

# City of Tulsa Office of the City Auditor



**2007 Annual Report  
2008 Audit Program**

# City Auditor Annual Report and Audit Program

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## Mission Statement

The people elect an auditor to keep an independent watch over city operations and the resources they have provided to the government. Citizens want accountability from the city government that resources are safeguarded and efficiently and effectively applied to the intended purposes. The mission of the City Auditor is to provide accountability of city government.

### Goals

To achieve this mission, the City Auditor's Office will strive to:

- Recommend adequate controls and safeguarding of assets
- Assess compliance with regulations, statutes, ordinances and established practices
- Assist management in improving operations and reducing risk of loss or waste
- Review sensitive areas and report irregularities and dereliction of duties

### Methodologies

The City Auditor's Office follows the *International Standards for the Professional Practice of Internal Auditing* issued by the Institute of Internal Auditors in performing audits and managing the Internal Auditing Department. To achieve the goals of our mission, we:

- Perform internal audits as part of an annual plan including evaluation of internal controls and compliance with regulations, statutes, ordinances, and established practices
- Perform internal control reviews
- Review systems development activities
- Perform special projects
- Perform control self-assessments
- Provide consultation services



1907 • Celebrate Oklahoma's Centennial • 2007

## Tulsa City Auditors

**E. B. Cline**  
1909 – 1916

**Frank Newkirk**  
1916 to 1918

**Charles F. Burke**  
1918 to 1920

**Mary Seaman**  
1920 to 1922

**Roy Garbett**  
1922 to 1926

**R. J. Moore**  
1926 to 1928

**F. P. Kitchen, Jr.**  
1928 to 1930

**Earl E. Logan**  
1930 to 1934

**M. W. Davis**  
1934 to 1944

**S. Maxwell Smith**  
1944 to 1954

**Elizabeth Stowell  
Anderson**  
1954 to 1956

**A. Jackson Lawrence**  
1956 to 1960

**William F. Lambert**  
1960 to 1970

**Frances F. Campbell**  
1970 to 1987

**Ron Howell**  
1987 to 1988

**Philip W. Wood**  
1988 to Present

## A Message from the City Auditor

Internal Auditing adheres to the *International Standards for the Professional Practice of Internal Auditing* which includes a requirement to monitor and evaluate the effectiveness of the City's risk management process. We have encouraged management to establish a risk management policy for our city government as have the external auditors.

A risk management process identifies, assesses, and addresses risks that threaten achievement of the City's objectives. The City identifies root causes of unwanted outcomes. Once causes are identified, City-wide risk mitigation strategies are applied. The City will benefit by having an efficient, proactive approach to managing risk before a negative event occurs.

As a first step, during 2007, management made significant progress by establishing strategic objectives. The Mayor defined three areas: economic vitality, public safety and education. Managers then defined nine community level results statements and 25 population indicators to track progress. The Mayor's staff plans to monitor actual performance on the population indicators and department outcome measures throughout the year.

While Internal Auditing conducts an annual risk assessment process for audit planning purposes, the authority to establish an enterprise-wide risk management policy lies with the executive branch. The next step in implementing enterprise-wide risk assessment will be to develop a risk portfolio. We look forward to working with the Mayor and City Council to reduce risk for our community and support accomplishment of objectives within Tulsa City government.



Tulsa, 1955 – Builders Hardware & Supply Co. on the Northwest corner of 1<sup>st</sup> & Elgin  
-----The Beryl Ford Collection/Rotary Club of Tulsa

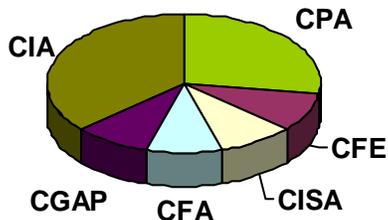
# Audit Staff



The Office of the City Auditor consists of the elected City Auditor and the Internal Auditing Department. Internal Auditing's staff consists of eleven professionals.

