

City of Las Cruces[®]

PEOPLE HELPING PEOPLE

2017-2018

Audit Plan

Office of the City Auditor

Audrey Evins, CPA, CFE, City Auditor

2017/2018 AUDIT PLAN OVERVIEW

In accordance with The Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing, the Internal Audit Office has prepared an audit plan for fiscal year 2018. The FY 2018 Audit Plan is a description of the internal audit activities that will be performed by the Internal Audit Office.

The process of preparing the 2017/2018 Audit Plan included identifying those areas with risk exposure and ensuring that activities with the greatest risk are audited to the extent Internal Audit resources allow. The Institute of Internal Auditors' International Standards for the Professional Practice of Internal Auditing requires that internal auditors develop an audit plan based on risk exposure. The annual risk assessment was conducted in June 2017.

The Audit Universe is a subjective assessment of auditable areas within the City of Las Cruces. Currently, the City's audit universe consists of 13 Departments/units which could be further delineated to smaller units.

BUDGET AND STAFFING

For 2017, the staff of the Internal Audit Office consists of two full time positions. Career development for the staff will be a strategic goal and staff will be encouraged to attend training opportunities offered by the Association of Local Government Auditors and the Institute of Internal Auditors. Professional certifications are held by each staff member which requires 40 hours of continuing professional education annually. The certifications held by staff are Certified Public Accountant (CPA) and Certified Internal Auditor (CIA). A third full time auditor is expected to begin in the Sept – Oct timeframe of this calendar year. The FY plan will be adjusted to include these available auditor hours.

CALCULATION OF FY 2017/2018 AUDIT HOURS

The calculation of available hours for two FTE's was divided into the following six categories.

1. Audit Projects/Follow-Up	1630 Hours	39%
2. Special Projects/Investigations	800 Hours	19%
3. Hotline	200 Hours	5%
4. Consulting	150 Hours	4%
5. Administration* (see note)	820 Hours	20%
6. CPE Hours	80 Hours	2%
7. Holidays	192 Hours	5%
8. Vacation & Sick Leave	288 Hours	7%

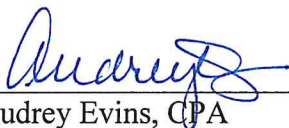
2080 Hours

Note: The Administration hours include the following: management team meetings, administration meetings, general City meetings, City-wide required training, internal administrative duties for Internal Audit, external audit coordination, and the annual risk assessment and audit plan. CPE hours do not include travel time. Each audit staff accrues a varied amount of annual leave, 16 hours of personal leave, and 96 hours of sick leave on a yearly basis and is budgeted based on actual hours used.

FY 2017/2018 SCHEDULED AUDITS

- » **Disbursements Audit:** Evaluation of controls over accounts payable and three-way match process.
- » **Police Overtime:** Evaluation of controls, authorization, and payments.
- » **Police Sick Leave:** Evaluation of the administration, control, and usage.
- » **Disadvantaged Business Enterprise (DBE) Program:** Evaluation of program compliance.
- » **Grants Program:** Drawdowns: Evaluation of controls over program requirements and mandates.

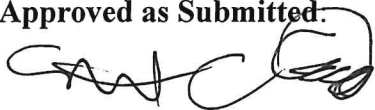
Respectfully Submitted:



Audrey Evins, CPA
City Auditor

Date 7-12-2017

Approved as Submitted:



Stuart C. Ed
City Manager

Date 7/14/17