

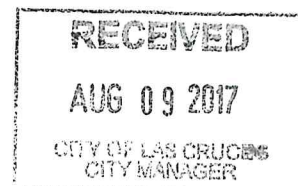
**City of Las Cruces**<sup>®</sup>  
P E O P L E   H E L P I N G   P E O P L E

**FY 18 Utilities Department  
Risk Assessment and Audit Plan**

**August 2, 2017**

**Report 18-005**

**Internal Audit Office, Administration Department  
Audrey Evins, City Auditor, CPA, CFE  
Viola Perea, Internal Auditor**



## FY 2017-2018 Las Cruces Utilities Risk Assessment and Scheduled Audit Plan

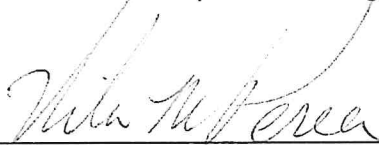
In accordance with The Institute of Internal Auditors (IIA) International Standards for the Professional Practice of Internal Auditing (Standards), the Internal Audit Office has completed the FY 2017-2018 Risk Assessment and Scheduled Audit Plan for Las Cruces Utilities.

The IIA Standards require that internal auditors develop an audit plan based on risk exposure. The risk assessment was conducted via Survey Monkey in July 2017 with input from Utilities staff and Administrators. The audit universe is a subjective assessment of auditable areas within the Utilities department. The process of preparing the audit plan included identifying those areas within the audit universe that are considered to be the most important by Management and ensuring that activities with the greatest risk are audited to the extent Internal Audit resources allow.

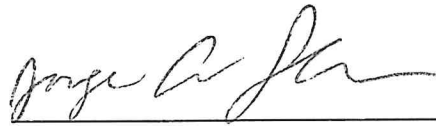
### SUMMARY AND CONCLUSION

The Utilities Department risk assessment was based on the analysis and prioritization of the concerns voiced by Management and the responses provided by Utilities employees to a risk assessment survey. Based on available audit hours, the FY 2017-2018 Utilities Audit Plan was prepared with the expectation that at least three scheduled audits would be performed during the fiscal year. An additional three special projects have been identified and audit hours have been budgeted to address these areas of concern as well. Scheduled audit work that is not completed during the current fiscal year will be rolled forward to the next fiscal year for completion.

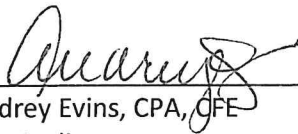
We would like to extend our appreciation to the City of Las Cruces Utilities Department staff for their assistance and cooperation during this process. We are available to answer any questions you may have.



Viola M. Perea  
Internal Auditor



Accepted By: Dr. Jorge Garcia  
Utilities Director



Audrey Evins, CPA, CFE  
City Auditor



Approved By: Stuart Ed  
City Manager

**UTILITIES DEPARTMENT - FY18 AUDIT PLAN**

**ANNUAL HOURS**

Less 100% Annual Leave	2080	
Less 100% Personal Days	(120)	
Less 100% 11 Holidays	(16)	
Less 75% Sick Leave	(88)	
	(72)	
Total Leave/Holiday Hours	<u>(296)</u>	14%

**AVAILABLE HOURS**

Less 2.5% City / Utility Board Meetings	1784	
Less 7.5% Consulting Hours	(45)	
Less 8% Non-Audit (Staff Meetings/Training/Travel/Misc Hours)	(134)	
	(143)	
<b>Available Direct Audit Hours</b>	<u><u>1462</u></u>	15%

**TOTAL AUDIT HOURS**

**1462**

<b>Audit Activity</b>	<b>Risk Area</b>	<b>Est. Hours</b>
FY18 Scheduled Audits	Succession Planning: Gap Analysis Foothills Landfill: Cash, Deposit, Reconciliation Process Customer Service/Billing and Collection: Deposit Refund Process	1008
Special Projects	Trash Trucks: Route Pick Up Times Temp Agencies / Contract Employees: Cost Analysis WW Reclamation Plant: Bill Review (Pre and Post Solar Install)	250
Other / Alternatives	MUNIS / Non-Planned Audits Emergency Response Plan: RFP Review of Deliverables	204
<b>Total Audit Hours:</b>		<u><u>1462</u></u>