INTERNAL AUDIT DEPARTMENT ANNUAL AUDIT PLAN

2016 / 2017

INTERNAL AUDIT DEPARTMENT

CITY OF SANTA FE

Santa Fe: The City Different, The City Prepared

City of Santa Fe – Internal Audit

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Liza A. Kerr, Internal Auditor

Date: April 15, 2016

To: Brian Snyder, City Manager

From: Liza Kerr, Internal Auditor Liza Kerr

RE: 2016/2017 Audit Plan

Attached is the Internal Audit Department's 2016/2017 Annual Audit Plan.

If you have questions, please contact Liza Kerr, Internal Auditor, at (505) 955-5728.

cc: Javier Gonzales, Mayor
Kelly Brennan, Interim City Attorney
Members of the Audit Committee
Members of the Governing Body

The Internal Audit Department and the role of Internal Auditor were created by City Ordinance No. 2012-32 and amended by City Ordinance No. 2013-34, Section 2-22 Santa Fe City Code (SFCC) 1987. A primary purpose of the Internal Auditor is to share a duty with the members of the governing body to insure that the actions of public officials, employees and contractors of the city are carried out in the most responsible manner possible and that city policies, budgets, goals and objectives are fully implemented. The Internal Auditor is also the City of Santa Fe's liaison to the Audit Committee.

The Audit Committee was created by City Ordinance No. 2013-35, Section 6-5 SFCC 1987. This committee is an advisory committee and consists of five members of the community. Of the five members, one member shall be a certified public accountant, one member shall be a lawyer or have a law enforcement background and one member shall be a management consultant.

The Internal Auditor and the audit committee are structured in a manner to provide independent oversight of the City operations, thereby enhancing citizen confidence and avoiding any appearance of a conflict of interest.

AUDIT COMMITTEE

Clark de Schweinitz, JD, Chair

Hazeldine Gonzales, Vice Chair, CPA, Retired CIA, CGFM

Cheryl Pick Sommer

Carolyn Gonzales, CPA

INTERNAL AUDITOR

Liza Kerr, CPA, CISA, CIA, MBA

Mission Statement

The mission of the City of Santa Fe Internal Audit Department is to provide independent, objective assurance and review services designed to promote transparency, accountability, efficiency, and effectiveness of City government for the citizens of the City of Santa Fe.

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Overview

The Internal Audit Department of the City of Santa Fe hereby referred to as "Internal Audit" adheres to an overall audit strategy that a high quality and transparent annual audit plan is critical for meeting the goals, objectives, and mission of the department. Internal Audit utilizes professional standards and guidelines developed by the Institute of Internal Auditors for the development of the annual audit plan. These guidelines recognize that an annual audit plan and work schedule benefit the organization by:

- Establishing which agencies, programs, contracts, or other areas will be prioritized for audits on an annual basis;
- Permitting an efficient allocation of limited audit resources;
- Providing a flexible basis for managing audit personnel;
- Projecting an estimated timetable for initiating and completing audits for the year;
- Eliminating the potential for overlapping audits with other audit organizations; and
- Providing an identifiable basis for the role of Internal Audit and justification for obtaining budgetary funds.

An audit plan is also required by City Ordinance 2013-34 §2-22.6 A (1). The following describes our planning process used to prepare the 2016 -2017 Audit Plan. The 2016-2017 Audit Plan is found as **Attachment 1**. The Audit Objectives for the planned audits are found as **Attachment 2.**

Preparing the Annual Audit Plan

Audits included in the annual audit plan are selected and prioritized using a risk-based approach. Risk assessment is a process used to identify and prioritize audits based upon specific risk factors related to the quality of internal controls and the estimated liability and level of exposure to the City of Santa Fe related to various City departments, programs, activities, and contracts. The risk factors used were:

- **Governance 15%** - The risk that City Ordinances, policies and procedures, and internal controls are not adequate.
- **Perception of Risk 10%** – is the subjective judgment that the stakeholder makes about the characteristics and severity of a risk.
- **Reputation Risk 15%** - The risk that the City's public image will be tarnished due to improper actions on the part of officials, management, or staff.

