

CITY OF PHOENIX

CITY AUDITOR DEPARTMENT

FY21/22 AUDIT PLAN

DEPARTMENT / PROJECT TITLE	PRELIMINARY SCOPE
<i>Aviation</i>	
Commercial Use Permit - Swissport	Review general compliance with contract provisions to ensure accurate and timely reporting of commercial use permit revenue and fuel flowage fees.
Badging and Fingerprint Fees	Update cost model for badging and fingerprinting to ensure cost recovery.
Part 139 Training Analysis	Review training records for FBO fuel handlers, fire fighters, and Aviation staff to ensure files are up to date and accurate for the annual FAA inspection.
Direct Charges to Aviation Fund - FIRE	Verify that Fire charges to the Aviation Fund comply with FAA requirements.
Direct Charges to Aviation Fund - CEDD	Verify that charges by CEDD to the Aviation fund comply with FAA requirements.
Payroll Processing (AVI Ops)	Review payroll processes to ensure compliance with policies and procedures.
CIP - Aviation South Concourse	Determine if the contractor and subcontractors complied with contract requirements and if the City had adequate controls to ensure compliance.
Contract Audit - Flagship Airport Services	Validate compliance with contract terms and to ensure the contract is monitored effectively.

DEPARTMENT / PROJECT TITLE	PRELIMINARY SCOPE
TSA Regulatory Compliance	Evaluate Aviation's TSA Regulatory Compliance and identify areas for improvement.
Parking Revenue Protection Controls	Evaluate the effectiveness of parking revenue protection controls and equipment that controls entry to and exit from parking facilities.
Fixed Base Operator - Cutter Deer Valley	Determine compliance with the Deer Valley lease agreement and license permits between Cutter and Aviation.
Contract Audit - Host International, Inc.	Verify compliance with contract requirements and their "COVID-19 Operations Plan."
Contract Audit - SSP America	Verify compliance with contract requirements and their "COVID-19 Operations Plan."
<i>City Auditor</i>	
CAD Workorder Rates FY22	Develop the work order rates that the City Auditor will charge for the upcoming fiscal year.
Audit Planning for FY23	Assist in creating the FY23 audit program.
Quality Control Review	Verify the City Auditor Department's compliance with Generally Accepted Government Auditing Standards (Yellow Book).
<i>Communications Office</i>	
Public Records Request System	Audit public records request policy and system to verify if it is meeting management objectives.

DEPARTMENT / PROJECT TITLE**PRELIMINARY SCOPE**

Community & Economic Development

Contract Compliance Monitoring (CED)

Evaluate CED contract monitoring procedures for effectiveness, efficiency, and consistency.

City Clerk

Record Retention Policy Review

Validate the City's compliance with the retention policy published by the Arizona Secretary of the State, as administered by the City Clerk Department.

City Manager

Integrity Line Investigations

Perform investigations assigned to the City Auditor by the Integrity Line Committee; these investigations are smaller in nature and do not require their own project.

Integrity Line Administration

Perform Integrity Line administrative tasks and provide reports and updates to the Integrity Committee.

Annual User Fee Review

Conduct a high-level analytical review of user fees for reasonableness and project recovery rates.

DEPARTMENT / PROJECT TITLE**PRELIMINARY SCOPE**

City Wide

Grant Risk Assessment

Conduct a risk assessment of citywide grant fund management to evaluate: 1) adequacy of internal controls, 2) reporting compliance, 3) expenditure compliance, 4) account reconciliation, 5) grant monitoring, 6) subcontractor monitoring, and 7) overall internal controls.

Sale of Real Property

Evaluate citywide controls for the sale of real property (GL 492200). Determine if procedures are in place to obtain property valuation and required approval (e.g., City Council).

PCI Compliance Support

Provide background information and other support as needed as the City transitions to a Qualified Security Assessor to conduct its annual PCI compliance assessment. The City Auditor staff that have conducted the assessment as part of the Internal Security Assessor Program will provide this assistance.