<b>Jim Bella, CISA</b> EDP Auditor BS, Industrial Management Master, Business Administration	<b>Ike McNutt, CPA, CIA, CGAP</b> Senior Auditor BA, Liberal Arts
<b>Kelly Brader</b> Senior Auditor BS, Business Management	<b>Nathan Pickard</b> Staff Auditor II BS, Business Administration Master, Business Administration
<b>Cathy Criswell, CPA, CIA</b> Internal Audit Manager BS, Business Administration	<b>Rick Rose</b> Assistant Staff Auditor BS, Business and Management BS, Business Information Systems
<b>Steve Jackson, CPA</b> Internal Audit Manager BS, Accounting	<b>Steve Wagner</b> Senior Auditor BS, Administration
<b>Ron Maxwell, CIA, CFE</b> Chief Internal Auditor BS, Business Administration	<b>Phil Wood, CIA, CFA</b> City Auditor BA, History
<b>Tina McIntosh</b> Staff Auditor I BS, Business MS, Management	<b>Vacant</b> Staff Auditor

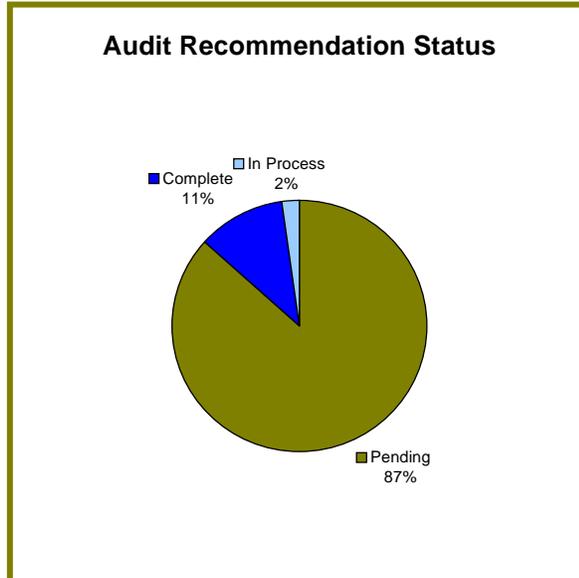
## Professional Certification



Professional certification is strongly encouraged for all audit staff. Six of our staff hold professional certification. Certifications include four Certified Internal Auditors, three Certified Public Accountants, a Certified Fraud Examiner, a Chartered Financial Analyst, a Certified Information Systems Auditor, and a Certified Government Audit Professional. One staff member is a Certified Internal Auditor candidate, and another is a Certified Public Accountant candidate.

# 2007 Audit Results

## Projects Completed During the Fiscal Year Ended June 30, 2007



Internal Auditing completed seven audits, one follow-up review and one special project during the period. Audit reports contained a total of 45 suggestions for improvement of City operations. The chart on the left shows the status of corrective action at the time the audit reports were issued. Management agreed to implement all of the suggested improvements, resulting in an overall recommendation acceptance rate of 100% for the year. Management had completed corrective action on

five recommendations at the time of report issuance and was in the process of making corrections for one recommendation. Corrective action was pending for 39 recommendations.

<b>COMPLETED PROJECTS</b>	
Audits	Report Date
Software Licenses	8/21/06
Council Budget Process	9/12/06
Hiring and Promotion Process	9/19/06
Fiscal Year 2006 Internal Quality Assurance Review	11/2/06
Grants – Workforce Development & Community Service	11/13/06
Help Desk Evaluation	4/10/07
Fiscal Years 2003-2006 Sensitive Payments Review	6/29/07
Follow-up Review	Report Date
Report of Management Actions	1/20/06
Special Projects	Report Date
Enterprise Risk Management	6/30/07

# ***Audit Abstracts***



## ***Software Licenses***

The City of Tulsa has recently consolidated the information technology functions from several different areas into one department. With the awareness that different technology groups functioned in different ways, Internal Auditing took the opportunity to analyze and evaluate controls for procurement, inventory, documentation and disposal of software licenses in the seven divisions of the newly consolidated function. The audit included five findings addressing improvement of citywide and departmental procedures, designating responsibilities, and changing budgeting processes.