- **Economic Factors 15%** – The risk that a significant financial impact may result in the event of a breakdown in the internal control structure.
- **Environmental Factors 15%** – The risk that a highly regulated department or division will lose funding if compliance conditions are not met.
- **Organizational Changes 5%** – The risk that new management being assigned to a department or division do not have the skills to perform the job function – or alternately, the risk that no change has occurred when it needs to occur leaving the City vulnerable.
- **Time Last Audited 20%** - The risk that certain high risk areas within the City are not audited on a periodic basis.

The 2016-2017 Risk Assessment is found as **Attachment 3**. The risk assessment is used as a tool to facilitate planning of a series of interviews with senior management. The determination of the audits to be performed was made after the interviews were conducted. For example, the City Attorney's Office had a weighted total of 324 on the risk assessment. After conducting an interview with the City Attorney it was determined that the majority of the risk dealt with in the legal department is inherent risk which is flowing through from various City departments and outside sources. As a result of this interview, it was determined that the overall risk of the City Attorney's office does not constitute an immediate need for an audit. Another factor taken into consideration in developing the audit plan is whether or not a department is already being audited by the external financial auditor, a state or federal auditor, or a contract auditor. If the department is already being audited, the need to do an internal audit is decreased. See a summary of all audits in **Attachment 6**.

Audit Horizon Methodology

The audit plan is based on developing a realistic audit horizon of planned high-risk audits covering a three-year period. Internal Audit bases its annual audit plan on the development of such an audit horizon rather than developing a subjective, overly complex, and incomplete "audit universe." Historically, many audit organizations have attempted to develop a comprehensive "audit universe" from which to identify and prioritize audits. However, this process is cumbersome, time consuming, and generally reveals that there are literally thousands of possible audits that would require tens of thousands of audit hours and other resources. Additionally, the inclusion of such a "universe" could potentially mislead City officials and citizens to believe that all of the audits included on the listing will be performed and, perhaps more significantly, that any departments, programs, activities, or contracts not included in the universe are not subject to audit.

As a result, instead of developing an "audit universe," Internal Audit utilizes a realistic audit horizon strategy and approach to identify, prioritize, and manage audits deemed to be critical to City operations. Specifically, using the risk-based methodology described throughout the audit plan, Internal Audit identifies and prioritizes a select number of audits for inclusion into the annual audit plan as well as listing potential audits for the ensuing two years.

The audits included in the horizon are based on available audit hours each year to ensure that realistic expectations are established and stated goals are met. The approach also builds ample hours into the plan for specially requested audits not originally captured on the plan, and for urgent audit issues that arise throughout the year. This approach provides the Auditor with a great deal of flexibility to address emerging issues in a timely manner and for providing high quality and responsive customer service to elected officials and operational management.

This strategy and accompanying risk assessment methodology will allow the City to execute a less cumbersome annual audit planning process and generate a more realistic, flexible and transparent set of goals and work activities for the upcoming year. The audit horizon approach aligns well with the evolution of the audit profession where, in today's increasingly complex operational environments, audit functions must stretch beyond traditional risk-assessment processes, generally focused on short-term risks, to identify and address emerging and long-term strategic risks.

Scope of Audits

The auditor is granted the authority through City Ordinance 2013-34 to conduct performance/management and financial audits, attestation engagements or to provide advisory (non-audit) services, including special investigations, to independently and objectively determine whether:

- The city, state or federal law authorizes the implemented activities and programs that are the subject of the audit;
- The objectives intended by city, state or federal law are efficiently and effectively accomplished in the implementation of activities and programs;
- The expenditure of funds was or is in compliance with applicable laws;
- The revenues were or are properly collected, deposited and accounted for;

- The entity, programs, activities, functions, or policies are effective, including the identification of any causes of inefficiencies or uneconomical practices;
- The desired result or benefits are being achieved;
- Resources, including funds, property and personnel, were or are adequately safeguarded, controlled and used in a faithful, effective and efficient manner;
- Financial and other reports fairly and fully disclosed all information as required by law necessary to evaluate and ascertain the nature and scope of programs and activities;
- Management established operating and administrative procedures and practices, accounting internal control systems and internal management controls were and are adequate and functioning as intended;
- City policies, budgets, goals and objectives were and are fully implemented;
- Indications of fraud, waste, abuse or illegal acts are valid and need further investigation.

