



Internal Audit

Fiscal Year 2018
Budget Presentation

Internal Audit

- ▶ Our Department consists of a team of professionals performing internal audit services under the direction of an Audit Committee.
- ▶ The Internal Audit department is organizationally structured to provide **independent** and **objective** quality assurance and consulting services.
- ▶ The work of the Internal Audit department serves all stakeholders of the city, including taxpayers, citizens, city employees and those charged with governance.



Internal Audit Mission Statement

The mission of Internal Audit is to **ensure the public trust, promote accountability** in all City departments, and **encourage transparency** throughout City Government. We perform audits of various processes and activities within City government to:

- ▶ Improve operational efficiencies and effectiveness
 - ▶ Strengthen internal controls for financial reporting
 - ▶ Strengthen compliance with laws and regulations
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Internal Audit Achieving the Mission

We work to achieve our mission by:

- ▶ **Conducting performance audits**

- ▶ In accordance with government auditing standards
- ▶ From a risk-based audit plan approved by the Audit Committee

- ▶ **Administering a fraud hotline**

- ▶ Employees, taxpayers, or other citizens may confidentially report suspected illegal, improper, wasteful, or fraudulent activity
- ▶ Internal Audit conducts investigations based on reports, as appropriate



Internal Audit – A Wise Investment

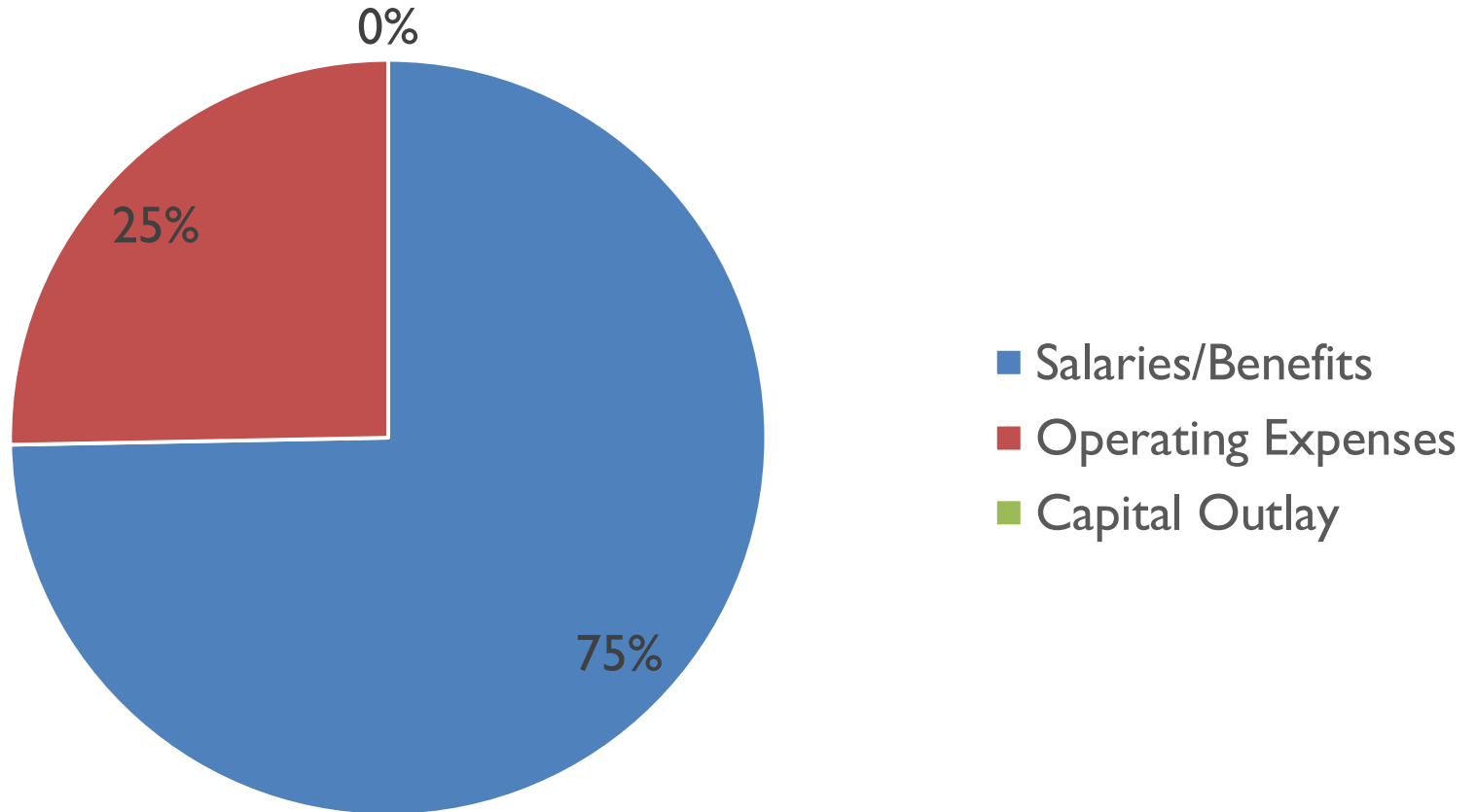
Internal Audit helps the City fulfill governance responsibilities for good stewardship of resources by identifying ways to:

