CITY AUDITOR
Shaakira Calnick, CFE

Comprehensive Audit Plan

For the Three Fiscal Years Ending
June 30, 2027

MAYOR AND CITY COUNCIL

Larry Heikkila	Audit Committee, Mayor
Austin Ball	Ward 1
Mathew Peacock	Ward 2
Bree Montoya	Audit Committee, Ward 3
Helen Grant	Audit Committee, Ward 4
Michael Nash	Audit Committee, Ward 5
Joshua Hinkle	Ward 6
Stephen Holman	Ward 7
Scott Dixon	Audit Committee, Ward 8

The Office of the City Auditor has prepared a risk-based Comprehensive Audit Plan for the three fiscal years ending 2027. The following process was used in developing the Audit Plan:

Risk Assessment

- We defined 235 auditable units, primarily consisting of lines of business identified in City departmental strategic business plans.

- City department managers completed self-assessment questionnaires to identify potential control weaknesses and/or other financial or operational deficiencies.

- We interviewed City Council members and executive managers to obtain input on risks, difficulties, and concerns within City operations.

- We assessed risk for each auditable unit using financial/operating information; City Council and management feedback; and six risk criteria factors.

- The Finance Committee reviewed a draft of the Audit Plan.

Available Hours Allocation

We estimated **5,592** audit hours will be available during the three-year Audit plan period.[1]

- ▶ **3,520** hours were allocated to scheduled audits, which are generally aimed at determining whether:
  - ▶ programs are achieving desired results
  - ▶ operations are efficient
  - ▶ internal controls exist and are functioning together
  - ▶ expenditures are valid and compliant with laws, regulations, and policies
  - ▶ operating and financial records/reports are accurate and complete
  - ▶ fraud, waste, and abuse are prevented and/or detected
  - ▶ recommendations from previously issued audit reports have been addressed

- ▶ **2,072** hours were allocated to other audit services including unscheduled audit requests and investigations, committee participation, audit plan development, and the Fraud Program.
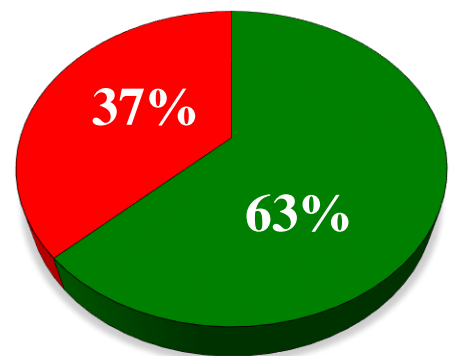
Scheduled and *Other* audit service hours are detailed on page 2.[1] Descriptions of new Scheduled audit projects are provided beginning on page 3.

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[1] Available audit hours exclude leave, administrative and training time. [2] Hours allocated to unscheduled audits and investigations exist to provide flexibility related to City Council and Management audit requests.

Audit Area	Estimated Hours
▶ **Scheduled Audit Services:**	**3,520**
City Wide - Credit Card Usage	480
City-Wide - Credit Card Process	480
City-Wide - Timekeeping Operations	480
City-Wide - Payroll Process	480
City-Wide Overtime Usage	960
Human Resources – Policy Compliance Audit	640
Human Resources – Social & Culture Programming (a)	FY30
Utilities – Recycling Education Program (a)	FY30
▶ **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**

(a) High risk areas considered for next triennial audit plan due to resource constraints such as internal audit staff/hours.

Audit Area	Objective/Significance	Anticipated Value	Estimated Hours
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/division-wide without an implemented P-Card Program and/or Comprehensive P-Card Policy.	Implementation of Comprehensive P-Card Policy and enhanced compliance with the City's Purchasing, Code of Ethics (301) and Code of Conduct Policies (302).	480
City-Wide - Timekeeping Operations	Internal Control Effectiveness – Evaluate controls for preventing fraud, unauthorized changes, or errors in timekeeping data. Timekeeping data is recorded in the timekeeping software and then manually uploaded into Payroll software.	Enhanced internal controls	480
City-Wide - Payroll Process	Process Efficiency – Evaluate whether timekeeping data flows seamlessly into payroll systems, reducing manual input and errors. Payroll may have to temporarily perform manual edits/corrections before time data is uploaded into payroll. Payroll process requires manual data imports which increases the risk of human error and/or fraud.	Enhanced process efficiency	480

Audit Area	Objective/Significance	Anticipated Value	Estimated Hours
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 $8.97M in the Actual expenditures recorded in the OT account from FY22-FY24.	Cost avoidance/savings	960
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. Adherence to, or departures from, HR policies and procedures are based on discretion of the respective department director/manager.	Enhanced compliance with city-wide HR policies.	640