Office of the City Auditor
Internal Audit Update
2025FY – 2027FY Triennial Audit Plan

Risk Assessment

- Audit Universe (235)
  - 133 Auditable Units (& Counting)
- Control Self Assessments
- Risk Assessment Workshops/Meetings (Ongoing)
- Risk Criteria
  - Appropriateness and comprehensiveness of documented policies.
  - Awareness and adherence among employees.
  - Effectiveness of preventive, detective, and corrective controls.
  - Segregation of duties to prevent conflicts of interest.
  - Automation and manual process dependencies.
  - Business continuity and disaster recovery planning.

Top 10 Focus Areas based on input from City Council, Finance Committee, Industry Benchmarking and Management Team for the FYE25-27 Audit Plan.

Finance

- Financial Reporting
  - ACFR
  - Budget Books
    - Annual Ops. Budget
    - Annual CIP Budget
  - Financial Management/Planning
- Accounting
  - Accounts Receivable
  - Revenues
  - Financial Reporting
  - Cash Handling Training
  - Account Reconciliation
  - General Ledger
  - OJI Claims
- Budget
  - Budgeting and Forecasting
  - Grants Management & Compliance
  - CIP Budget Mgmt.
  - Ops Budget Mgmt.
- Payroll Processing
  - Payroll Process
  - Payroll Operations
  - Tax Compliance
- Purchasing
  - Procurement
    - Vendor Mgmt.
  - Accounts Payable
  - Expenses
- Treasury and Revenue
  - Revenues
    - General Revenues
    - Special Revenues
    - Enterprise Revenues
  - Cash Management
  - Credit Card Administration
  - P-Card Program
  - P-Card Policy
  - P-Card Process
  - Employee Reimbursement Program
  - Bank Deposit Process
- Utility Billing Customer Service
  - Customer Relationship Mgmt.
- Capital Expense Approval
- Closing the Books:
  - Account Analysis
  - Account Reconciliation
  - Accruals
  - Automate/Manual JE's
- Tax Compliance
- Investment Management
- Debt Issuance & Bond Management
- Risk Management
  - Worker's Compensation Claims Payments

Police (GF & PSST)

- Police Recruitment Process
- Animal Welfare
  - Adoption
  - Spay/Neuter
- Communications
  - Data & Stats
- Criminal Investigations
  - Violent and Property Crime Investigations
  - Vehicle Collision Investigations
  - Offender Registration and Monitoring
- Special Investigations
  - Fentanyl Investigations
  - Drug Trafficking Investigations
- Patrol
  - Community Policing
  - Crime Scene Investigations
  - Proactive Crime Enforcement
  - Traffic Citations and Warnings
  - School Resource Officers
- Training

Legal

- Contract Management
  - Drafting/Amending
  - Negotiations
- Tort Claim Management
  - Claim Processing
  - Tracking and Monitoring
- Litigation Management
  - Contract disputes
  - Constitutional claims
  - Tort Claims
- Statutory Compliance
- Worker's Compensation Processing

Info Systems/Technology

- Network Administration
- Systems Implementation
- Automated Controls
- Access & Permissions Management
- Data Security and Privacy
- Web & Applications Development
- Network Security
- Telecommunications
- Disaster Recovery Planning
- Print Shop
- Help Desk
- IT/Strategy Planning
- Business Systems Maintenance
  - ERP — Majorly City-Wide
  - CIS — Utilities
  - Legal
  - Planning
  - GIS - Planning
  - Municipal Court
  - EOC/CAD — PD
  - Alert Systems
- Resource Prioritization

Parks & Recreation (SR) See Strategy

- Facility Maintenance
  - Physical Access & Security
- MUNIS Work Order System
  - Equipment & Parts Inventory
- Facility Custodial
- Parks Maintenance
- Park Development
- Recreation Division
  - 12th Avenue
  - Childcare
  - Adult Wellness & Education Center
  - Irving
  - Little Axe
- Westwood
  - Pool
  - Concessions
  - Tennis Pro Shop
- Young Family Athletic Center (YFAC)
- Whittier Activities Fund
- Special Events and Multimedia