Continuous Review of Payment Card Cybersecurity Events

Validate that significant events within the PCI environment are adequately controlled by technical staff. Alerts are received as changes are made to the environment, we validate that changes went through the change control process.

Network Boundary Defense

Evaluate if network perimeter controls detect, prevent, and correct the flow of information transferring across networks of different trust levels with a focus on security-damaging data.

DEPARTMENT / PROJECT TITLE	PRELIMINARY SCOPE
User Fee Follow-Up Project	Review work order rates for accuracy, including work order rates in NSD, Parks & Recreation, and Municipal Court.
Continuous Review of Payroll	Perform ongoing testing of payroll transactions citywide based on fluctuation analysis and other analytical methods.
Continuous Review of Cash	Perform ongoing testing of citywide cash accounts based on fluctuation analysis and other analytical methods.
Continuous Review of Expenditures	Perform ongoing testing of expenditure transactions citywide based on fluctuation analysis and other analytical methods.
Follow-Up on Medium Audit Recommendations	Follow-up on audit recommendations that CAD designated as Medium Priority to confirm that the implementation was effective.
External Federal Single Audit - BKD	Manage the external auditor contract to conduct the annual Federal Single Audit of grant funds.
External Financial Audits - BKD	Manage the external auditor contract to conduct annual financial audits.
Non-Fuel Credit Cards	Evaluate that use of non-fuel credit cards complies with A.R. 3.10 - General Procurement Procedures and other City policies.
Compliance with A.R. 2.324 - Policy on Alcohol and Substance Use and Abuse	Evaluate compliance with Administrative Regulation 2.324 - Policy on Alcohol and Substance Use and Abuse.

DEPARTMENT / PROJECT TITLE**PRELIMINARY SCOPE**

Inventory Controls

Evaluate the effectiveness of inventory processes to ensure that City assets are secure.

Finance

Monthly Financial Report Attestation

Conduct a monthly review of Finance's Monthly Financial Report. This is an Attestation with agreed upon procedures.

Year-End Review of Monthly Financial Report

Determine reasons for material changes in financial data presented in the MFR for expenditures / encumbrances; reconcile to the Annual Report.

Fire

Fire CAD Replacement System Implementation

Catalog key system controls and ensure that those controls are included in business requirements, designed for, tested, and present once the system goes live. This is a multi-year project, with separate audits for each fiscal year that will validate the status of the key controls.

Payroll Processing (FIR)

Evaluate the adequacy of controls over the department's payroll process.

Housing

Public Housing Rental Program

Evaluate public housing rental program to determine if controls are in place over revenue collection. This could include looking at a sample of vendor management contracts.

DEPARTMENT / PROJECT TITLE**PRELIMINARY SCOPE**

Human Resources

Application Risk Assessment - eCHRIS

Evaluate the current status of eCHRIS - modules, uses, risks - and create a multi-year audit plan to audit highest risks. Use an external consultant with PeopleSoft application expertise.

Vaccine Incentive Process Review

Evaluate the effectiveness of controls to ensure that vaccine incentives are properly distributed and tracked.

Human Services

Family Advocacy Center - Victim Services

Evaluate the Victim Services section of the Family Advocacy Center for efficiency and effectiveness of program objectives.

Information Technology

Cloud Computing Services

Evaluate ITS use of cloud computing services regarding service level management, cybersecurity, and the City's data rights.

Planning & Development

Building and Safety Permitting Process

Evaluate the building and safety permitting process for effectiveness and revenue collection.

SHAPE PHX System Implementation

Catalog key system controls and ensure that those controls are included in business requirements, designed for, tested, and present once the system goes live. This will be a multi-year project, with separate audits for each fiscal year that will validate the status of the key controls. This is the third year of the project, and it will be moving into testing during FY22.

DEPARTMENT / PROJECT TITLE**PRELIMINARY SCOPE**

Police

Contract Audit - General Towing Services Review contract monitoring and performance measures to ensure contractor compliance with contract terms.

