

Mission: *The City Auditor's office provides audit, consulting, and investigative services to identify and minimize risks, maximize efficiencies, improve internal controls and strengthen accountability to Mesa's citizens.*

Audit Planning Process:

The Audit Plan is a Council-approved document which outlines the planned activities of the City Auditor's office for the year. It is developed based on a combination of key risk factors, as well as direction provided by the City Council and City Manager. Changes in scope or complexity of individual audits, or other unforeseen circumstances, may impact our ability to complete all work on the plan. Factors considered when selecting audits may include:

- Requests and/or Suggestions received from the City Council or City Manager
- Statutory mandates and/or regulation levels (highly regulated vs. unregulated activities)
- Prior audit history or lack thereof
- Complexity of operations or significant changes in operations or organizational structure
- Technological advances or challenges
- Cash handling volume and number of locations
- Impact & likelihood of potential adverse events (risk management/control failures)
- Activities commonly susceptible to fraud

<u>FY 2017/2018 Audits</u>	
<u>Audit Subject</u>	<u>Initial Objectives</u>
Contract Monitoring: <ul style="list-style-type: none"> • Human Resources/Employee Benefits • Parks, Recreation & Community Facilities 	Determine whether contract monitoring processes are in place and operating effectively to ensure accuracy, compliance, performance, risk mitigation, etc.
Citywide – Procurement Card Program Business Services/Purchasing Division – Procurement Processes	Determine whether effective internal controls are in place to prevent or detect errors, fraud, waste, abuse, etc.; and to evaluate compliance with City policies, State statutes, and other applicable requirements.
Development & Sustainability – Fees & Charges	Determine whether effective controls are in place to ensure that all due fees & charges are accurately calculated, recorded, and collected.
Arts & Culture - i.d.e.a. Museum	Determine whether effective controls are in place to mitigate risks.
Financial Services – Eastmark CFD	Financial and compliance review.
Various Departments – Agreements with Nonprofit Support Organizations	Financial and compliance review.

FY 2016/2017 Carryover (In Progress as of 6/30/2017)

- Contract Monitoring – Arts & Culture
- Contract Monitoring – PRCF/Facilities
- Police Department – Supplies & Equipment
- Police Department – Off Duty Program (2nd Follow-up Review)

Follow-up Reviews Due in FY 2017/2018

- Housing & Community Development – Rehab Program
- Contract Monitoring – Community Services/CDBG
- Contract Monitoring – Transportation
- Financial Services – Payroll
- PRCF – Red Mountain Multigenerational Center
- Communications Inventory Management
- Water Resources Asset Management

The objective of each follow-up review is to verify that corrective action(s) agreed to in response to the audit were: 1) Implemented as agreed; and 2) Effective in resolving the related audit finding(s).

Other Activities

Citywide Cash Audits	Unannounced audits of cash handling sites citywide are conducted throughout the year.
Payment Card Industry Data Security Standards (PCI DSS) Review	Annual review of credit card acceptance sites for compliance with PCI DSS.
Fraud & Ethics Hotline Investigations	Monitor the City's Fraud & Ethics Hotline and conduct investigations when necessary.
Consulting Services	Provide independent consulting/advisory services; data collection, validation and/or analysis; internal control reviews; risk analyses; financial statement reviews; etc. as needed.
Unscheduled Audits	As directed by the City Council or City Manager, conduct unscheduled audits, which may arise due to unforeseen circumstances.