Public Works (See Strategy)

- Fleet Management
  - Fleet PM Program
    - NAPA Fleet Parts Inventory
  - Fleet Procurement
- Street/Pavement Maintenance
- Storm Water Maintenance Project
- Bridge Maintenance Project
- Architect & Engineer Contracting
- Unit-Price Contracts
- Transit and Parking
- Traffic Control

Human Resources & Labor Relations

- Employee Compensation
- Employee Annual Evaluation
- Employee Benefits Administration
- Labor Union Agreements & Compliance
- Personnel Manual Compliance
- Hiring / Talent Acquisition Practices
- Off-boarding Process
- Staffing Analysis / Position Control
- Employee Training and Professional Development
- Safety Management
- Culture & Social Responsibility
- Timekeeping
  - Overtime Budget Review
  - Reporting Process
- Grievance Management

Utilities (EF)

- Regulatory Compliance (EPA, CFR 40, ODEQ)
- Quality Control Process
- Vehicle Accident and Personal Injury Training
- Water & Sewer System Maintenance
- Sanitation (Solid Waste Management)
  - Commercial Collection
  - Waste Disposal
    - Container Maintenance
    - Transfer Station
    - Compost Facility
  - Recycling Services
    - Public Education Program
  - Residential Collection
  - Yard Waste
- Water Reclamation
  - Bio-Solids Testing Process
  - Bio-Solids Recycling Process
  - Lab Reporting Process
  - Maintenance
- Water Treatment
  - Water Treatment Process
  - Lab Testing Process
  - Lab Reporting Process
  - Work Order System
  - Inventory Tracking
- Line Maintenance
  - Utility Locate Performance
  - MIP Performance
  - MUNIS Work Order System
    - Equipment & Parts Inventory
  - Lead Copper Surveys

Planning & Dev Svcs (see Strategy)

- Planning Commission
- Planning Services
- Building Permitting and Inspection Operations
  - Permitting and Inspection Application Services
  - Permitting and Inspection Review Services
- Code Compliance
- GIS Services
- Comprehensive Land Use Plan
- City Zoning Code
- CDBG
  - CDBG Grant Management
  - Residential Housing Rehabilitation Programs
    - CDBG Grant
  - Apartment Rehabilitation
    - HOME Grants
 - 1st Time Homebuyer Grant
  - Grant Writing

City Mgmt. & City Council

- Enterprise Risk Management
- Governance
  - City Ordinances
  - City Policies
- Ethics
- Succession Planning
  - Department Heads
  - Key Employees
- Business and Community Relations
  - Small Business Support Programs
  - Retail Recruitment
  - Film Permitting
- City Communications
  - Information Dissemination
  - Emergency Notifications
  - Media Relations
  - Audio & Video
- Social Services
  - Homelessness Programs
- Land & Property Acquisition & Disposal
- Budget Management (Ops & CIP)
- Oversight Committee
- BACA Committee
- Finance Committee
- Campaign Finance Report Review
- Special Projects
  - Hotel Room Tax
  - Marijuana Permitting
  - Grocery Sales Tax
  - City Contracts
- Mileage Reimbursement Program

City Clerk

- Action Center Management
- Physical Records Mgmt.
- Food and Beverage Permitting
- Meeting Agenda
- Meeting Minutes
- Open Records Request Response

Municipal Court

- Case Processing
- Docket Management System
- Restitution and Court Fee Collections
- Data Accuracy and Record Retention
- Public Education on Court Procedure
- Community Service Program
- Intervention and Counseling Partnerships
- Drug Testing Program

Fire (GF & PSST)

- Fire Prevention
  - Public Education
  - Inspections
    - New
    - Existing "high risk"
  - Investigations
  - Fire Detector Installations
  - Burn Permitting
- Training
- Emergency Management
  - Emergency Operations Plan
  - Public Education
  - Training
    - Tracking and Monitoring
- Fire Suppression
  - Recruiting

