CITY OF MINNEAPOLIS

Audit Committee Meeting

March 17th, 2015

Minneapolis
City of Lakes

3/13/2015

Agenda

- Audit Plan
- Findings Follow Up
- Projects Update
- IT Audit Outsourcing
- Staffing

Audit Plan – Risk Assessment

The objective of the continuous risk assessment process is to:

- Educate City leaders on risk, internal controls, and risk-management responsibilities,
- Identify areas of heightened risk, and
- Continually evaluate the risk landscape so as to remain current.
- Continued Effort (CPED, PW, Parks and Rec)
- Plan is a point-in-time document, expect it to change as risks emerge

Audit Plan – Risk Assessment

- Risk Assessment and Audit Planning Process
  - Stakeholder meetings
  - Education
  - Data review
  - Project identification
  - Notification
  - Scheduling
  - Execution

2015 Audit Plan: Available Hours

	Standard Hours	Holiday & Vacation	Training	Admin*	Available Hours
Director	2,080	248	80	600	1,152
Sr. Staff	2,080	208	80	400	1,392
IT Auditor	750	-	-	-	750
Intern FT	1,365	-	40	100	1,225
Intern PT	780	-	20	50	710
				Total	5,229

Note: Interns started March 16th, their hours are pro-rated

* Administrative hours include the training and development of staff and interns, the development of departmental policies, procedures, practices, research, etc.

2015 Audit Plan

Project #	Project Name	Project Type	Objective	Hours
2015-01	3rd Party Governance	Consultation – Enterprise Wide	The objective of this project is to evaluate controls in place to manage contracting, monitoring and compliance as it relates to the governance of 3rd parties (vendors and other entities that receive on-going funding from the city).	300
2015-02	Complaint Protocol	Consultation	The objective of this consultation is to work with Legal and HR to develop protocol to follow for a complaint, ethics violation, fraud case, etc.	250
2015-03	Enterprise Land Mgt System (ELMS) Cashiering Module Implementation	Consultation	The objective of this consultation is to work with the ELMS cross-functional team to identify opportunities to improve the cashiering functionality within ELMS and identify control gaps, SOD issues, etc.	300
2015-04	Evaluation of Neighborhood & Community Relations (NCR) Programs	Project	"Amending the Mayor's 2015 Recommended Budget (as amended) to direct the Department of Internal Audit to work with NCR and other Coordinator departments to create a scope of work and then oversee an evaluation of NCR Programs using existing budgeted resources."	200
2015-05	Data Governance and Records Management	Audit – Enterprise Wide	The objective of this audit is to evaluate the City's adherence to the Minnesota Government Data Practices Act and the Federal Government's Official Records Act. This will be done through an evaluation of the City's Data Governance program, including tone at the top, awareness, training, policies, and the efficiency and effectiveness of the City's ability to execute appropriate Records Management practices.	850

2015 Audit Plan, cont.

Project #	Project Name	Project Type	Objective	Hours
2015-6	Internal Controls Over Financial Reporting - Monitoring	Consultation	Work with City Controller to evaluate the adequacy and maturity of the continual monitoring effort around internal controls over financial reporting. This project will utilize an Urban Scholar.	500
2015-7	License, Permit, and Inspection Processes	Audit – Cross-Departmental	The objective of this audit is to evaluate the controls around licensing, permitting, and inspecting services that the City executes and how that activity triggers and impact downstream processes such as property tax assessments and cash collection and handling.	850
2015-8	Purchasing Card - Pilot Program Review	Review	The objective of this review of the P-Card program is for adherence to and adequacy of policies as well controls in place to monitor the ongoing execution of the P-Card program.	100
2015-09	Police Body Camera Privacy and Security Review	Consultation	The objective of this project is to assess the procedural and technology risks involved in collecting, transferring, storing, redacting, tagging, and provisioning body camera data in order to best understand and manage the unique risks of the two vendors being evaluated in the pilot program.	500
2015-10	Police Quality Assurance Program	Consultation	The objective of this consultation is to assist the MPD in establishing their internal Quality Assurance and Risk Management function.	250
2015-11	Police Records Management System Implementation	Consultation	The objective of this consultation is to work with the MPD to identify risks with the configuration and implementation of a new records management system.	400
			Total Audit Plan Hours	4500

2015 Audit Department Projects

Project	Description	Hours
Benchmarking	Benchmark against cities and counties that are categorically similar (population, size, climate, economic vitality, etc.) to identify audit findings that may be of interest to Minneapolis City Departments.	150
Findings Follow Up	Tracking and follow-up on all high and medium rated audit observations to determine if the remediation was completed and appropriately manages the identified risk.	100
Report Templates	Develop practical and succinct templates and tools to facilitate the work of the Audit Department and formal communications both internally and externally.	40
Risk Appetite	Continually enhance the City's Risk Management efforts using the International Standards Organization Risk Management framework to communicate and consult throughout the risk management process; establish a context for identifying, analyzing, evaluating, and treating risk associated with any activity, process, or function; and monitor and review risks.	120
Risk Assessment	The continual process of risk identification, risk analysis and risk evaluation that informs the development of the Internal Audit Plan.	160
Unassigned	Hours allocated to dealing with unforeseen projects or tasks.	160
	Total Audit Department Project Hours	730
	Total Audit Plan Hours	4500
	Total Department Productive Hours	5230
	Total Available Hours	5229
	Over/(under)	(1)

Audit Findings Follow Up

- There are 25 outstanding findings from audits conducted between 2011 and 2013.
- Internal Audit has reached out to each finding owner and is discussing the remediation or plans for remediation of each finding.
- 2 findings have been remediated since the January Audit Committee meeting.

Projects Update

- Audits and Consultations:
  - Police Body Camera
  - Data Governance & Records Management
  - NCR Evaluation
  - P-Card Pilot Review
- Department Projects:
  - Benchmarking
  - 3rd Party Governance
  - Administrative Tools

IT Audit Outsourcing

Received 11 responses to our RFP for out-sourced IT Audit work. Three firms were selected to discuss our needs and how each firm can fulfill them.

A request for council action was submitted to the Ways and Means Committee on March 16th, 2015.

Upon Council approval, contracting will begin with the selected firm, Backbone Consulting.

Staffing

- Senior Auditor – Jennifer Nevers
- Intern Audit Associate – Therese Vandagriff
- Intern Audit Associate - Matt Lagieski
- Seeking two more part-time intern associates

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