



City of Bowling Green

Internal Auditor's Office
Fiscal Year 2025/2026
Annual Audit Plan

Deborah Jenkins, CIA, CFE, CGAP, CICA
07/01/25

Introduction

Enclosed is the Fiscal Year 2025/2026 Audit Plan for the Internal Auditor's Office. Professional internal audit standards, as well as the Internal Auditor's Office Charter, requires the preparation and presentation of this type of plan to the Audit Committee.

Audit Prioritization and Selection

A risk assessment was performed to identify and prioritize audits posing the greatest potential for risk and liability to the City. This process provides a tool to assign priority for the purpose of reducing the risk and liability exposure through observations, testing, analysis and recommendations. In developing the risk assessment model and audit plan, risk is defined as the potential for loss to a division due to error, fraud, inefficiency, failure to comply with statutory requirements or actions which may have a negative effect on the City.

A systematic risk assessment approach was performed. This approach separates risk into individual *risk factors*, which were assessed individually, then combined into an overall score reflecting a Division's risk potential. For each of the individual risk factors, the Internal Auditor's Office evaluated the associated risk and ranked them in one of several risk levels. This process attempts to account for a relative measure of importance between each of the risk factors and the resulting impact on the overall risk score for each division by weighting each individual risk factor. A "weighting" factor was derived by performing a comparison of each specific risk factor, with all the other risk factors on a "more important than" basis. The result of this analysis is summarized in Attachment #2.

Risk assessment meetings were conducted with senior managers and key division management to discuss risk in their respective departments as well as any upcoming changes or challenges in their area of responsibility. Meetings included:

<u>City Manager Department</u>	Jeff Meisel - City Manager
<u>Human Resources Department</u>	Erin Hulsey - Director Lori Gray - Human Resources Manager
<u>Public Works Department</u>	Andy Souza - Director
<u>Legal Department</u>	Hillary Hightower - City Attorney
<u>Neighborhood & Community Services</u>	Brent Childers - Director
<u>Fire Department</u>	Justin Brooks- Fire Chief Elyse Yonker – Executive Assistant
<u>Finance Department</u>	Katie Schaller-Ward - Assistant City Manager/CFO
<u>Information Technology Department</u>	Donnita Weeks - Director
<u>Parks and Recreation Department</u>	Brent Belcher - Director
<u>Police Department</u>	Michael Delaney - Police Chief

The Fiscal Year 2025/2026 Audit Plan

The recommended Audit Plan for Fiscal Year 2025/2026 considers available audit hours, found in Attachment #1 and identifies the potential audit areas listed in the chart below. This year will be working to catch up on the prior audit plans, follow-up audits due and reset for future years.

Fire Investigations (rolling over from previous years plan)
Body Worn Camera Follow-Up Audit (in process)
Target Solutions Follow-Up Audit (in process)
Citywide Controlled Asset Audit (in process)
City Security Camera Follow-Up Audit
Software Management and Support Follow-Up Audit
City Overtime/Compensatory Time Follow-Up Audit
Pickens Amateur Golf Championship Follow-Up Audit

The Fiscal Year 2025/2026 Audit Plan includes time to conduct unannounced cash counts, City facility site visits, calendar year payroll review, International Fraud Awareness Week events, random spot checks, and administer the Employee Ethics Hotline, while being responsive to special requests and advisory needs of management. I am also pleased to confirm that I was elected in May 2025 as ALGA President-Elect, which is a three year term with one each as President-Elect, President and Immediate Past President. As President-Elect, my main responsibilities will be Conference Chair for ALGA's Annual Conference in May 2026 and Chair of the Nominating Committee for the upcoming year. I have also been named lead Day Chair for the Chamber's Leadership Bowling Green's Government and Agency Day in April 2026.

