



FY25-26 INTERNAL AUDIT WORK PLAN

City Council Meeting
May 6, 2025



Internal Audit Overview

- The City retained Moss Adams to serve as the designated Internal Auditor and conduct projects focusing on:
 - Risks
 - Internal controls
 - Efficiency and effectiveness
 - Best practices
 - Compliance
 - Work is being completed under appropriate industry standards (IIA, GAGAS, AICPA)
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Holistic Internal Audit Program Approach





Internal Audit Program Review

Department	Project	Department	Project
Community & Economic Development	Permitting (25)	Information Technology	
Engineering Services		Parks, Recreation, and Neighborhoods	
Finance	Procurement (24), Payroll (25), AR (25)	Police	
Fire		Public Works	Fleet Controls (24), Solid Waste & Forestry (24)
Human Resources		Utilities	Fiscal Review (25)
Citywide Projects	Internal Controls Review (24), FWA Policy & Training (24), Property Management (24), Capital Program (25)		



Internal Audit Program Review

Focus	Accomplishments
Enterprise Risk Assessments	2022*
Enterprise Internal Controls Review	2024
Functional Internal Controls Reviews	3
Functional Internal Controls Testing	To come
Performance Projects	5
Recommendations Validated Implemented & Tracked	178/237
Ethics Hotline Statistics	Over 190 reports since 2016

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**conducted prior to Moss Adams contract*



Audit Findings Validation

- Verifies whether corrective actions have been effectively implemented to address issues identified during audits
 - Reviewed 237 audit findings reported since 2016 across various areas including financial reporting, regulatory compliance, operations, and grand jury reports
 - Reviewed supporting documentation or completed walk-throughs to confirm that issues have been resolved
 - To date, 178 of 237 findings and recommendations are resolved
 - Progress to address many findings is ongoing
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Recommended FY25-26 Internal Audit Program

- 1. Enterprise risk assessment:** Identify, analyze, and measure risks by the level of inherent vulnerability, the level of preparedness to mitigate them, and the impact such negative events could have on the City should they occur. This assessment informs the three-year internal audit work program.
 - 2. IT policy review:** Review IT Department policies, identify gaps and opportunities for improvement, and support the Department during the policy update process.
 - 3. Cash handling internal controls testing:** Test internal controls related to cash handling activities across the City.
 - 4. Homelessness response performance audit:** Assess economy, efficiency, and effectiveness of the City's response to homelessness in the community. Compare City practices to industry best practices.
 - 5. Fee benchmarking & cost recovery audit:** Review the City's fee schedule, compare fees to peers, and assess the extent to which fees cover costs.
 - 6. Parks, Recreation & Neighborhoods performance audit:** Assess economy, efficiency, and effectiveness of departmental operations and compare to industry best practices.
 - 7. Recommendation validation:** Continue to track and validate recommendation implementation.
 - 8. Ongoing internal audit program management:** City Auditor activities including overseeing the internal audit program and managing the fraud, waste, and abuse hotline.
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Recommended Internal Audit Program

Project	Budget	July-Sept	Oct-Dec	Jan-March	April-June
Enterprise risk assessment	\$45,000	████████████████████			
IT policy review	\$25,000		██		
Cash handling internal controls testing	\$30,000		████████████████████████████		
Homelessness response performance audit	\$40,000		██		
Fee benchmarking & cost recovery audit	\$40,000			██	
Parks, Recreation & Neighborhoods performance audit	\$35,000			██	
Recommendation Validation	\$10,000	██			
Ongoing Internal Audit Services	\$25,000	██			
<i>Total</i>	<i>\$250,000</i>				



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