

**Audit Report
October 2018**

Subject: Sensitive Payments Review for fiscal year 2017

Responsible Officers: All executive-level management

Audit Team: Vicki Peters, Internal Audit Manager

Scope:

Sensitive payments are transactions with a possibility for city officials, executive management, and certain employees to receive inappropriate benefit due to their position of influence. Internal Auditing performs an annual review of sensitive payments, as recommended by the United States Government Accountability Office (GAO).

Overall Risk Exposure: (Low, Moderate or High):

HIGH

Conclusion: (Satisfactory, Satisfactory-needs improvement or Unsatisfactory)

SATISFACTORY

Significant Results:

1. Internal Auditing noted no conflict of interest situations, no inappropriate payments of compensation, and no indication of misuse or misappropriation of public funds.
2. See the status of improvements recommended in prior years on the following page.



Mary Ann Vassar, CPA, CRMA
Chief Internal Auditor



Cathy Criswell, CIA, CPA
City Auditor

STATUS OF PRIOR YEAR AUDIT FINDINGS

Summary	Recommendation	Response	Status
<p>Policies and procedures do not definitively provide guidelines on giving of gifts on behalf of the City.</p>	<p>Policies and procedures on giving of gifts on the City's behalf should be implemented.</p> <p>A legal opinion interpreting Oklahoma Constitution Article 10 Section 17 should be provided to ensure new policies meet constitutional requirements.</p>	<p>Mayor's Chief of Staff agreed to draft an executive order.</p>	<p>IN PROCESS</p> <p>The Mayor's Chief of Staff drafted an executive order and distributed for comments on July 6, 2018.</p> <p>The City Attorney was included in the distribution and was asked to review and comment.</p>
<p>P-Card Policies and Procedures have not been updated to reflect current practice.</p>	<p>Management should revise the policy related to gift card purchases.</p>	<p>Corrective action deferred until an executive order on giving of gifts on the City's behalf is adopted.</p>	<p>IN PROCESS</p> <p>An executive order has been drafted and distributed for comments.</p>
<p>Documentation of salary changes was not always complete.</p>	<p>Consider implementing additional steps to ensure the documentation supporting changes is accurate, complete and maintained in accordance with policy and procedure.</p> <p>Additional monitoring should be considered to comply with temporary directives for out-of-class pay.</p>	<p>The new Human Resources Information System (HRIS) will track electronic approvals.</p>	<p>IN PROCESS</p> <p>The Human Resources Department used the new Human Resources Information System for the first time to process the January 2018 payroll. Electronic documentation will be reviewed in the FY18 Sensitive Payments Review.</p>