## ***Council Budget Process***

This project reviewed the process through which the Tulsa City Council receives budget information, reviews, and approves the budget. We noted the Council staff has developed a process that helps focus budget priorities on community needs. Improvement suggestions included defining budget process procedures, evaluating additional sources for citizen input, and improving coordination of the budget process between Council and Mayor.

## ***Hiring and Promotion Process***

This audit evaluated the City's processes for hiring and promoting employees. We found that the Employment Division has established policies and procedures understood by staff, and that management emphasizes consistency in hiring and promotions. We recommended improved controls for developing personnel policies and procedures and a more clear definition of the Civil Service Commission's duties. We noted the City has inadequate funding for thorough background checks and continuing professional education and no formal risk assessment process.

## ***Grants-Workforce Development/Community Service***

The City's Finance Department performs financial accounting and reporting for grants received from federal and state agencies. We found that drawdowns for grants were not submitted and recorded consistently and timely, and there was no manual of policies and procedures. Since completion of fieldwork by Internal Auditing, management implemented several recommended improvements, including timelier accounting, cross-training employees in grant duties, and improved communications between Grants Accounting and the Treasury Division.



## Help Desk Evaluation

The observations in this audit report are directed toward development of a streamlined process for resolving information technology issues. The City was moving from maintaining several help desks in various forms and several types of software. Streamlining began with management's decision to consolidate information technology into one department. We recommended management continue this process by using an Information Technology Infrastructure Library framework to drive the consolidation. We also reported a framework would help ensure a more balanced workload and better management information.

## Enterprise Risk Management

During 2007, management made significant strides in establishing strategic direction. The Mayor defined three strategic areas: economic vitality, public safety and education. Community leaders and scholars presented information on these topics and they were the focus of discussions with managers from every department and agency included in the City's budget process. The Mayor's staff led participants through a structured thought process to help them develop both quality and quantity performance measures that focus on customer service. Internal Auditing recommended management take the next step in implementing enterprise-wide risk assessment. This step focuses on developing an enterprise-wide risk portfolio, including all the risk events faced by the City of Tulsa, a measurement of their significance, and a risk response plan.

Visit [www.cityauditorphilwood.com](http://www.cityauditorphilwood.com) for more information on these and other projects

Phil Wood, Tulsa City Auditor Elected to assure accountability of City Government to the people - Windows Internet Explorer

http://www.cityauditorphilwood.com/

Google

Visit [www.cityauditorphilwood.com](http://www.cityauditorphilwood.com) for more information on these and other projects

TULSA OKLAHOMA UNITED STATES AUDITING MAPS & INFO

Tulsa City Auditor Phil Wood

ORDINANCES  
READ AUDITS  
AUDIT MANUAL  
EXEC ORDERS  
BUDGET  
ANN. REPORT  
10yr SPENDING  
RACE RIOT  
COMMENTS  
HOTLINE

Photo by Bob Bledsoe

Phil's wife Emily and grandchildren Sami & Zane Wood observe Judge Jane Wiseman administering Phil Wood's 10th oath of office on April 10, 2006. The people elect the Auditor to assure accountability of City Government to the people. Phil is a [Certified Internal Auditor](#) and a [Chartered Financial Analyst](#).

# Highlights of the Year

## Auditing Smarter



Internal Auditing has intensified its use of data extraction and analysis to improve audit results. Data extraction allows quick analysis of massive amounts of information. For example, we downloaded all the expenditure transactions on the City's accounting system for five fiscal years. This includes over 70,000 lines of data. We can search this data in just seconds to answer questions about how the City spends funds. In addition to Internal Auditing's analysis, we began instructing other City employees on data extraction and analysis.