- ▶ Implement policies and programs more effectively
- ▶ Increase cost savings and revenues
- ▶ Make decisions based on solid data and risk awareness
- ▶ Detect and prevent fraud



Internal Audit FY 2018 Proposed Budget

FY 2018



Internal Audit

FY 2018 Proposed Budget

	Actual 2016	Original Budget 2017	Projected 2017	Proposed 2018
Salaries/Benefits	\$227,912	\$288,830	\$290,716	\$299,674
Routine Operating	\$80,183	\$92,151	\$92,151	\$101,474
<u>O/S IT Assessments</u>	<u>0</u>	<u>28,500</u>	<u>9,500</u>	<u>9,500</u>
Operating Expense	\$80,183	\$120,651	\$101,651	\$110,974
Charge-Outs to Enterprise funds	-\$651	-\$28,500	-\$9,500	-\$9,500
Capital Outlay	-	-	-	-
TOTAL	\$307,444	\$380,981	\$382,867	\$401,148



Internal Audit Staffing (FTE)

Full-time Equivalent	FY 2014	FY 2015	FY 2016	FY 2017	Proposed FY 2018
# of Full-time	3	3	3	3	3
# of Part-time	0	0	0	0	0
Full-time Equivalent	3	3	3	3	3



The Audit Committee

- ▶ **Composition – 5 members per City Code**
 - ▶ One City Council Member (Councilman is a CPA)
 - ▶ Four qualified citizens (currently 3 hold CPA certifications)

- ▶ **Duties:**
 - ▶ Approve the annual audit plan
 - ▶ Select the external auditors for the City
 - ▶ Provide a process for hotline reporting of fraud, waste, and abuse
 - ▶ Telephone hotline 931-648-6166
 - ▶ Online Reporting form at www.cityofclarksville.com



FY 2017 Accomplishments and Activity

The following audits and assessments were completed:

- ▶ Senior Management Expense Audit
- ▶ Purchasing Card Audit
- ▶ Miscellaneous Agency Funding Audit
- ▶ Gas & Water Utility Billing Audit
- ▶ Purchasing Policy – Non-Audit Service
- ▶ Follow Up: Building and Codes Abatement Audit

The following audits are currently underway:

- ▶ Sole Source Purchases Audit
- ▶ 15 follow up assessments in various stages of completion

Hotline Activity

- ▶ 6 reports have been received and addressed
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Staff Certifications

We are committed to increasing competencies specific to auditing and government environments. Currently, the staff hold or are pursuing the following certifications:

Certifications	Internal Audit Director	Internal Auditor II	Internal Auditor II
Certified Public Accountant (CPA)	Yes	Yes	Yes
Certified Government Auditing Professional (CGAP)		Yes	
Certified Municipal Finance Officer (CMFO)	March FY18		Yes
Certified Internal Auditor (CIA)	Yes		



Internal Audit Budget Presentation

Questions?



Conclusion

Thank you for your time!