By evaluating potential audits from a variety of perspectives, we can ensure that there is widespread audit coverage in terms of both the types of audits performed, as defined in Generally Accepted Government Auditing Standards (GAGAS) promulgated by the Comptroller General of the United States, and in terms of the City's vast array of departments, programs, activities, and contracts.

Budget and Staffing

The Available Audit Hours Budget **(See Attachment 4)** for Internal Audit was prepared in accordance with the City's wage and hour guidelines.

For 2016-2017, Internal Audit has a staff of one employee, thereby making 2,088 audit hours available for fiscal year 2016-2017. The Internal Auditor is required by GAGAS to obtain a minimum of 40 hours of continuing professional training per year through such opportunities as offered by the Association of Local Government Auditors (ALGA), the Institute of Internal Auditors (IIA), ISACA formerly known as Information System Audit and Control Association, the New Mexico State Auditor's Office, and the American Institute of Certified Public Accountants. The Internal Auditor is required by GAGAS to have technical competence in all areas audited. The Internal Auditor has the professional designations of Certified Internal Auditor, Certified Information System Auditor, and Certified Public Accountant. The Internal Auditor also holds a Master Degree in Business Administration from The University of New

Mexico. This broad spectrum of certifications asserts to the technical competence of the Internal Auditor for the majority of the types of audits that the City would encounter.

There is a demonstrated need for additional staffing in Internal Audit. Adding an additional staff person would make it possible to expand the audit plan to cover identified high risk areas.

Calculation of Audit Hours

The calculation of Available Audit Hours **(See Attachments 4 & 5)** indicates 2,088 total hours available with 1,082 hours for audits and projects and 673 hours available for general and administrative work which includes the risk assessment process, developing and modify the audit plan, ordinances changes, developing and maintaining policies and procedures, preparing requests for proposals, paying vendors (as applicable), as well as routine tasks such as ordering supplies, and preparing the budget. The calculation of Available Audit Hours was divided into five categories. The five categories are:

1. Audits and Project Work	1,082 Hours
2. General Administration/Planning	673 Hours
3. Training and CPE hours	60 Hours*
4. Holidays	88 Hours
5. Vacation and Sick Leave	185 Hours
Total	**2,088 Hours**

*Note: 40 hours are required as a minimum. However, it is the industry standard to allocate additional hours to the head of Internal Audit as additional time is needed for specialty certifications.

3 Year Audit Plan

A schedule has been prepared to document a 3 Year Audit Plan **(See Attachment 6)**. This schedule lists audits, follow-up audits, and projects completed each fiscal Year. The 3 Year Audit Plan is intended to assist in future planning and scheduling of audits, follow-up audits, and projects.

