



# City of Bowling Green

## Internal Auditor's Office Fiscal Year 2020/2021 Annual Audit Plan

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## Introduction

Enclosed is the Fiscal Year 2020/2021 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. This process was revamped last year to allow increased flexibility and add more frequent site visits to City locations. The risk assessment resulted in a narrowed scope listing of potential audits. Revisions to this listing can occur if additional projects of high priority are identified during the course of the fiscal year.

## 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.

Based on the selected risk factors, a risk assessment questionnaire was sent out to multiple City management members. Due to COVID-19 issues, in person meetings with senior managers was not possible. The following managers completed a questionnaire:

### City Manager Department

Jeff Meisel - City Manager

### Human Resources Department

Erin Hulsey - Director

David Weisbrodt - Safety & Risk Manager

### Public Works Department

Greg Meredith - Director

Melissa Cansler – City Engineer

Kris Crowe – Fleet Manager

David Delp – Operations Manager

### Legal Department

Gene Harmon - City Attorney

### Neighborhood & Community Services

Brent Childers - Director

Karen Foley- Neighborhood Services Coordinator

Elvira Ramic- Housing Division Coordinator

Jeremy Segur- Building Division Manager

James Napper- Code Enforcement Coordinator

### Fire Department

Jason Colson - Fire Chief

Rob Gilliam- Deputy Chief

Jim Morrow- Deputy Chief

Finance Department

Katie Schaller-Ward - Assistant City Manager/CFO  
Erin Ballou – Assistant Chief Financial Officer  
Sean Weeks – Assistant Chief Financial Officer

Information Technology Department

Lynn Hartley - Chief Information Officer  
Donnita Weeks- IT Manager  
Emilee Woods- IT Manager

Parks and Recreation Department

Brent Belcher - Director  
Frank LaManna - Fitness/Wellness Supervisor  
Mike Mitchum – Parks/Golf Superintendent  
Cathy Maroney – Cemetery Division Manager

Police Department

Penny Bowles - Deputy Police Chief  
Michael Delaney- Deputy Police Chief

**The Fiscal Year 2020/2021 Audit Plan**

The recommended Audit Plan for Fiscal Year 2020/2021 considers available audit hours, found in Attachment #1 and identifies the potential audit areas listed in the chart below. The goal is to transition to issue more limited scope audits verses large operational audits and allow more flexibility in the audit process.

<b>Police</b>	<b>Fire</b>
BodyCam Compliance Evidence Targeted Items	Fire Improvement Fund Verification Sworn Training Reports to State
<b>Finance</b>	<b>Public Works</b>
Delinquent Property Tax Collection Delinquent W/H Collection Delinquent Net Profit Collection Tax Refunds	Fleet Core Fee Process Capital Project Management Operations Equipment/Tools
<b>Information Technology</b>	<b>Parks and Recreation</b>
HelpDesk Efficiency FOB Management and Access Change Management for New Systems	MainTrak Work Orders Golf Shop Inventory Cemetery Mapping

The Fiscal Year 2020/2021 Audit Plan includes time to conduct oversee the BOLT implementation review; unannounced cash counts and administer the Employee Ethics Hotline, while being responsive to special requests and advisory needs of management. 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. Due to COVID-19 closures, the audit plan carries forward several of the prior year potential audits. I hope that work will return to normal as programs re-open so the variety of audits performed can resume.

**ATTACHMENT #1**

**Available Audit Hours for Fiscal Year 2020/2021**

**Available Resources (Audit Hours)**

Number of Staff	1	
Annual Hours Available		<u>2,080</u>
<b><u>Less: Non-Audit Hours</u></b>		
<i>Paid Leave</i>		
Holidays	80	
Vacation	120	
Personal Days	48	
Estimated Sick	50	
<i>Estimated Holidays and Leave Time</i>		<u>298</u>
<i>Professional Development</i>		
ALGA Annual Conference	20	
ALGA Board Meetings	20	
Remaining Continuing Education	40	
Total Professional Development Hours		<u>80</u>
<i>Administration</i>		
General Administrative Functions & Tasks	200	
Internal Control/Fraud Awareness Presentations	80	
Total Administration Hours		<u>280</u>
Total Indirect Audit Hours		658
<b>Total Direct Audit Hours Available</b>		<b><u>1,422</u></b>
<b><u>Fiscal Year 2020/2021 Audit Plan</u></b>		
Advisory Services/Special Requests/Employee Hotline Admin.		350
Fieldwork and Various Site Visits, Audits and Reviews		850
Annual Risk Assessment and Audit Plan		80
Oversee BOLT Impementation Review		40
Audit Committee related		80
Unannounced Cash Counts		40
<b>Total Budgeted Direct Audit Hours</b>		<b><u>1,440</u></b>

Resource Over/Short (18)

# ATTACHMENT #2

Data Entry Cells

Criteria Legend:

