

*Audit Committee
Reporting Strategy*

**Audit Committee Meeting
April 28, 2008**

Presentation Objective

Discuss protocols for presenting audit reports and other audit documents to the Audit Committee for their review and consideration.

Audit Documents For Consideration

- Audit reports
- Annual Accomplishments and Activities Report
- Fraud, Waste, and Abuse Hotline Report
- Monthly Report
- Recommendation Follow-up Report
- Risk Assessment
- Audit Work Plan

Audit Reports

City Auditor Action

- All audit reports will be made public and copies distributed to the Audit Committee members, Mayor, City Council members, City Attorney, and administration officials.
- All audit reports will be placed on the City Auditor's public website.

Proposed Audit Committee Action

- The Audit Committee Chair in consultation with the City Auditor will decide which audit reports are presented to the Committee.
- Any Audit Committee member may request through the Chair to place an audit report on the Audit Committee agenda.

Annual Audit Work Plan

City Auditor Action

- The City Auditor will propose an annual audit work plan.
- The work plan will identify 1) all audits in progress; 2) audits not started; 3) required annual audits; 4) on-going audit assignments; and 5) newly proposed audits based on the Citywide Risk Assessment results.
- Audit requests received during the fiscal year will be addressed through the Audit Committee.

Proposed Audit Committee Action

- The Annual Audit Work Plan will be presented to the Audit Committee on an annual basis together with the results of the risk assessment.
- Requests to add audits to the work plan during the year will be presented to the Audit Committee with a City Auditor analysis of the impact of adding the proposed audit to the work plan.

Annual Activities and Accomplishments Report

City Auditor Action

- Annually, the City Auditor's Office will make public a record of its activities and accomplishments.
- Beginning in January 2009, the City Auditor will issue an annual report for the period January 1, 2008 to December 31, 2008.

Proposed Audit Committee Action

- The City Auditor will distribute this report to the Mayor, City Council, and the Audit Committee.
- Up request, this report will be scheduled for an Audit Committee meeting.

Fraud, Waste, and Abuse Hotline Quarterly Report

City Auditor Action

- On a quarterly basis, the City Auditor will provide a summary report to the Audit Committee regarding the number of calls to the hotline, category of calls received, and call disposition.

Proposed Audit Committee Action

- The Audit Committee will place on the meeting agenda a quarterly update from the City Auditor regarding the hotline.

Monthly Update Reports

City Auditor Action

- The City Auditor will issue a monthly report to the Audit Committee.
- The report will contain 1) a listing of issued audit reports and memorandums; 2) a listing of all ongoing audit assignments, including information on audit status, hours, and target issuance date; 3) approved audits not started; and 4) a listing of significant City Auditor and staff activities and accomplishments.

Proposed Audit Committee Action

- On a quarterly basis, the Audit Committee will place on the meeting agenda a quarterly update from the City Auditor regarding office activities and accomplishments.

Recommendation Follow-Up Report

City Auditor Action

- In order to ensure recommendations are implemented on a timely basis, the City Auditor will undertake an annual recommendation follow-up process to track the status of all previously issued audit recommendations.
- In February 2009, the City Auditor will prepare an annual report on the status of all recommendations for the previous 12 month period ending December 31, 2008.

Proposed Audit Committee Action

- Annually, the Audit Committee will place on the meeting agenda the Recommendation Follow-up Report.

Risk Assessment Report

City Auditor Action

- On an annual basis, the City Auditor's Office will conduct a Citywide Risk Assessment to identify potential audit subjects.
- The results of the completed Citywide Risk Assessment will be utilized in preparing the City Auditor's annual work plan.

Proposed Audit Committee Action

- Annually, the Audit Committee will place on the meeting agenda the risk assessment report along with the proposed audit work plan.

Conclusion

Questions or comments?