rd Quarter (January, February, March 2017)

Audits

• Assessment of the Challenges and Effectiveness of the Administration of the City's Homeless and Poverty initiatives
• Evaluation of the Challenges and Effectiveness of Management Controls for the Operation of the Department of Development Program and Services
  ➢ Assessment of the Challenges and Effectiveness of the Administration of the City’s Water Production and Water Distribution Processes
  ➢ Assessment of the Challenges and Effectiveness of the City's Procurement and Material Management Process
  ➢ Evaluation of the Challenges and Effectiveness of the Administration of the City's energy and green initiatives
3rd Quarter – Rollover Audits

3rd Quarter FY17 (January - March)

Challenges/Effectiveness of the Administration of the City's Homeless and Poverty initiatives

4th Quarter FY17 (April - June)

Challenges/Effectiveness of Management Controls: Department of Development Program and Services
3rd Quarter – New Audits

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<tr>
<th>3rd Quarter FY17 (January - March)</th>
<th>4th Quarter FY17 (April - June)</th>
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<td>Challenges/Effectiveness of the Administration of the City’s Water Production/Water Distribution Processes</td>
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**FY17 Audit Work Plan**

**4th Quarter (April, May, June 2017)**

**Audits**

- Evaluation of the Challenges and Effectiveness of Management Controls for the Operation of the Department of Development Program and Services
- Assessment of the Challenges and Effectiveness of the Administration of the City’s Water Production and Water Distribution Processes
- Assessment of the Challenges and Effectiveness of the City's Procurement and Material Management Process
- Evaluation of the Challenges and Effectiveness of the Administration of the City's energy and green initiatives
- Assessment of the Challenges and Effectiveness of the Administration of the City's Streets and Bridges Maintenance Program
- Assessment of the Challenges and Effectiveness of the Administration of CDBG Funds
- Assessment of the Challenges and Effectiveness of the Administration of the City's Ground and Urban Forestry Maintenance Service
- Evaluation of the Challenges, Hurdles and Opportunities for the City's Assessment Process
4th Quarter – Rollover Audits

4th Quarter FY17
(April - June)

- Challenges/Effectiveness of the Administration of the City’s Water Production/Water Distribution Processes
- Challenges/Effectiveness of the City's Procurement and Material Management Process
- Challenges/Effectiveness of the Administration of the City's energy and green initiatives
# 4th Quarter – New Audits

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<th>Quarter FY17</th>
<th>Rollover to FY18</th>
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<td>(April - June)</td>
<td>(1st Quarter)</td>
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Challenges/Effectiveness of the Administration of the City's Streets and Bridges Maintenance Program

Challenges/Effectiveness of the Administration of CDBG Funds

Challenges/Effectiveness: Administration of the City's Ground and Urban Forestry Maintenance Service

Challenges/Hurdles/Opportunities: City's Assessment Process

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**Norfolk**

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OTHER PROJECTS FOR FY17

• Inquiries-Investigations (Fraud, Waste and Abuse Hotline)
• Administration of External Audit Contract with KPMG
• Missing, Lost, Stolen Property Database
• Review of Disbursements/Credit Card Transactions
• Ethics Training
• Management or Council requests
• Other City Agencies request