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

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%	10%	15%	8%	2%	8%	25%	3%	8%	10%			
<b>Legislative</b>													
Mayor and Commissioners	5	3	2	2	11	10	5	1	10	1	50	4.51	LOW
<b>City Manager</b>													
City Manager	2	3	2	4	6	10	8	1	10	1	47	4.99	LOW
City Clerk	5	3	2	8	5	11	2	1	10	3	50	4.4	LOW
Public Information	5	3	6	6	4	2	2	1	10	1	40	3.9	LOW
Records Management	5	1	6	6	5	8	2	1	10	1	45	4.2	LOW
Internal Auditor	2	3	2	8	7	10	5	1	10	1	49	4.58	LOW
<b>Finance</b>													
Chief Financial Officer	2	3	2	4	9	13	8	1	10	9	61	6.09	MEDIUM
Revenue/License	13	5	10	8	14	16	11	2	1	9	89	9.42	HIGH
Accounting	10	3	2	8	10	16	8	2	10	3	72	6.98	MEDIUM
Purchasing	2	3	10	8	10	11	8	1	7	1	61	6.43	MEDIUM
<b>Human Resources</b>													
Human Resources Management	5	5	2	4	12	13	5	2	10	1	59	5.16	MEDIUM
Benefits and Insurance	2	9	2	6	12	11	8	1	10	1	62	5.95	MEDIUM
Safety and Training	2	7	6	6	12	8	8	1	10	1	61	6.11	MEDIUM
<b>Law</b>													
Law	10	5	6	4	12	13	11	1	1	3	66	7.26	MEDIUM
<b>Information Technology</b>													
Information Technology	13	7	10	4	7	13	11	1	7	1	74	8.57	HIGH
<b>Police</b>													
Administration	5	7	4	6	9	10	8	1	7	3	60	6.2	MEDIUM
Records	5	3	6	8	5	2	2	1	7	3	42	4.04	LOW
Criminal Investigations	2	7	6	6	14	13	5	3	7	1	64	5.62	MEDIUM
Traffic and Patrol	10	9	10	6	16	11	5	9	7	1	84	7.36	MEDIUM
Communications	14	7	6	8	14	13	2	4	3	1	72	6.06	MEDIUM
Evidence	2	3	14	8	8	8	5	1	7	3	59	6.2	MEDIUM
Other (Cadets and Crossing Guards)	5	1	2	8	2	2	2	7	7	1	37	3.16	LOW
<b>Fire</b>													
Administration	2	7	4	6	7	10	8	1	7	1	53	5.63	MEDIUM
Suppression	10	9	6	6	16	11	5	9	7	1	80	6.76	MEDIUM
Prevention	2	5	6	8	7	8	5	2	7	1	51	5.01	MEDIUM
Training	2	3	6	8	7	2	5	1	7	1	42	4.3	LOW

**Public Works**

Facilities Management	5	7	6	6	2	11	5	2	10	1	55	5.76	MEDIUM
Administration	2	5	2	4	7	13	8	1	10	1	53	5.45	MEDIUM
Planning and Design	5	7	6	6	14	11	5	1	10	1	66	5.97	MEDIUM
Environmental Compliance	8	7	6	6	12	11	5	1	10	1	67	6.26	MEDIUM
Fleet Management	8	7	10	8	7	8	5	2	1	3	59	6.19	MEDIUM
Operations	13	9	12	8	7	8	5	5	10	1	78	7.85	HIGH

**Parks and Recreation**

Administration	2	5	6	4	6	8	5	2	10	9	57	5.71	MEDIUM
Maintenance	14	7	10	6	4	8	8	6	5	1	69	7.62	HIGH
Athletics	12	5	10	6	9	5	8	10	3	9	77	7.82	HIGH
Aquatics	12	5	16	6	12	8	8	10	7	9	93	9.34	HIGH
Recreation/Fitness	8	5	10	6	9	5	8	10	1	9	71	7.22	MEDIUM
Golf Courses	13	7	16	4	9	5	8	10	7	9	88	9.19	HIGH
Cemetery	12	5	12	6	7	5	8	2	3	9	69	7.84	HIGH
Community Centers	8	5	10	6	4	5	5	10	10	5	68	6.69	MEDIUM
Beautification	9	0	10	6	2	5	5	2	10	1	50	5.62	MEDIUM

**Neighborhood & Community Services**

Administration	2	3	2	4	2	8	1	1	10	1	34	3	LOW
Inspection	5	5	10	6	9	8	1	1	3	5	53	4.87	LOW
Housing Assistance	5	7	4	6	14	8	1	1	7	3	56	4.39	LOW
Neighborhood Action/City Central	5	3	2	6	4	5	1	1	10	1	38	3.29	LOW
Code Enforcement	5	5	6	6	9	8	1	1	7	3	51	4.39	LOW
Animal Control	5	1	6	6	9	5	1	1	10	3	47	3.99	LOW