Office of the City Auditor
Performance Report and Audit Plan

Projects Completed During Fiscal Years 2015 and 2016

Audits
- Use Tax
- Voice over Internet Protocol – Penetration Test
- Voice over Internet Protocol – Security
- Internal Quality Assurance Review
- FY14 Sensitive Payments Review
- Vendor to Employee Data Comparison
- Capital Improvement Planning

Follow-up Reviews
- FY14 Report of Management Actions
- FY15 Report of Management Actions
- Occupational Safety and Health

Special Projects
- Jail Per Diem Calculation
- Revenue Projections
- Right of Way Fee Analysis
- Mayor-Requested Ethics Investigation
- Data Analysis – Municipal Employees Pension Plan
- Process and Control Evaluation – Municipal Employees Pension Plan
- Resource Utilization
- Ethics Management Hotline Support

Quality Assurance

The internal quality assurance review for fiscal years 2012, 2013 and 2014 reported a score of "generally conforms" based on an analysis of compliance with *The International Standards for the Professional Practice of Internal Auditing* of The Institute of Internal Auditors.

Customer Satisfaction

Internal Auditing conducted a survey of all City managers who had been audited during fiscal years 2012, 2013, and 2014. This table shows the survey results.

| Evaluation Topic	Score
Relationship with management	3.3
Audit staff	3.4
Scope of audit work	4.0
Audit process and report	3.1
Management of internal audit activity	3.2
Value added	3.3

OVERALL SCORE – 3.3 on a 4 point scale

Percent of Audit Recommendations Accepted

Managers who receive audit recommendations have the option of accepting or declining recommendations. This is a measurement of the percentage of recommendations accepted.
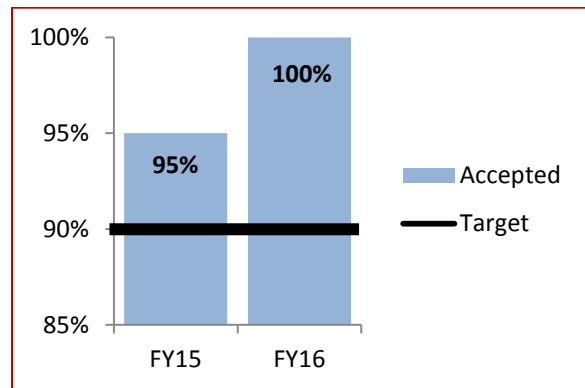
## Staff Direct Time to Available Time

This is a measurement of how much time audit staff spends directly on audit projects during the time they are at work.
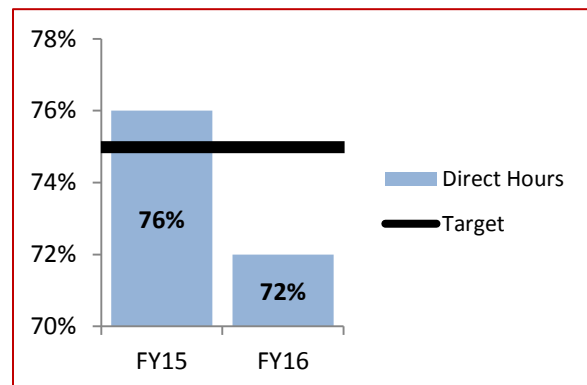
Significant Events

City Auditor Duties Changed

On August 21, 2014, the City Council passed Ordinance 23162 expanding the duties of the City Auditor to include performance audit, governance processes, risk management processes, and systems of internal controls. This change gives the City Auditor the ability to perform full scope audits.
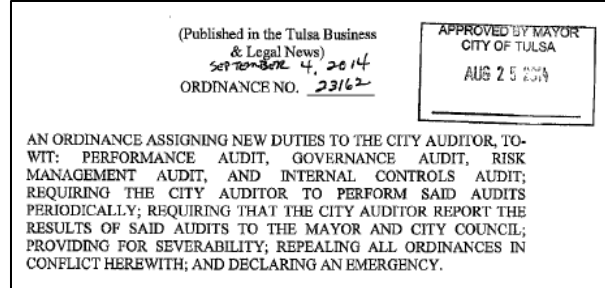

Former City Auditor Phil Wood Honored

An area on the second floor of City Hall was named the Philip W. Wood Atrium to honor Auditor Wood's extensive contributions to the City of Tulsa during his 21 years in office. Shown in this photo are Mrs. Emily Wood and City Auditor Cathy Criswell.