## Supporting Ethics



An ordinance passed in 2005 created a code of ethics for employees, elected officials, and appointed officials. Internal Auditing has established a working relationship with the Ethics Advisory Committee. We continue to assess citywide ethics each year and make improvement recommendations. In addition, the Office of the City Auditor continues to fund and support an ethics hotline which receives calls regarding ethics issues from employees, citizens, and vendors.

## Earning Accolades



Internal Audit Manager Cathy Criswell received the 2007 Auditor of the Year award from the Tulsa Chapter Institute of Internal Auditors (IIA). The IIA gives this award each year to the member who stands out as having made quality contributions through initiative and attitude. Cathy has been a member of the IIA for 19 years and supports the organization in several ways, including writing the monthly newsletter, arranging local educational offerings, and leading seminars.

## Moving up



After almost three years of working on four floors, Internal Auditing staff moved to the sixth floor of City Hall. Our staff was happy to be together once again.



## ***Risk Identification***

Internal Auditing asked department directors, and other executive-level leaders at the City of Tulsa to share their thoughts on the most significant risks. Following are the risk areas most often mentioned:

High Risk Area	# times cited
Move to One Technology Center	9
Revenue/Resources/Funding decisions	6
Employee pay	6
Employee turnover	4
Security/Asset protection	4
Technology/Information needs	4

Following are highlights from managers' comments regarding these risks:

### **Move to One Technology Center**

Managers cited several risk factors related to the upcoming move. Primary concerns included the move's impact on city employees and customers. Also mentioned were risks related to building security and the financial impact of the move.

### **Revenue/Resources/Funding Decisions**

The city continues to operate on the edge with sales tax representing the primary income source. There is a mismatch of resources available and services provided by the City. The most likely means of continuing City services will be to identify additional means of funding.

### **Employee Pay**

City employee pay has not kept pace with the market for many positions. This affects the City's ability to recruit and retain employees.

### **Employee Turnover**

Turnover at the top level of management has increased risk. Managers are also experiencing turnover in other employee positions, especially skilled and professional jobs.

### **Security/Asset Protection**

Managers expressed concern about protecting city facilities, assets, and customers from loss and injury.

### **Technology/Information Needs**

The City's computer systems are outdated. Obtaining the information necessary to make management decisions is cumbersome.

# Internal Audit Program

## For the Fiscal Year Ending June 30, 2008



Tulsa, 1954 - Looking north at 1st & Main Street. Uptown Theater. Goodwill Industries  
-----The Beryl Ford Collection/Rotary Club of Tulsa

# Process for Selecting Audit Projects

The Office of the City Auditor is responsible for discharging the duties set forth in Article IV of the City of Tulsa 1989 Amended Charter, as follows:

- Examine the accounts of all offices, divisions, departments, boards, authorities, commissions, and agencies of the City of Tulsa
- Make appraisals, comments, and recommendations on the systems and procedures for keeping and maintaining the financial records, accounts, and inventories
- Report results to the Mayor and Council

Internal Auditing develops and executes an annual audit program to carry out these duties. The program is designed to allocate limited audit resources to the most beneficial purposes.

To help maintain confidence and trust in the professionalism and integrity of our audit work, the City Auditor’s Office follows the *International Standards for the Professional Practice of Internal Auditing* of the Institute of Internal Auditors. The *Standards* specify that selection of audit projects for application of limited audit resources should be based on a sound risk assessment.

**Focus Process** - Internal Auditing has developed a risk assessment model to help ensure a systematic, thorough and objective approach for prioritizing selection of projects for the Internal Audit Plan. Entitled *FOCUS* (representing Factors Operating to Create Ultimate Success), the risk model considers six factors. Each of these risk factors has defined evaluation criteria.

*These six risk factors help focus audit projects on important city issues*

1	Size	What is the dollar value of the assets, budget or revenues of the activity?
2	Security	How safe are the assets from conversion to private use?
3	Trust	How much impact does the activity have on customers – the citizens of Tulsa
4	Simplicity	How complicated is the activity?
5	Stability	Has there been significant change in operations?
6	Responsibility	Are employees competent, committed, and ethical? Are there established objectives, clearly defined procedures, good information and communication, and management monitoring?

