



Office of Internal Audit

Annual Audit Plan

Fiscal Year 2021

Director of Internal Audit
Elizabeth Somerindyke

Senior Internal Auditor
Rose Rasmussen

Internal Auditor
Amanda Rich

**City of Fayetteville
Office of Internal Audit
Audit Work Plan 2021**

A. Audit Projects Carried Forward from 2020 Work Plan		Estimated Hours	Total
A.1.	In Progress		
	Vector Fleet Contract	1200	
	Accounts Payable Timeliness	60	
	WEX Gas Cards Follow-up (Police only)	200	
A.2.	For Completion		
	Permitting and Inspections Follow-up	240	
Total Hours for Audit Projects Carried Forward from 2020 Work Plan			1700
B. New Audit Projects for 2020-2021			
B.1	Initial Audit Projects		
	Police Department Confidential Funds	150	
	Wireless Communication Usage (Cell Phones)	300	
	Community Development Housing Rehabilitation Program	300	
	Changes to Employee Pay	240	
Total Hours for New Audit Projects for 2020-2021			990
C. Follow-up Projects for 2020-2021			
C.1	Initial Follow-up Audit Projects		
	Evidence and Property Management	240	
Total Hours for Follow-up Projects for 2020-2021			240
D. Audit Management and Administration			
	Other City Auditor Duties	422	
	Proxy Card Review	160	
	ERP Validation and Verification Project & Risk Assessment	200	
	Office Management/Support	1612	
	Staff Development	240	
	Approved Holidays	264	
	Approved Employee Leave	412	
Total Audit Management and Administration			<u>3310</u>
Total Hours			<u><u>6240</u></u>
E. For Future Audit Projects 2021-2026			
	<i>Tags and Titles (CoF only)**</i>	40	
	<i>Small Asset Management**</i>	240	
	<i>Downtown Parking Collection**</i>	960	
	<i>Citywide Payroll Processes**</i>	960	
	<i>Off Boarding Access Rights**</i>	480	
	<i>Body Cam Policy Compliance**</i>	480	
Total Hours for Future Audit Projects			<u><u>3160</u></u>

** Reflects project from prior year audit plan. Due to limited resources, project will be considered in future audit plans.

Audit Work Plan 2021

A. Audit Projects Carried Forward from 2020 Work Plan

A.1. In Progress

Vector Fleet Contract	The audit will assess whether the system of internal controls is adequate and appropriate for effective contract compliance with selected provisions of the contract as it relates to payment.
Accounts Payable Timeliness	The audit will determine if adequate controls were in place to process payments in an efficient and timely manner; review accounts payable transactions for duplicate payments; and if adequate segregation of duties and controls existed over check issuance.
WEX Gas Cards Follow-up (Police Only)	The audit will determine that previously identified audit findings have been remediated by management as stated in management's responses.

A.2. For Completion

Permitting and Inspections Follow-up	The audit will determine that previously identified audit findings have been remediated by management as stated in management's responses.
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B. New Audit Projects for 2020-2021

B.1 Initial Audit Projects

Police Department Confidential Funds	The audit will be performed due to the sensitive and volatile nature of maintaining large amounts of cash on hand and in accordance with police department policy due to accreditation requirements.
Wireless Communication Usage (Cell Phones):	The audit will assess the City's wireless communication usage to identify areas of risk and opportunities for potential savings.
Community Development Housing Rehabilitation Program	The audit will assess the Housing loans (deferred loans, down payment assistance and housing rehabilitation loans and development loans) to ensure compliance with the contract with AmeriNat.
Changes to Employee Pay	The audit will determine if adjustments to and deductions from Employee base pay were properly approved, accurately calculated, processed timely and adequately supported.

C. Follow-up Projects for 2020-2021

C.1 Initial Follow-up Audit Projects

Evidence and Property Management Follow-up	The audit will determine that previously identified audit findings have been remediated by management as stated in management's responses.
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D. Audit Management and Administration

Other City Auditor Duties	This category describes the time that the Office of Internal Audit maintains the Fraud, Waste, and Abuse Hotline and other miscellaneous fraud reports
Proximity Card Access Annual Review	Proximity Card Access Policy requires an annual audit of all proximity card systems to ensure proper controls were followed for activation and deactivation.
ERP Validation and Verification Project & Risk Assessment	Support City Contractor for the purpose of evaluating the ERP transformation. Participate in the City's internal risk team for the ERP transformation.
Office Management/Support	This category describes the time that the Office of Internal Audit spends attending meetings involving the activities and responsibilities of the Audit Committee.
Staff Development	Professional staff of the City Auditor's Office is required to obtain professional education each year.
Approved Holidays	This category of leave is for approved holidays for all staff.
Approved Employee Leave	This category describes leave earned and taken each year as personal leave and leave taken for medical purposes.

Audit Work Plan 2021

E. Future Audit Projects 2021 - 2026

<i>Tags and Titles (CoF only)**</i>	A follow-up audit will be performed to determine that previously identified audit findings have been remediated by management as stated in management's responses.
<i>Small Asset Management**</i>	The audit will evaluate the adequacy of internal controls, effectiveness, and policy and procedure compliance of the City's small asset management system. Audit objectives may include a review to determine if processes adequately safeguard assets; selecting a sample to assure accuracy and agreement of inventory records and inventory on hand, and compliance with policies and procedures for multiple electronic devices and air cards.
<i>Downtown Parking Collection**</i>	The audit will evaluate the efficiency and effectiveness of the City's parking management contract with Republic Parking System. Audit objectives may include an assessment of the collection program related to leased parking and parking citations, internal controls for cashier activities, and bad debt write-off policies.
<i>Citywide Payroll Processes**</i>	The audit will assess the adequacy of internal controls governing the City's payroll process. Audit objectives may include a review to determine if the City's payroll processes employ effective controls to reasonably assure employees are paid accurately and timely, and payment is made to legitimate City employees. The audit will include a review of JD Edward controls and the KRONOS timekeeping system.
<i>Off Boarding Access Rights**</i>	The audit will evaluate the internal controls related to IT access rights during employee off boarding process.
<i>Body Cam Policy Compliance**</i>	The audit will evaluate whether body worn cameras were being used and executed in accordance with established laws, regulations, guidelines, policies and procedures.

*** Reflects project from prior year audit plan. Due to limited resources, project will be considered in future audit plans.*