



Office of the City Auditor Annual Performance Audit Plan Fiscal Year 2019

April 9, 2018

Honorable Mayor and Members of the City Council:

Our goal is to release seven performance audits in fiscal year 2019. Three of these audits are currently underway.

The "New Audits" table on the following page lists the audits, that based on factors such as available resources, timing, and audit coverage, we are planning to conduct in the upcoming fiscal year. The "Additional Audit Topics" table on the following page identifies potential audits we can switch to if we determine an audit we were planning to conduct is no longer necessary or relevant. It also provides us with potential audits we can begin later in Fiscal Year 2019 for completion in Fiscal Year 2020.

The mission of the City Auditor's Office is to conduct independent assessments of the work of city government and provide elected officials, management, and the public with objective information and recommendations to improve city operations and strengthen city government's accountability to the public.

Our audit universe is a city government with a nearly \$1.7 billion budget, 20 departments, almost 6,900 employees, and a wide range of programs and activities. Our work provides value to city government by enhancing public transparency and accountability, and presenting information to decision-makers.

Implementation of our recommendations can result in improved city services and program performance, reduced or avoided costs, increased revenues, and improved management and controls over public monies and assets.

How are audits selected? The City Council as a body can pass a resolution directing the city auditor to conduct a specific audit or the city auditor can initiate audits. The City Auditor's Office's process for selecting performance audits considers a variety of factors such as risks, City Council goals, budget and performance information, citizen surveys, past audits, complaints, as well as input and concerns from the City Council, city management, and the public.

Since fiscal year 2015, we have conducted four audits inspired by suggestions submitted by the public.

The potential direct and indirect financial impacts of these audits was about \$4.9 million.

Can the annual audit plan be changed? Yes, the plan is subject to review and revision throughout the year. Changes may be based on City Council directives, the city auditor's discretion, staffing changes, emerging issues, or unanticipated events. Additionally, the potential objectives identified for audits may change as we begin working on the audits.

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Carryover Audits (audits planned for Fiscal Year 2018 to be completed in Fiscal Year 2019)

Audit Topic	Council Goal	Objective
Water Services Department's Controls over Storeroom Inventories	Finance & Governance	<i>Objective:</i> Does Water Services have adequate controls in place to safeguard storeroom inventories? <i>Status:</i> Anticipated release – June 2018.

New Audits (audits to be completed in Fiscal Year 2019)

Audit Topic	Council Goal	Objective
Implementation of Contract Selection Process Recommendations	Finance & Governance	<i>Objective:</i> Do the city's written policies and procedures incorporate previous audit recommendations related to the contract selection process? <i>Status:</i> Anticipated release – July 2018.
Resiliency of the City's Information Systems	Finance & Governance	<i>Potential Objective:</i> Audit could evaluate protocols to manage and mitigate cyber-attacks on city systems.
Accuracy of Water Meters	Transportation & Infrastructure	<i>Potential Objective:</i> Audit could review processes to ensure the accuracy of water meters. (Suggested by the public.)
Publicly Funded Parking Garages	Transportation & Infrastructure	<i>Potential Objective:</i> Audit could evaluate investments, obligations, and financial impacts related to city funding of parking garages. (Suggested by the public.)
Worker's Compensation Program	Finance & Governance	<i>Potential Objective:</i> Audit could compare the city's worker's compensation program to recommended practices.
Payroll Adjustment Process	Finance & Governance	<i>Potential Objective:</i> Audit could review how and why employee payroll adjustments are being made.
Follow-up on Prior Audit Recommendations	TBD	<i>Potential Objective:</i> Evaluate whether recommendations made by the City Auditor's Office have been implemented.

Additional Audit Topics (potential audits to switch to if we determine an audit we were planning to conduct in Fiscal Year 2019 is no longer necessary or relevant or audits to begin in Fiscal Year 2019 for completion in Fiscal Year 2020).

Audit Topic	Council Goal
Contract Change Order Process	Finance & Governance
Emergency Management	Public Safety
Governance Assessment (Required at least once every four years by Sec. 2-722 of the Code of Ordinances.)	Finance & Governance
Information System Access Controls	Finance & Governance
Police Department Drone Use	Public Safety
Off-Duty Police Officer Employment	Public Safety
Sidewalk Modifications and Tree Replacement	Transportation & Infrastructure
Street Cut Coordination	Transportation & Infrastructure

Audit suggestions from the public do matter.

Send your audit suggestions and ideas to kcmo.gov/cityauditor/submit-audit-ideas