I am also continuing with the ongoing emergency response work on a consulting basis with senior management. I am working with a small group of senior managers to present and update various topics pertaining to emergency response in an effort to improve our ability to respond to citizens needs and effectively use our resources when the next emergency situation occurs. There is continued concern about audit coverage as a one-person audit shop, but I will continue to search for ways to add greater value to the City based on the resources available.

ATTACHMENT #1

Available Audit Hours for Fiscal Year 2025/2026

Available Resources (Audit Hours)

Number of Staff	1	
Annual Hours Available		<u>2,080</u>

Less: Non-Audit Hours

Paid Leave

Holidays	88	
Vacation	96	
Personal/Bonus Hours	60	
Estimated Sick	40	
<i>Estimated Holidays and Leave Time</i>		<u>284</u>

Professional Development

ALGA Annual Conference	20	
ACFE Conference	20	
Remaining Continuing Education	40	
Total Professional Development Hours		<u>80</u>

Administration

General Administrative Functions & Tasks	200	
ALGA Board Meetings/Conference Chair	200	
Chamber Leadership BG Day Chair Lead	80	
Fraud Awareness Week/Presentations	80	
Total Administration Hours		<u>560</u>

Total Indirect Audit Hours 924

Total Direct Audit Hours Available 1,156

Fiscal Year 2025/2026 Audit Plan

Advisory Services/Special Requests/Employee Hotline Admin.	250
Fieldwork and Various Site Visits, Audits, Follow-Ups and Reviews	750
Annual Risk Assessment and Audit Plan	80
Audit Committee	80
Unannounced Cash Counts	16

Total Budgeted Direct Audit Hours 1,176

Resource Over/Short (20)

ATTACHMENT #2

Criteria Legend:

- A Changes in Procedures/Personnel
- B Budgeted Expenditures
- C Liquidity and Negotiability of Assets
- D Management
- E External Influences
- F Nature of Transactions
- G Quality of Internal Controls
- H Composition of Personnel
- I Time Since Last Audit
- J Revenue Materiality

Department	Criteria										Gross Score	Weighted Score	Risk
	A	B	C	D	E	F	G	H	I	J			
	Maximum Points per Criteria												
	Weights												
	27	9	18	18	16	18	18	7	9				
	11%	9%	12%	16%	5%	9%	20%	2%	7%	9%			
Legislative													
Mayor and Commissioners	5	3	2	2	11	8	2	1	10	1	45	3.86	LOW
City Manager													
City Manager	2	3	2	4	6	10	8	1	10	1	47	4.98	LOW
Public Information	2	3	6	6	4	2	2	1	10	1	37	3.76	LOW
Internal Auditor	2	3	2	6	7	10	2	1	10	1	44	4.15	LOW
Finance													
Chief Financial Officer	2	3	2	4	9	13	8	1	10	9	61	6.12	MEDIUM
Revenue/License	5	7	10	4	14	16	11	4	3	9	83	8.46	HIGH
Accounting	5	5	2	12	10	13	5	2	10	3	67	6.84	MEDIUM
Purchasing	2	3	10	12	10	11	5	1	7	3	64	6.88	MEDIUM
Human Resources													
Human Resources Management	2	7	2	4	12	11	5	2	10	1	56	5.15	MEDIUM
Benefits and Insurance	5	9	2	8	12	11	5	1	10	1	64	6.28	MEDIUM
Safety and Training	2	7	6	8	12	8	5	1	1	1	51	5.35	MEDIUM
Law													
City Clerk	5	5	6	4	12	13	5	1	1	3	55	5.49	MEDIUM
Records Management	2	3	2	6	5	11	2	1	10	1	43	4.14	LOW
	2	3	6	6	5	8	2	1	10	1	44	4.35	LOW
Information Technology													
	5	9	10	6	7	13	11	3	3	1	68	7.6	HIGH
Police													
Administration	7	7	4	4	7	8	5	1	7	3	53	5.37	MEDIUM
Records	2	3	6	8	5	5	5	1	7	3	45	4.97	LOW
Criminal Investigations	10	7	6	6	14	13	5	3	7	1	72	6.92	MEDIUM
Traffic and Patrol	10	9	10	8	16	11	5	9	3	1	82	7.66	HIGH
Communications	5	9	6	10	14	13	5	4	3	1	70	6.93	MEDIUM
Professional Standards	10	7	6	10	12	13	5	3	1	1	68	7.04	MEDIUM
Evidence	2	3	14	8	8	8	5	1	7	3	59	6.35	MEDIUM
Other (Cadets and Crossing Guards)	5	1	2	8	2	2	2	7	7	1	37	3.56	LOW
Fire													
Administration	2	7	4	4	7	8	5	1	7	1	46	4.64	LOW
Suppression	10	9	10	8	16	11	5	9	7	1	86	7.94	HIGH
Prevention	2	7	6	10	7	8	5	2	7	1	55	5.86	MEDIUM
Training	2	7	10	10	7	8	5	1	7	1	58	6.32	MEDIUM
Public Works													
Facilities Management	5	7	6	4	2	8	5	2	10	1	50	5.19	MEDIUM
Administration	5	3	2	4	5	8	5	1	10	1	44	4.48	LOW
Planning and Design	5	7	6	6	14	11	5	1	10	1	66	6.36	MEDIUM
Environmental Compliance	5	7	6	4	12	11	5	1	10	1	62	5.94	MEDIUM
Fleet Management	13	7	10	6	7	8	5	4	3	3	66	6.85	MEDIUM
Operations	5	9	10	6	7	8	5	5	3	1	59	5.99	MEDIUM