Considering these factors and weighing them in respect to more than 150 potential projects, we create our audit plan. Each year, we publish the plan and distribute it to the mayor and council. Accomplishment of the audit plan is funded through the Internal Auditing Department's budget approved by the City Council.

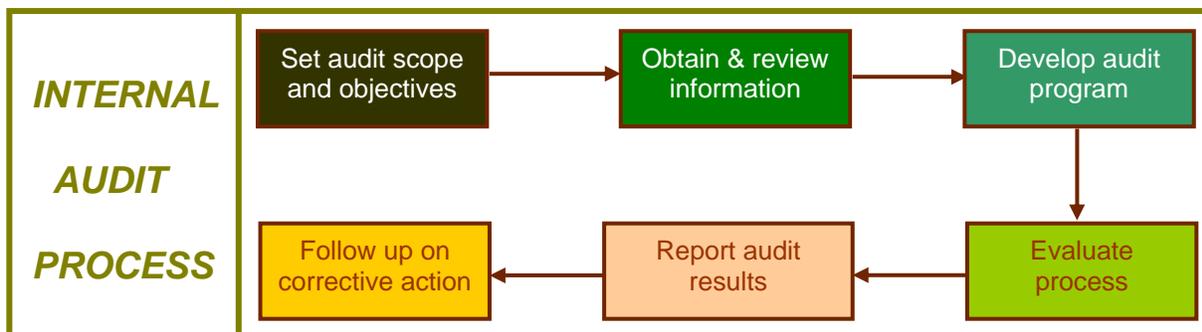
**Allocation of audit resources** - Internal Auditing estimated the number of staff hours available in the fiscal year. These hours are allocated first to complete the audit projects in process and the ongoing audit functions carried out each year. Hours were reserved to respond to requests from management and elected officials for unplanned special projects. The remaining time was available for allocation to new audit projects.

**Selection of new audit projects** – The remaining hours available for new projects allowed the addition of four projects. Selection of the new audit projects was based primarily on *FOCUS* evaluations. Other factors affecting project selection included previous audit date, audit coverage in particular departments, management requests and auditor judgment.



Tulsa, 1909 – Street Paving crew at 2<sup>nd</sup> & Maybelle  
-----The Beryl Ford Collection/Rotary Club of Tulsa

# Internal Audit Process



Each internal audit begins by defining the specific scope and objectives. The scope establishes the project boundaries, setting what the audit will and will not include. The objectives state what the audit will accomplish. Once these are determined, the audit continues through three phases.

- ❖ **Planning** – Auditors ask questions, examine documents and make observations of the process being audited. This helps auditors gain an understanding of how the work is currently being done. Auditors write an audit program defining the steps that will be taken to evaluate the effectiveness of the process being audited. Auditors and managers in the audited area discuss the audit program to allow managers the opportunity to make suggestions about what is to be evaluated during the audit.
- ❖ **Fieldwork** – The audit team completes the work detailed in the audit program. The work focuses on what could go wrong in the audited process and whether there are procedures to prevent breakdowns. If no preventive measures are in place, auditors develop recommendations with the help of department personnel. If procedures are in place, auditors test them to make sure they are functioning properly.
- ❖ **Reporting** – As the audit progresses, auditors write Corrective Action Plans (CAP) that report the results of fieldwork and include recommendations for correcting problems auditors observe. These are first issued in draft form and discussed with department managers to allow them to have input. After a final CAP is agreed upon, department managers provide a written response describing what action they will take. At the end of the audit, a report is written summarizing the audit results.

**Following up** – Internal Auditing follows up with managers to monitor the progress of corrective action. Each year, inquiry forms are sent on every pending item. Managers provide information on whether corrective action has been completed, is progressing, or will not be completed due to changed conditions. The responses to the inquiry forms are summarized and reported in the annual Report of Management Actions.