First City-Wide Employee Satisfaction Survey Completed

The Office of the City Auditor completed a joint project with the Mayor's office that included a survey to determine employees' job satisfaction. Just over half of City employees responded – 1,660 people. Employee feedback was considered in the FY17 and FY18 audit plans.
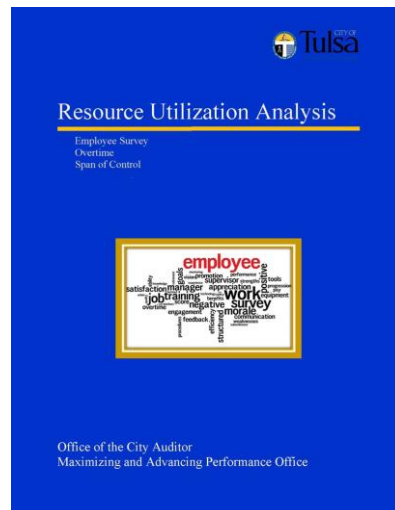
Risk-Based Audit Planning

The Office of the City Auditor follows the *International Standards for the Professional Practice of Internal Auditing* of the Institute of Internal Auditors. The *Standards* require selection of audit projects to be based on a risk assessment process. Audit staff develops and executes an annual audit plan using a risk-based approach designed to allocate limited audit resources to the most useful projects.

Audit staff asked department directors and other City leaders to share their thoughts on the City's most significant risks. Following are the top 3 risk areas most often mentioned in these discussions.

High Risk Area	Number of times cited
Revenue / budget constraints	16
Financial system implementation	12
Understaffing	11

Summary of City leaders' comments about these risks:

- **Revenue / budget constraints** – Reliance on sales tax as the primary source of support for general fund activities is a major risk. City leaders believe more diversified sources of funding should be developed. The FY17 audit plan includes the Fees for Services project related to this risk.

- **Financial system** - The City's financial computer system is outdated. Managers expressed concern with system failure. Many of the City's computer systems are not integrated, which affects the ability to effectively manage information. Replacement of the system is in process, with associated system implementation risks. The ERP System Implementation project included in the FY17 audit plan will evaluate and report on risks related to replacement of the financial system.

- **Understaffing** – Staffing cuts throughout the City are impacting the ability to get work done. Available staff are working hard to keep things going, but do not have enough time for improvement and innovation. City leaders are particularly concerned about staffing cuts in key areas, such as information technology, finance, legal, and engineering staff. We have included the Employee Pay/Staffing project in the FY17 that will address staffing levels and the effect of employee pay on retention.

Audit Plan
Fiscal Year Ending June 30, 2017

Project	Hours	Departments Included
In-Process Projects		
Capital Projects/Construction Contracts	800	Engineering, Streets
Succession Planning – Needs Assessment	800	City-wide
Safety-Site Inspections	400	City-wide
Follow-up on Animal Welfare Center Audit	200	Working in Neighborhoods
Surplus Property	200	Finance
New Projects		
Payroll/Kronos	750	Human Resources
Service Desk	500	Information Technology
Fees for Services	400	City-Wide
Safety-Injury Frequency and Injury Repeater	300	Human Resources
Safety-Injury Reporting	300	Human Resources
Special Projects		
Employee Pay/Staffing	400	City-Wide
Goals/Key Performance Indicators	400	City-Wide
Employee Training	300	City-Wide
Employee Performance Planning and Review	300	City-Wide
Reserve for special project requests	500	TBD
On-Going Projects		
ERP System Implementation	1,000	Finance, IT
FY16 Ethics Compliance Review	750	City-wide
Report of Management Actions	300	City-wide
Annual Risk Assessment/Audit Planning	500	City-wide
FY15 and 16 Quality Assurance Review	200	Internal Auditing
Ethics Management and Ethics Hotline Support	200	City-wide
Annual Department Budget	100	Internal Auditing
Auditing Miscellaneous	400	TBD

Audit Plan
Fiscal Year Ending June 30, 2018

Project	Hours	Departments Included
In-Process Projects		
Reserve for in-process projects	2,000	TBD
New Projects		
Human Resources Policies	1,000	Human Resources
Employee Retention	1,000	City-Wide
Public Facilities and Cashier Safety	1,000	Asset Management
Succession Planning – Talent Development	800	Human Resources
Special Projects		
Reserve for special project requests	500	TBD
On-Going Projects		
ERP System Implementation	1,000	Finance, IT
FY17 Ethics Compliance Review	750	City-wide
Report of Management Actions	300	City-wide
Annual Risk Assessment/Audit Planning	500	City-wide
External Quality Assurance Review	500	Internal Auditing
Ethics Management and Ethics Hotline Support	200	City-wide
Annual Department Budget	100	Internal Auditing
Auditing Miscellaneous	350	TBD