



CITY AUDITOR REPORT AUDIT ACTION ITEM PROGRESS YEAR ENDED DECEMBER 31, 2023

BACKGROUND

International Standards for the Professional Practice of Internal Auditing require establishing ‘a follow-up process to monitor and ensure that management actions have been effectively implemented.’ Results of this follow up on items completed/in process of completion as of December 31, 2023, are summarized below.

ACTION ITEM STATUS

All open audit actions were reviewed with responsible management to determine their status. **Four of five 2023 planned action items are complete.** Management indicates information technology asset inventory was conducted, and the technology asset policy is complete. Workday implementation has occurred and improved previous E1 accounts payable control weaknesses.

The fifth action item for capital project status/adjustment is ongoing, with quarterly project review and adjustment planned to address this area in 2024. The ultimate future target is development of a process to reconcile CIP planning & budgeting with project balances. Currently, Workday implementation work is the highest priority of the Finance group.

The Auditor appreciates the updated information on these items furnished by Finance and Information Technology management.

2023 OPEN AUDIT ACTION ITEM TARGET DATES			
AUDIT AND AUDIT DATE	ACTION	TARGET DATE	STATUS
IT ASSET INVENTORY/ November 2020	1. Develop IT Asset Inventory policy to define such assets; upon definition, conduct count as internal control to verify IT asset possession/existence	Policy is anticipated to be finalized 1st quarter 2022, and the resulting IT Asset Inventory will begin in late 2022	Asset inventory is complete. Policy has been completed and is in process of rollout to IT-managed locations.
ACCOUNTS PAYABLE INTERNAL CONTROLS/ June 2021	2. Segregation of roles/tasks	2023 ERP System Implementation	Workday ERP implementation has been completed, and establishes a financial system which features enhanced controls which allow for: *segregation of tasks and duties, *report creation to monitor errors/omissions/anomalies, and *audit trails of approvals, adjustments and approval overrides.
	3. System capability control weaknesses		
	4. Monitoring/detection/prevention of errors, omissions or misappropriation		
PROJECT STATUS/ADJUSTMENT EFFORTS: (discussed with Finance as part of the COVID Relief Funds Use/Recordkeeping audit)	5. Review the list of open projects to determine the current status and needed adjustments	Ongoing	This effort remains ongoing. Project reconciliations are being developed in conjunction with infrastructure teams, and a target of bridging reconciliation with CIP planning budgeting is ultimately sought. The Workday implementation has become the highest priority of the Finance team at this time; a minimum plan of quarterly project review and adjustment has been set for 2024.