# Audit Program

## Fiscal Year Ending June 30, 2008

PROJECT NAME	ESTIMATED HOURS TO COMPLETE	ESTIMATED START DATE	ESTIMATED REPORT DATE	DEPARTMENTS INCLUDED
<b>IN-PROCESS PROJECTS:</b>				
Sewer Cleaning – Control Assessment	100	In Process	9/20/07	Public Works
Special Project – TPD T.O.I.C.	250	In Process	10/4/07	Police
Purchasing Card Review	100	In Process	10/31/07	Citywide
Expenditure Analysis	100	In Process	11/30/07	Citywide
Financial Systems Support	400	In Process	11/30/07	Information Tech
Grants Administration	800	In Process	12/31/07	Citywide
Financial Systems – Internal	600	In Process	1/31/08	Citywide
Real Estate Inventory Management	1,200	In Process	9/30/08	Citywide
	<u>3,550</u>			
<b>AUDITS:</b>				
Chamber of Commerce Contract Compliance	500	12/1/07	4/30/08	Finance
Budget Computer Applications	300	1/1/08	7/31/08	Finance
Insurance	1,000	1/1/08	7/31/08	Human Resources
Human Rights – Administration	500	3/1/08	9/30/08	Human Rights
Human Rights – Compliance Monitoring & Investigation	500	3/1/08	11/30/08	Human Rights
	<u>2,800</u>			
<b>CONTROL ASSESSMENTS:</b>				
Safety Training	<u>200</u>	3/1/08	7/31/08	Human Resources
<b>ONGOING PROJECTS:</b>				
Report of Management Actions	200	8/1/07	11/30/07	Citywide
Sensitive Payments	500	7/1/07	2/28/08	Citywide
External Quality Assurance Review	500	8/1/07	4/30/08	Internal Auditing
Department Budget Preparation	200	11/1/07	6/30/08	Internal
Annual Planning/Risk Assessment	300	5/1/08	FY2009	Citywide
Continuous Monitoring	500	Ongoing	N/A	Various
Hotline/Ethics Support	200	Ongoing	N/A	Various
Enterprise Risk Management	100	Ongoing	N/A	Various
Auditing Miscellaneous	500	Ongoing	N/A	Various
	<u>3,000</u>			
<b>SPECIAL PROJECTS:</b>				
Special Projects – Special Requests	500	As requested	As requested	As requested
External Auditor Support	100	As requested	As requested	As requested
	<u>600</u>			
<b>TOTAL HOURS</b>	<u>10,150</u>			

# ***Audit Project Descriptions***

## ***Projects in process as of June 30, 2007***

### ***Sewer Cleaning Control Assessment***

#### *Scope*

Evaluate the internal control framework of the sewer cleaning process

#### *Objectives*

- Evaluate and conclude on each component of the internal control framework and the internal control framework as a whole
- Provide improvement suggestions, as appropriate

*Note: This project was completed on 9/20/07*

### ***Special Project – Tulsa Police Department - Office of Integrity and Compliance***

#### *Scope*

Review administration and expenditures of the Detective Division demand deposit account and purchase card

#### *Objectives*

- Consult with and assist the Police Department in a financial audit and inspection of the Detective Division budget, internal controls, funds, and expenditures
- Provide improvement suggestions, as appropriate

*Note: This project was completed on 10/4/07*

### ***Purchasing Card Review***

#### *Scope*

Evaluate selected internal control procedures for compliance with the City of Tulsa Purchasing Card Program

#### *Objectives*

- Determine if purchases of goods and services using the Purchasing Card method are made in accordance with established criteria
- Ensure purchases made with purchasing cards are properly authorized, approved, supported, recorded, and are made for City business-related purposes