Audit Frequency by Fiscal Year

	Every Year	Every 2 Years	Every 3 Years
FY25	8		
FY26		40	
FY27			85
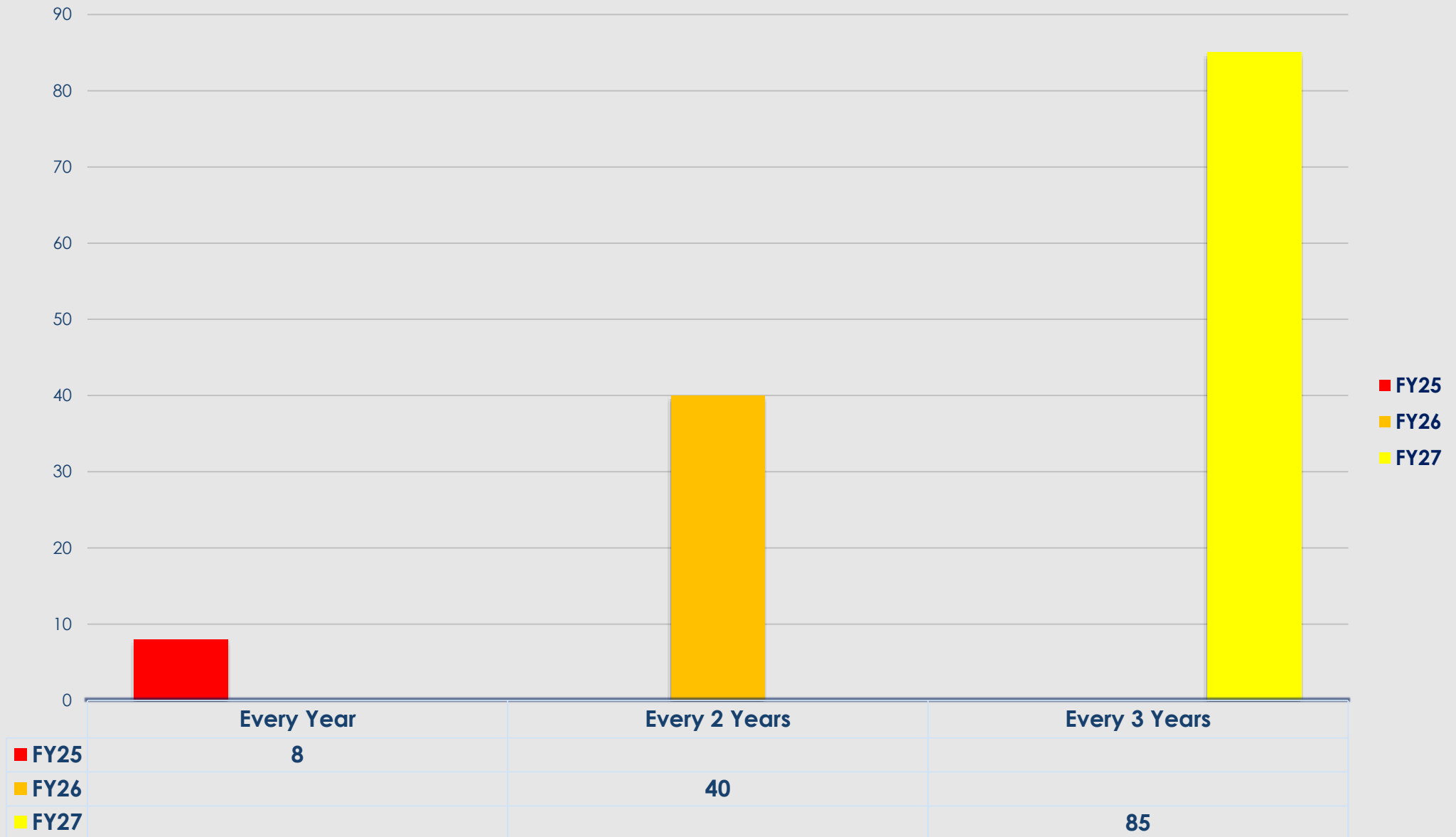
AUDITS BY FREQUENCY & DEPARTMENT
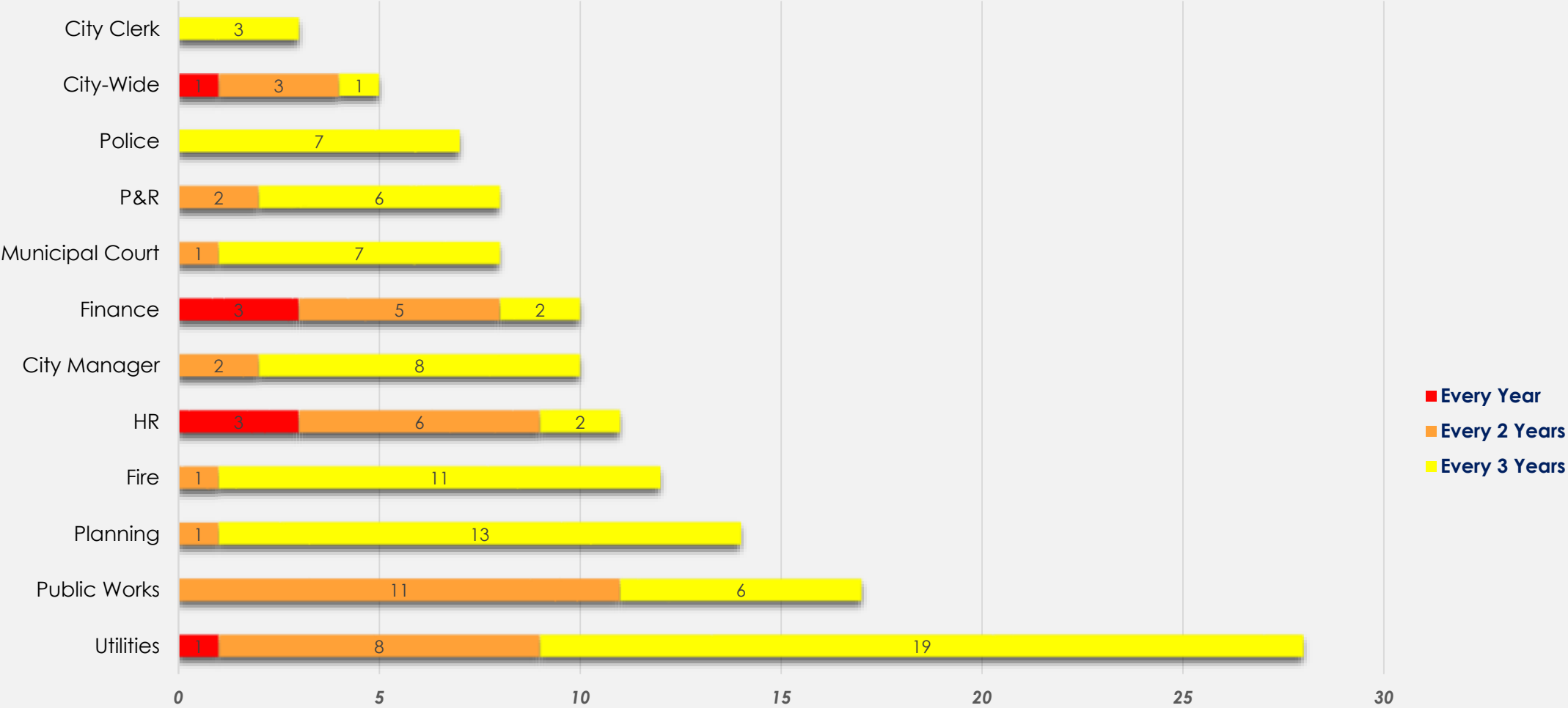
	Utilities	Public Works	Planning	Fire	HR	City Manager	Finance	Municipal Court	P&R	Police	City-Wide	City Clerk
Every Year	1				3		3				1	
Every 2 Years	8	11	1	1	6	2	5	1	2		3	
Every 3 Years	19	6	13	11	2	8	2	7	6	7	1	3

