

CITY OF OLATHE PROPOSED 2019 AUDIT PLAN

July – December 2019

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2019 AUDIT PLAN OVERVIEW:

Background

Due to the City Auditor role being filled mid-year, audit projects for the remaining 2019 year are planned and proposed for approval.

AUDIT WORKPLAN DEVELOPMENT APPROACH

Two methods were used to identify the remaining 2019 audit priorities of the Governing Body and City Manager's Office:

1. The Governing Body was asked to rank the significance of various audit projects via an online survey.
 - Survey items were derived from Auditor analysis of activities underlying the City Budget's Community Focus Areas. Significant activities, programs and processes related to these focus areas were considered, and potential audit projects commonly performed on these activities were developed. These potential projects were then included on the Governing Body survey.
 - *(Focus areas are: Active Lifestyles, Diversity, Downtown, Economic Viability, Public Safety, Transportation and Utility Services)*
2. The City Manager's Office – CMO solicited Director input into audit priorities in a team brainstorming meeting. The team used:
 - their knowledge of key operating areas/projects,
 - recent audit history and frequency, and
 - questions regarding risk characteristics developed by the City Auditorto develop a list of management team audit priorities.

GOVERNING BODY'S SURVEYED AUDIT PRIORITIES

Cash Handling – Score: 2.5

Fleet Management/Replacement – Score: 2.5

Pcard Procurement – Score: 2.3

Overtime Usage & Patterns – Score: 2.0

Police Evidence/Inventory – Score: 2.0

Capital Projects/Change Orders – Score: 1.8

Payroll – Score: 1.8

Forfeitures/Restitution (Court) – Score: 1.8

E1 ERP Segregation of Duties – Score: 1.8

Facilities Maintenance Project Selection – Score: 1.6

(top ranked priorities in **green**;
scored on 1-3 scale, w/3 = high priority)

CITY MANAGER TEAM AUDIT PRIORITIES

gathered in team CMO team meeting
(top ranked priorities in **green**)

Cash Handling

PCard

IT Physical Inventory/Asset Tracking

Police Property and Evidence

Franchise Fees

LED Streetlight Conversion

Accounts Payable

Worker's Compensation

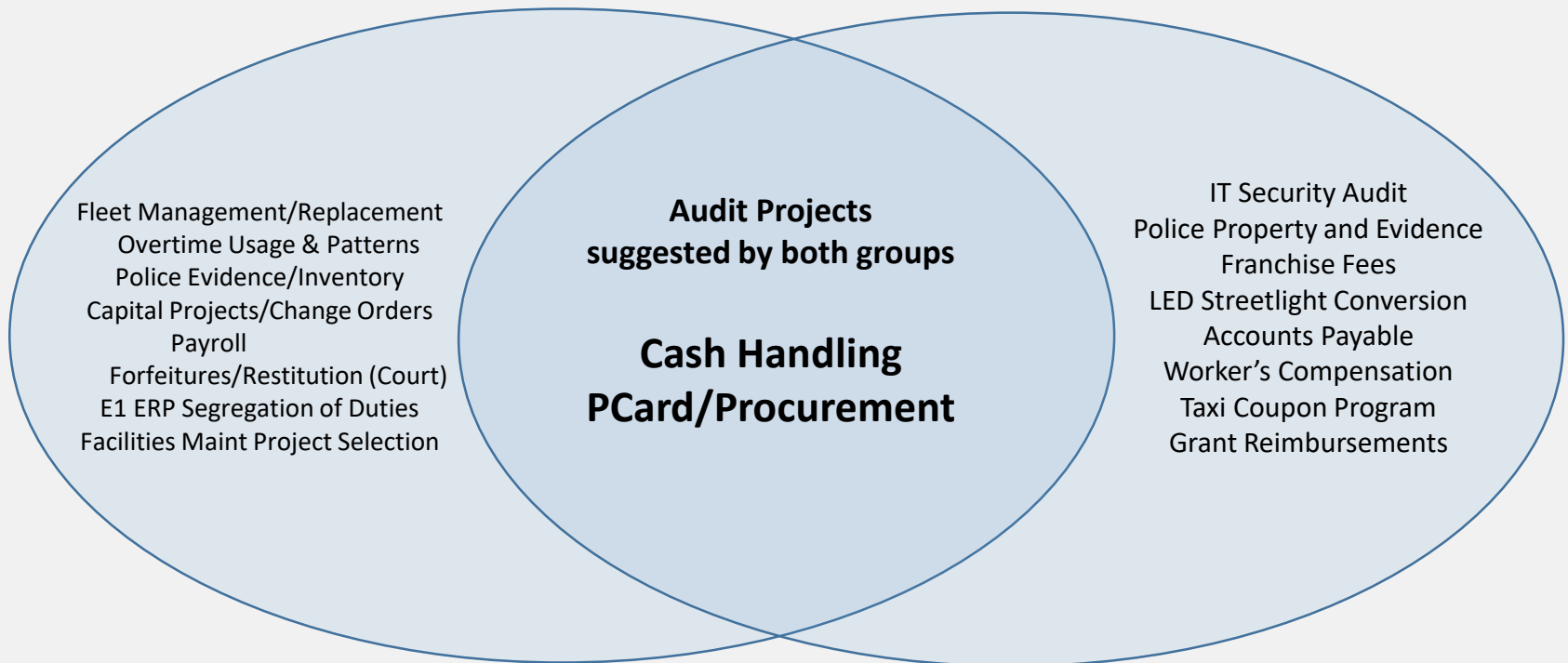
Taxi Coupon Program

Grant Reimbursements

AUDIT PRIORITY FOCUS AREAS OF *BOTH* GOVERNING BODY AND THE CITY MANAGER TEAMS

Governing Body Priorities

City Manager Team Priorities



PROPOSED AUDIT WORKPLAN

based on common priorities of the Governing Body and City Manager's Team
For remaining calendar year 2019

Project/Task	General Description
CASH HANDLING	<ul style="list-style-type: none">• Assessing processes and controls for significant higher volume/higher amount cash locations• Analyzing City-wide cash volume and deposit patterns• Evaluating the adequacy of physical security for cash and cash-handling personnel
PCARD PROCUREMENT	Assessing Pcard: <ul style="list-style-type: none">• Card issuance controls• Purchase activity patterns• Transaction review and approval• Activity monitoring processes
SPECIAL REQUESTS, WORKING GROUP PARTICIPATION, ADMINISTRATION, ETC.	<ul style="list-style-type: none">• 2020 Risk Assessment/Audit Workplan development• Council agenda/packet review• Expertise/review time for any working groups, decision/strategy teams, etc.• Audit Committee meetings• Any needed internal analytical support• Required training to retain CPA and CRMA certifications

WORKPLAN ALIGNMENT WITH 2019-20 CITY AUDITOR BUDGET OBJECTIVES

- Report to the City Council a minimum of 4 audits which address areas of risk for the City.
- Identify opportunities for the City to avoid certain costs or to increase revenue.
- Develop a continuous audit program to automate the testing of internal controls associated with key business processes.
- Provide assistance and consultation to the City's process improvement initiatives.

2 planned project completions for the remaining ~ 1/2 year =
Appx 4 projects/full year pace and goal

Remaining to develop –
development will begin with upcoming
planning for 2020 audit year

Part of 2019 workplan hours
(included with special request/
working group time)