# ***Audit Project Descriptions***

## ***Expenditure Analysis***

### *Scope*

This project will involve a comprehensive analysis of citywide expenditures

### *Objectives*

- Working with executive management, identify spend categories with potential for significant cost savings
- Using downloaded financial data, identify Top 10 spend by general ledger account number, Top 10 spend by vendor, Top 10 spend by market (commodity), Top 10 spend growth categories
- Based on these analyses, identify potential cost savings opportunities
- Review current capabilities for continuous expenditure analysis
- Identify gaps in ongoing spend analysis capabilities and make recommendations

## ***Financial Systems Support***

### *Scope*

Review information technology procedures related to financial systems support

### *Objectives*

- Evaluate procedures for ensuring continuous service delivery
- Determine whether financial systems are secure
- Evaluate problem and incident resolution

## ***Grants Administration***

### *Scope*

Review procedures related to acquiring, accounting and reporting for grants

### *Objectives*

- Review compliance with laws, regulations, policies and procedures for acquiring, accounting and reporting for grants
- Determine whether accounting for grant receipts and expenditures is accurate, complete, and timely
- Determine whether grant reports are accurate, complete, and timely

# ***Audit Project Descriptions***

## ***Financial Reporting - Internal***

### *Scope*

Evaluate the process for providing internal financial information to City management

### *Objectives*

- Review accuracy, timeliness, reliability, completeness, and usefulness of internal financial reports
- Evaluate user satisfaction with the internal financial reporting process

## ***Real Estate Inventory Management***

### *Scope*

Review procedures related to acquiring, managing, and accounting for real estate

### *Objectives*

- Review compliance with laws, regulations, policies and procedures for acquiring, managing and accounting for real estate
- Determine whether real estate is managed effectively and efficiently
- Determine whether real estate records are complete and accurate

## ***Planned Projects***

### ***Chamber of Commerce Contract Compliance***

#### *Scope*

Review compliance with the contract between the City of Tulsa and the Metropolitan Tulsa Chamber of Commerce

#### *Objectives*

- Determine whether both parties comply with contract terms
- Determine if payments to the Chamber are in accordance with contract terms
- Evaluate ongoing contract compliance monitoring

# ***Audit Project Descriptions***

## ***Insurance***

### *Scope*

Review procedures related to acquiring, managing, and accounting for insurance

### *Objectives*

- Review the accuracy and validity of insurance claims and premiums
- Review administration of insurance for compliance with laws, regulations, policies, and contracts

## ***Human Rights - Administration***

### *Scope*

Evaluate the process for overall administration of the Human Rights Department.

### *Objectives*

- Determine if procedures are sufficient to properly coordinate Human Rights Department functions
- Assess the methods used for protecting confidential information

## ***Human Rights – Compliance Monitoring & Investigation***

### *Scope*

Assess the procedures used by Human Rights for monitoring contract and purchasing compliance and for investigating related complaints.

### *Objectives*

- Review the process for identifying and prioritizing compliance and investigation assignments
- Determine whether procedures will ensure all monitoring and investigation duties are completed
- Evaluate procedures that ensure issues identified in monitoring and investigation assignments are appropriately resolved

# ***Audit Project Descriptions***

## ***Control Assessments***

The control assessment process uses a high-level approach based on the tools in the *Internal Control - Integrated Framework* publication. The focus of these assessments is on the five critical components necessary for good internal control. When all five components are in place the organization has a better chance of meeting its operating objectives. The five components are the control environment, risk assessment, control procedures, information/communication, and monitoring. Control assessment methodology involves interviewing personnel in the area being reviewed and examining relevant documentation. This process allows us to complete a limited scope evaluation in a shorter time than a full scope audit requires.

The process scheduled to be evaluated using this method during FY07-08 includes:

- Safety Training

## ***Ongoing Projects***

### ***Report of Management Actions on Internal Audit Recommendations***

Internal Auditing annually distributes inquiries on all audit findings with pending corrective action. The objective is to determine the current status of corrective action management agreed to implement in their responses to audit recommendations.

