



Internal Audit

Fiscal Year 2019
Budget Presentation

Internal Audit

- ▶ Our Department consists of a team of professionals performing internal audit services under the direction of an Audit Committee.
- ▶ The Internal Audit department is organizationally structured to provide **independent** and **objective** quality assurance and consulting services.
- ▶ The work of the Internal Audit department serves all stakeholders of the city, including taxpayers, citizens, city employees and those charged with governance.



Internal Audit Mission Statement

The mission of Internal Audit is to **ensure the public trust, promote accountability** in all City departments, and **encourage transparency** throughout City Government. We perform audits of various processes and activities within City government to:

- ▶ Improve operational efficiencies and effectiveness
 - ▶ Strengthen internal controls for financial reporting
 - ▶ Strengthen compliance with laws and regulations
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Internal Audit Achieving the Mission

We work to achieve our mission by:

▶ **Conducting performance audits**

- ▶ In accordance with government auditing standards
- ▶ Received highest external peer review rating (3/2014 – 2/2017)
- ▶ Audit plan approved by the Audit Committee

▶ **Administering a fraud hotline**

- ▶ Employees, taxpayers, or other citizens may confidentially report suspected illegal, improper, wasteful, or fraudulent activity
- ▶ Internal Audit conducts investigations based on reports, as appropriate



Internal Audit – A Wise Investment

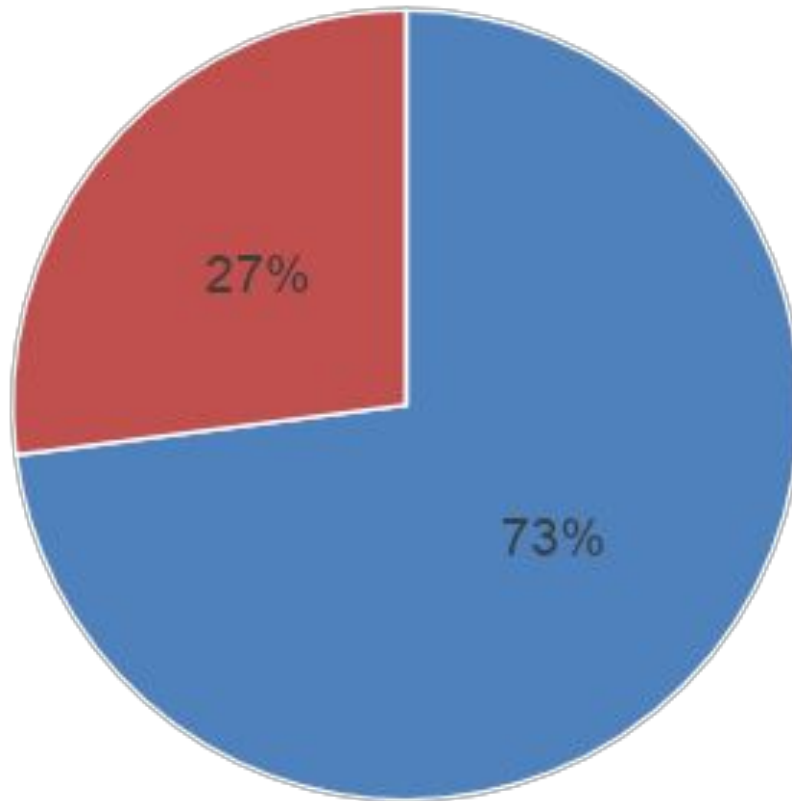
Internal Audit helps the City fulfill governance responsibilities for good stewardship of resources by identifying ways to:

- ▶ Implement policies and programs more effectively
- ▶ Increase cost savings and revenues
- ▶ Make decisions based on solid data and risk awareness
- ▶ Detect and prevent fraud



Internal Audit FY 2019 Proposed Budget

FY 2019



- Salaries/Benefits
- Operating Expenses
- Capital Outlay



Internal Audit

FY 2019 Proposed Budget

	Actual 2017	Original Budget 2018	Projected 2018	Proposed 2019
Salaries/Benefits	\$293,198	\$302,547	\$302,547	\$299,208
Operating Expenses	\$68,177	\$101,474	\$101,474	\$110,756
Capital Outlay	-	-	-	-
TOTAL	\$361,375	\$404,021	\$404,021	\$409,964



Internal Audit Staffing (FTE)

Full-time Equivalent	FY 2015	FY 2016	FY 2017	FY 2018	Proposed FY 2019
# of Full-time	3	3	3	3	3
# of Part-time	0	0	0	0	1
Full-time Equivalent	3	3	3	3	3.1



The Audit Committee

- ▶ Composition – 5 members per City Code
 - ▶ One City Council Member (Councilman is a CPA)
 - ▶ Four qualified citizens (currently 3 hold CPA certifications)

- ▶ Duties:
 - ▶ Approve the annual audit plan
 - ▶ Select the external auditors for the City
 - ▶ Provide a process for hotline reporting of fraud, waste, and abuse
 - ▶ Telephone hotline 931-648-6166
 - ▶ Online Reporting form at www.cityofclarksville.com



Accomplishments and Activity

The following audits and assessments were completed:

- ▶ Fleet Policy Audit
- ▶ Follow Up: Transit Payroll Audit
- ▶ Follow Up: Parks and Recreation Special Events Audit
- ▶ Follow Up: GW Wastewater Treatment Plant Recovery Audit
- ▶ Follow Up: Building and Codes Permit Audit
- ▶ Follow Up: Parking Authority (Commission) Special Request Audit
- ▶ Follow Up: Purchasing Card Audit 2016
- ▶ Follow Up: Street Department Work Order Audit

The following audits are currently underway:

- ▶ Sole Source Purchases Audit
- ▶ City General Payroll Audit
- ▶ Senior Management Expense Audit (CY 2015 - 2017)

Hotline Activity:

- ▶ 8 reports have been received and addressed
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Staff Certifications

We are committed to increasing competencies specific to auditing and government environments. Currently, the staff hold or are pursuing the following certifications:

Certifications	Internal Audit Director	Internal Auditor II	Internal Auditor II
Certified Public Accountant (CPA)	Yes	Yes	
Certified Municipal Finance Officer (CMFO)	Yes	Yes	Yes
Certified Internal Auditor (CIA)	Yes	In progress	
Certified Fraud Examiner (CFE)			In progress



Internal Audit Budget Presentation

Questions?



Conclusion

Thank you for your time!

