

Internal Audit 2014 Budget Hearing

Department found on pages E137 – E142 in budget book

Presentation to Ways and Means/Budget Committee
September 23, 2013

Internal Audit Department Program by Goal

■ A City that Works

- **Operational Excellence:** Use best practice methodologies, technology and quality programs to support all activities.
- **Access to Information and Services:** Promote transparency to residents and enhance accountability of City decision makers.
- **Talent Management:** Assess risks surrounding City processes including hiring and retaining of talented and motivated personnel.
- **Culture that Fosters Innovation, Leadership and Collaboration:** Collaboratively develop action plans with City leadership to mitigate risks identified in audit reviews.
- **Empowers Residents, Businesses and Visitors as Valued Partners:** Publish audit reports to inform the public about enhancements to mitigate risks the City faces.

- \$491,487 (3 FTE) recommended by the Mayor (all funds come from General Fund).

Internal Audit

Mission & Vision

- **Our Mission:** *“To assist the City of Minneapolis in achieving its objectives. To serve the City of Minneapolis and the public interest by providing the Mayor, City Council, other City leaders and management with objective services to help minimize risks, improve internal controls, maximize efficiencies and effectiveness of operations, reduce cost, and strengthen accountability.”*
- **Our Vision:** *“We strive to provide world-class internal audit services to the City of Minneapolis and be regarded as a valued resource by City residents, leadership, management and employees.”*

Impact of Recommended Budget on Key Results

The recommended 2014 Budget (3 FTEs) restores the 1 full time equivalent (FTE). Impact to the City:

- Increases the ability to provide more audit coverage.
- Increases the scope and depth of auditing risk areas.
- Increases Internal Audit's ability to perform fraud investigations (if fraud is suspected) or other special projects, as needed or requested.

Staffing and Budget Benchmarking

(based on 2013 budget information)

Comparison	Minneapolis,	Raleigh,	Sacramento,	Cape Coral,	Honolulu,	Seattle,	Tulsa,	San Diego,	Austin,	Phoenix,	Denver,
Criteria	MN	NC	CA	FL	HI	WA	OK	CA	TX	AZ	CO
Number of IA Staff	2	3	4	4	9	9.5	13	20	26	26.5	47
Total City FTEs	4,634	3,826	4,003	1,974	10,412	11,384	3,925	10,119	12,331	14,984	10,890
IA Budget (000's)	382	301	530	595	1,356	1,913	1,249	3,809	2,628	2,367	5,964
Total City Budget (000's)	1,200,000	672,053	1,059,000	292,598	1,964,211	4,066,826	695,886	2,752,141	3,053,734	3,572,641	2,453,160

Recent or Planned Efficiencies

Internal Audit will continue to:

- Sponsor an internship program;
- Use automated audit software (AutoAudit); and
- Use data mining tools (ACL).

New Initiatives

- Internal Audit is planning, in 2014, to work with the City Council through the Audit Committee in a study session about the roles and responsibilities of Internal Audit.

Operating Capital Request

- Internal Audit does not have any operating capital requests.

CLIC Capital Request

- Internal Audit does not have any requested items through the CLIC Process.

Workforce Planning

- Employee Training
 - Internal Audit team is kept up-to-date with Continuous Professional Education (CPE) requirements and with relevant internal audit emerging topics and risks.
- Leadership
 - Internal Audit develops its employees into strong leaders.

Major Contracts in Departments

- Internal Audit will contract outside consultants in areas where we lack relevant specialization (e.g. Information Technology or specialized areas) and where additional resources are needed.