# ***Audit Project Descriptions***

## ***Sensitive Payments Review***

### *Scope*

Review the internal control structure and examine transactions related to executive compensation and perquisites, travel, official entertainment, unvouchered expenditures, conflicts of interest, speaking honoraria and gifts

### *Objectives*

- Evaluate the adequacy of the system of internal controls over sensitive payments
- Review transactions for compliance with applicable statutes, laws, regulations, ordinances, policies and procedures
- Determine whether executive expenses are properly authorized and approved
- Determine whether executive expenses are accurately and promptly recorded and reported

## ***Quality Assurance Review***

### *Scope*

Assessment of the quality of Internal Auditing Department work

### *Objectives*

- Identify the degree of departmental compliance with the Institute of Internal Auditing's *International Standards for the Professional Practice of Internal Auditing*
- Ensure that audit operations are in compliance with organizational and departmental policies and procedures
- Provide insights into the level of audit effectiveness and efficiency
- Provide recommendations for improving the internal audit function

# Audit Project Descriptions

## ***Annual Planning/Risk Assessment***

Annual planning involves meeting with managers in various departments and divisions to set audit priorities. An audit plan is developed using the methodology described on page 8 of this report.

## ***Continuous Monitoring***

Internal Auditing will continue a joint project with the Finance and Information Technology Departments to address sales tax monitoring. In addition, Internal Auditing will assist in identifying other measurement metrics. As metrics are identified, audit software will be used to establish continuing monitoring capabilities to enable management to monitor performance.

## ***Hotline/Ethics Support***

The ethics hotline is provided to employees, vendors, and customers to report ethics issues. Internal Auditing staff reads each hotline report and ensures all reports are provided to the appropriate appointing authority for follow-up.

## ***Enterprise Risk Management***

Risk management is a key responsibility of an organization's management. To achieve its business objectives, management should ensure that sound risk management processes are in place and functioning. Internal auditing will examine, evaluate, report and recommend improvements on the adequacy and effectiveness of management's risk processes.

## ***Auditing Miscellaneous***

An amount of time is allocated for performing other duties and fulfilling miscellaneous requests that do not meet the criteria for classification as an audit or special project.

# ***Audit Project Descriptions***

## ***Special Projects***

### ***Special Projects-Special Requests***

A block of time is reserved to meet requests by elected officials and/or department management for special projects. Project requests resulting from the survey form on the last page of this report will also be taken from this pool of hours. The scope of such projects will be based on the specifications of the request.

### ***External Auditor Support***

Internal Auditing will provide assistance to the external auditors for completion of the examination of the City of Tulsa financial statements. The specific scope of the work will be determined during planning with the external auditors.



Tulsa, 1925 – YMCA building at 4<sup>th</sup> and Cincinnati  
-----The Beryl Ford Collection/Rotary Club of Tulsa

# Feedback form

<b>TO:</b>	Anyone interested in internal audits of the City of Tulsa
<b>FROM:</b>	Phil Wood, City Auditor
<b>RETURN TO:</b>	Phil Wood, City Auditor – Room 1133, City Hall

I welcome your comments and suggestions about auditing. This form is provided for your use in providing feedback to help us do a better job. The first section asks for your suggestions for activities that would benefit from an audit. The second section requests comments or suggestions concerning the conduct of my office.

## **SUGGESTIONS FOR AUDIT(S)**

## **COMMENTS ON THE CONDUCT OF THE AUDITOR'S OFFICE**

---

Signature (optional)

### **Some things the Auditor's Office considers in deciding what to audit:**

*Importance - Risks - Protection of Assets - Organization - Objectives – Quality of Information - Standards and Regulations - Economy - Efficiency - Effectiveness - Controls*

### **Some things the Auditor's Office considers in evaluating the conduct of the office:**

*Professional Care - Attitude - Communication - Usefulness - Significance - Knowledge - Human Relations - Cooperation - Productivity - Follow-up - Qualifications - Honesty - Independence*