Audit Area	Objective	Significance	Anticipated Value	Estimated Hours
Scheduled Audit Services:				**3,520**
City Wide Credit Card Usage	Internal control effectiveness - evaluate approval workflows, transaction monitoring, and segregation of duties to prevent misuse or fraud.	Credit Cards are issued to department/divisions without a clear owner.	Enhanced internal controls	480
City-Wide Credit Card Process	Policy and procedure compliance - Assess whether credit card procedures align with city policies, procurement rules, and regulatory requirements.	50+ Credit Card issued department/divison-wide without an implemented P-Card Program and/or Comprehensive P-Card Policy.	Enhanced compliance with purchasng policy. Implementation of Comprehensive P-Card Policy	480
City-Wide - Payroll & Timekeeping Operations	Internal Control Effectiveness – Evaluate controls for preventing payroll fraud, unauthorized changes, or errors in payroll data.	Timekeeping and payroll software require manual datat imports which increases the risk of human error and/or fraud.	Enhanced internal controls	480
City-Wide - Payroll & Timekeeping Process	Process Efficiency – Evaluate whether timekeeping data flows seamlessly into payroll systems, reducing manual input and errors.	Timekeeping data is recorded in the timekeeping software and then manually uploaded into Payroll software. Temporary manual edits occur before time data is uploaded into payroll.	Enhanced process efficiency	480
City-Wide Overtime Usage	Cost Control & Budget Impact – Assess the financial impact of overtime on department budgets and identify opportunities for cost reduction.	Four (4) Departments account for a deficit of $3.37M in the OT expenditures from FY22-FY24	Cost avoidance/savings	960
Human Resources - Ethics & Culture Training Programs	Ethical Awareness & Compliance – Educate employees on ethical decision-making, company policies, and legal obligations to prevent misconduct.	Harassment & Discrimination Prevention, Unconscious Bias Awareness, Cultural Competency & Sensitivity, Occupational Health & Safety (OSHA) Trainings are currently being developed but have not been implemented.	Improved Organizational Culture	FY28
Human Resources - Social and Culture Porgramming	Employee/Community Engagement – Increase participation in social initiatives, networking, and team-building activities to boost morale and collaboration.	Averaging a 25% attendance rate at social and cultural events	Enhanced Employee Engagament/Collaboration	FY28
Human Resources - Policy Compliance Audit	Policy & Procedure Alignment – Verify that internal HR policies (e.g., recruitment, hiring, termination, and leave management) are up-to-date and consistently applied.	Application of HR policies and procedures are modified based on discretion of the respective department director/manager.	Enhanced compliance with city-wide HR policies	640
Utilities - Recycling Program	Education & Outreach – Determine if residents are adequately educated on what can and cannot be recycled, and whether outreach programs (e.g., workshops, newsletters) are effective.	Lithium Battery combusted in a recycling truck FY25. Est. Cost of Recycling Sideloader $600K	Enhance educational effectiveness	FY28
Other Audit Services				**2,072**
Unscheduled Audits & Investigations				800
Risk Assessment/Audit Plan Development				600
Committees & Advisory Services				400
Fraud Training Program				272
Total Estimated Hours Available				**5,592**

Next Steps for the OCA

- Preliminary Overtime Audit Update – Pre-Planning Phase (Ongoing)
- Internal Audit Charter (Ongoing)
- Internal Audit Strategy (Ongoing)
- Internal Audit Policies and Procedures Manual (Ongoing)
- Implementation of Case Management Software (Ongoing)
- Implementation of Continuous Monitoring and Analytics Software (Budget Request FY25)
- Development of City-Wide Fraud Training Program
- Develop QAIP Program

Questions/Feedback

- Questions?
- Comments?

Contact the OCA

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- City employees have a duty to report instances of suspected theft, fraud, or misuse of public funds or assets to Office of the City Auditor who will coordinate internal investigations with the appropriate officials (e.g. City Manager, City Attorney, and City Council). We know that sometimes employees may be uncomfortable reporting suspected fraudulent activities to supervisors or managers that they report to or work with on a regular basis. Employees are encouraged to call Eide Bailly, a regional Certified Public Accounting firm, at 866-912-5378 or email at www.eidebailly.com/hotline to report improper activities, or you may still report them to your supervisor.