ATTACHMENT #2 Continued

Criteria Legend:

- | | |
|--|---------------------------------------|
| A <u>Changes in Procedures/Personnel</u> | F <u>Nature of Transactions</u> |
| B <u>Budgeted Expenditures</u> | G <u>Quality of Internal Controls</u> |
| C <u>Liquidity and Negotiability of Assets</u> | H <u>Composition of Personnel</u> |
| D <u>Management</u> | I <u>Time Since Last Audit</u> |
| E <u>External Influences</u> | J <u>Revenue Materiality</u> |

Department	Criteria										Gross Score	Weighted Score	Risk
	A	B	C	D	E	F	G	H	I	J			
	Maximum Points per Criteria												
	27	9	18	18	16	18	18	18	7	9			
Weights													
	11%	9%	12%	16%	5%	9%	20%	2%	7%	9%			
Parks and Recreation													
Administration	5	7	6	4	4	8	5	4	10	9	62	6.05	MEDIUM
Maintenance	9	9	10	14	4	8	5	8	5	1	73	7.76	HIGH
Athletics	8	5	10	12	9	8	8	10	5	9	84	8.58	HIGH
Aquatics	12	5	16	12	12	11	8	10	7	9	102	10.3	HIGH
Recreation/Fitness	9	7	10	6	9	8	8	10	5	9	81	7.91	HIGH
Golf Courses	13	7	16	14	9	8	8	10	3	9	97	10.21	HIGH
Cemetery	5	7	10	10	7	8	8	2	5	9	71	7.85	HIGH
Community Centers	5	5	10	14	4	5	5	10	10	3	71	7.26	MEDIUM
Beautification	5	7	10	8	2	5	2	2	10	1	52	5.44	MEDIUM
Neighborhood & Community Services													
Administration	5	7	2	4	2	8	5	1	10	1	45	4.69	LOW
Downtown & Economic	5	5	2	8	6	8	5	1	10	3	53	5.53	MEDIUM
Building and Inspections	5	5	10	8	12	11	5	2	3	9	70	7.13	MEDIUM
Community Engagement	10	3	2	6	6	8	5	1	10	1	52	5.4	MEDIUM
Housing Assistance	5	9	6	6	14	8	5	1	7	3	64	6.24	MEDIUM
Code Enforcement	5	7	6	6	7	11	5	1	3	3	54	5.7	MEDIUM