



# City of Minneapolis

2013 Revised Audit Plan

Audit Committee Meeting Presentation

May 22, 2013

# 2013 Revised Audit Plan -

Overview of the financial impact on the resignation of the Sr. Auditor

Total Salaries and benefits available until end of 2013 (**\$60K**)

How it will be used:

- \$30K (salary and benefits for the new Sr. Auditor (approximately 4 months))
- \$15K to pay for the City Council Study Session
- \$5K for the data analysis for vendors requested by Audit Committee
- \$5 K Expense re-imburement for the Quality Assessment Review (Peer Review)
- \$5 K for co-sourcing (less than 50 hours)

Additional Cost to Complete the 2013 Audit plan as Originally Approved: **\$65K**

# Available Hours Calculation

## Internal Audit Department Staffing – Revised Project Hours

### Available Hours Calculation

#### 2013 Audit Plan

	Standard Hours	Additional Hours <sup>1</sup>	Total Hours	Holiday	Vacation	Sick	Training	Admin <sup>2</sup>	Sub-Total	Available Hours	Productive Time
Director	2,080	208	2,288	88	160	40	80	915	1,283	1,005	44%
Sr. Auditor*	2,080	208	2,288	88	120	80	80	229	597	1,085	47%
Total	<b>4,160</b>	<b>416</b>	<b>4,576</b>	<b>176</b>	<b>280</b>	<b>120</b>	<b>160</b>	<b>1,144</b>	<b>1,880</b>	<b>2,090</b>	46%
									Consultant's hours (expected)	<u>50</u>	
									Revised Total Available Hours	<u><b>2,140</b></u>	

\* The assumption is made that the Sr Auditor will be on Board by September 1st.

<sup>1</sup> Planned 10% additional hours for salaried employees.

<sup>2</sup> Approximately 40% administrative time for Director and 10% for Senior Auditor.

# 2013 Revised Audit Plan

Auditable Unit		Review Name	Audit Objectives	Scope	Internal Audit Hours	Revised Hours
Discretionary Hours/Special Projects					250	0
Follow-up on Outstanding Audit Issues					200	200
Carry-over Projects from Prior Year					90	90
Annual Risk Assessment					200	150
Administration Reporting and Presentations					200	200
Quality Assessment Review (Peer Review)					150	150
City-wide Awareness Education on Internal Controls, Enterprise Risk Management and Fraud Prevention					150	100
1	Finance	Internal Controls over Financial Reporting Review	Assess management's program for effective internal controls over financial reporting through evaluation of the design of controls and sample testing of key controls for operating effectiveness.	Significant general ledger accounts and reporting processes for FY 2013.	250	250
2	Finance - Payroll	Payroll Process Review	Determine whether adequate controls over payroll processes are in place to ensure legitimate employees are paid for work performed and in accordance to regulations and contracts / agreements.	Payroll processed for FY 2012 and FY 2013.	450	450
3	Public Works	Construction Contracts - Final Payment and Closing Project Process Review	To ensure required documents, in accordance with the contracts, were delivered by the contractor before the final payment is processed.	Policies and Procedures related to closed projects and final payments. A sample of construction projects completed in 2012 or 2013 to be tested.	300	250
4	Finance/Public Works	Water Billing Revenue Review	Verify storm water charges are adequately captured to ensure timely and accurate billing to customers. Assess the effectiveness and timeliness of water collection and shut off and ensure an effective monitoring process exists.	Revenue capturing system, accounts receivable, collection and monitoring process and general ledger in 2013.	300	300
5	Finance	RiskMaster (a new System) Post Implementation Review.	To ensure data was accurately and completely transferred into the new system. Adequate physical and logical security are in place. Availability of reports needed for management monitoring for financial reporting.	Compare data for completeness between the old system and the new one. Review the physical and logical security for the new system. Assess capability of reporting for management monitoring and availability of information needed for estimates for financial reporting.	200	0
<b>Total 2013 Project Hours</b>					<b>2,740</b>	<b>2140</b>