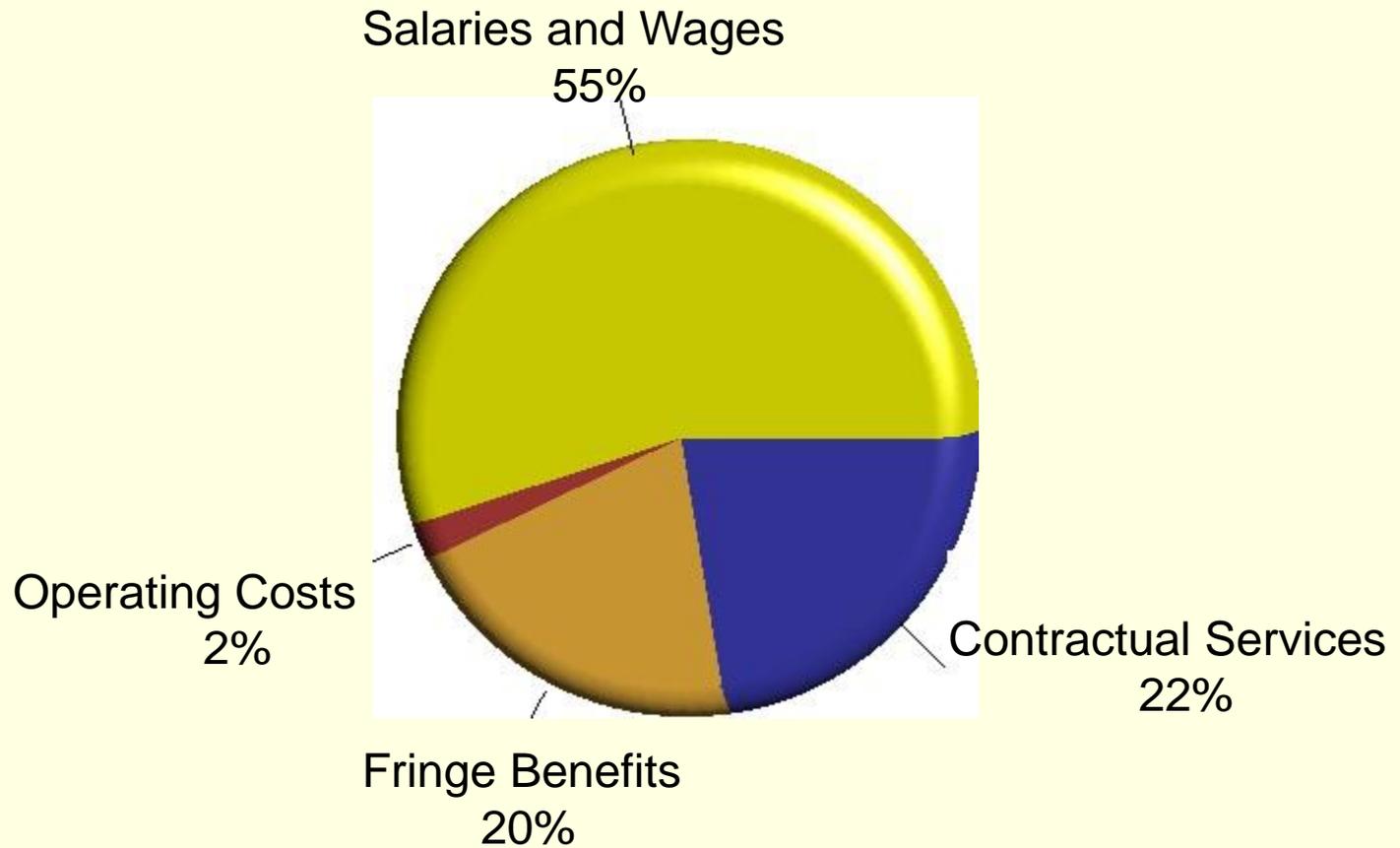
Partnerships

- To increase the value Internal Audit provides to the City, we are building strategic partnerships with City leaders and management throughout City Departments.
- Additionally, Internal Audit is building external partnerships with governmental audit functions and internal audit organizations (e.g. the Institute of Internal Auditors Twin Cities Chapter, other government agencies).

How is the Department Doing

- Internal Audit continues to enhance partnerships with City leaders and management.
- Continue to implement an Internal Audit Department internship program and recruited two interns.
- Continue to build business relationships with other audit functions and other government entities.
- Continue to provide quality work to the City departments to address areas that need improvements and provide assurance to City leaderships on the effectiveness of controls.

Expenditures by Type (\$491,487)



Revenue by Type (\$0.0 million)

- Internal Audit is a service department and does not generate revenue.