Case Management Review - Adult Sex Crimes Unit Evaluate case management procedures for detectives of identified unit, as well as supervisory quality control.

Application Controls - LIMS Review the application for basic controls over data input, processing, and output controls, including interfaces and error handling. A general controls risk assessment is also conducted and high risk areas, such as access management may also be tested.

Police Department Risk Assessment Conduct a comprehensive risk assessment of the Police Department to determine areas of high risk. The results will be used to develop audit scopes and objectives for the next 3-5 years.

Application Controls - Police Payroll Systems Review the application for basic controls over data input, processing, and output controls, including interfaces and error handling. A general controls risk assessment is also conducted and high risk areas, such as access management may also be tested. Review controls over overtime, including manual controls outside of the automated system.

Mobile Phone Procurement & Management Evaluate that mobile phones purchased for sworn staff follow City procurement policy and are appropriately inventoried and managed.

DEPARTMENT / PROJECT TITLE	PRELIMINARY SCOPE
PSB Investigative Unit - Administrative Investigation Processes	Evaluate the administrative investigation processes of the Professional Standards Bureau Investigative Unit that ensure investigations are timely, thorough, and fair.
Inventory Management (POL)	Evaluate controls over Type III inventory to ensure that inventory is appropriately tracked and monitored through its lifecycle.
<i>Public Defender's Office</i>	
Contract Audit - Outside Legal Services	Ensure procurement and monitoring of outside legal contractors is in compliance with A.R. 3.10.
<i>Public Transit</i>	
Contract Audit - Lincoln Property Management	Evaluate compliance with contract terms and adequacy of contract monitoring.
Contract Audit - VTC	Evaluate compliance with contract terms and adequacy of contract monitoring.
CIP Project Management	Evaluate the controls to ensure compliance with federal and contractual requirements for Public Transit CIP projects.
Contract Audit - Bus Advertising	Evaluate revenue contracts to ensure accurate revenue collection and contract monitoring.

DEPARTMENT / PROJECT TITLE**PRELIMINARY SCOPE**

Public Works

Fleet Outside Labor and Parts

CAD audited this area in FY19 (#1190023). Other areas could be evaluated, including outside labor.

Security and Access Control System Implementation

Catalog key system controls and ensure that those controls are included in business requirements, designed for, tested, and present once the system goes live. This will be a multi-year project, with separate audits for each fiscal year that will validate the status of the key controls.

Public Works Fleet and Solid Waste Procurement Processes

Evaluate the PW Fleet and Solid Waste procurement processes for compliance with City policies.

Retirement Systems

COPERS - Process Testing

Determine that the City of Phoenix Employees' Retirement System (COPERS) has adequate internal controls and that transactions are completed accurately.

Street Transportation

Contract Compliance Monitoring (STR)

Determine that contract monitoring procedures are adequate to ensure vendors are in compliance with contract terms. Include vendors such as lights, rocks, and small parts to test controls that ensure all payments are for parts/services received.

Pavement Overlay Services JOC and Agreements - Follow-Up

Verify that recommendations made in the prior audit were implemented and are working effectively.

DEPARTMENT / PROJECT TITLE**PRELIMINARY SCOPE**

Water Services

IT General Controls - Water Process Control

Evaluate IT general controls within the Water Process Control environment: organizational management, information security, computer operations, and change management.

Procurement Processes (WTR)

Evaluate WTR procurement processes for efficiency, effectiveness, and consistency.

Contract Compliance Monitoring (WTR)

Evaluate WTR contract monitoring procedures for effectiveness, efficiency, and consistency.

Warehouse Asset Management

Evaluate the asset management controls in place at WTR warehouses to ensure assets are accounted for and secure.

Water Treatment Plant Security

Review the security measures in place at Water Treatment/Distribution facilities to prevent unauthorized access and/or contamination of the city water supply.