Attachments

City of Santa Fe
Internal Audit Department

2016 / 2017
AUDIT PLAN

ATTACHMENT 1

2016 / 2017	Type of Work	Audit / Project Hours	Admin Hours	Training Hours / CPE	Holiday & Leave Hours
FIRST QUARTER (July 1 to September 30)					
Genoveva Chavez Community Center	Audit	201			
Park Bond Audit Follow Up	Audit	80			
Conversion to TeamMate Software (Audit Workpapers)	Audit / Proj	40	30		
Fraud, Waste, and Abuse Hotline	Admin / Aud	20	10		
Other Audits as Time Permits					
Cash Handling, Public Utilities Phs 2, Lodger's Tax FU	Audit	TBD			
Admin (Budget, Legal, Web, RFP's, AP, Contrs, Supplies, Time)	Admin		30		
Policies and Procedures	Admin		10		
Audit Committee/Preparation/Special Requests/Meetings	Admin		20		
Meetings (CM, FC, CC, External Audit, other)	Admin		15		
Training / CPE / Holiday	CPE & Holiday			8	24
Vacation / Sick	Vac & Leave				40
TOTAL FOR QUARTER	528	341	115	8	64
Hours available / Actual Percentage Allocated	528	64.58%	21.78%	1.52%	12.12%
SECOND QUARTER (October 1 to December 31)					
Cash Handling -(Rec Centers, Convention Ctr., Muni Court, Police Department)	Audit	194			
TeamMate	Audit / Proj	30			
Tracking of Findings / Access Work	Audit / Proj	60			
Fraud, Waste, and Abuse Hotline	Admin / Aud	20	10		
Other Audits as Time Permits					
Security (Vendor Audit), Fixed Assets < $5,000	Audit	TBD			
Admin (Budget, Legal, Web, RFP's, AP, Contrs, Supplies, Time)	Admin		50		
Policies and Procedures	Admin		10		
Audit Committee/Preparation/Special Requests/Meetings	Admin		20		
Meetings (CM, FC, CC, External Audit, other)	Admin		15		
Training / CPE / Holiday	CPE & Holiday			16	40
Vacation / Sick	Vac & Leave				65
TOTAL FOR QUARTER	**520**	304	95	16	105
Hours available / Actual Percentage Allocated	520	58.46%	18.27%	3.08%	20.19%

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2016 / 2017	Type of Work	Audit / Project	Admin Hours	Training / CPE	Holiday & Leave
THIRD QUARTER (January 1 to March 31)					
Public Utilities - Phase Two	Audit	184			
TeamMate	Audit / Proj	30			
Fraud, Waste, and Abuse Hotline	Admin / Aud	20	10		
Other Audits as Time Permits					
Follow Up - Park Bond, AP Dups , Pub Util, Lodger's Tax	Audit	TBD			
Family Medical Leave Act (FMLA)	Audit	TBD			
Audit Plan / Risk Assessment	Admin / Proj		129		
Admin (Budget, Legal, Web, RFP's, AP, Contrs, Supplies, Time)	Admin		30		
Policies and Procedures	Admin		10		
Audit Committee/Preparation/Special Requests/Meetings	Admin		20		
Meetings (CM, FC, CC, External Audit, other)	Admin		15		
Training / CPE / Holiday	CPE & Holiday			16	16
Vacation / Sick	Vac & Leave				40
TOTAL FOR QUARTER	**520**	234	214	16	56
Hours available / Actual Percentage Allocated	**520**	45.00%	41.15%	3.08%	10.77%
FOURTH QUARTER (April 1 to June 30)					
Public Utilities - Phase Two, con't	Audit	206			
TeamMate	Audit / Proj	30			
Fraud, Waste, and Abuse Hotline	Admin / Aud	20	10		
Other Audits as Time Permits					
Fixed Assets < $5,000, AP Dups, FU Util Billing					
Admin (Budget, Legal, Web, RFP's, AP, Contrs, Supplies, Time)	Admin		151		
Policies and Procedures	Admin		10		
Audit Committee/Preparation/Special Requests/Meetings	Admin		20		
Meetings (CM, FC, CC, External Audit, other)	Admin		15		
Training / CPE / Holiday	CPE & Holiday			20	8
Vacation / Sick	Vac & Leave				40
TOTAL FOR QUARTER	**520**	256	196	20	48
Hours available / Actual Percentage Allocated	**520**	49.23%	37.69%	3.85%	9.23%
GRAND TOTAL	2088	1135	620	60	273
		54.36%	29.69%	2.87%	13.07%

ROLLING AUDIT UNIVERSE/PLAN FUTURE YEARS

FY 2017 / 2018	Type of Work		Audit Hours	Hours	Percent of Time
DWI Forfeitures	Audit		260		
Accounts Payable / Gross Receipts Tax Overpayment	Audit		120		
Follow up Review of Accounts Payable - Dup Payments	Follow Up		40		
Follow up Review of Park Bond Audit (SAO), & Lodger's Tax	Audit		175	875	41.91%
Follow Up Review of Security Vendor Audit	Audit		40		
Follow Up Review of FMLA	Follow Up		40		
Follow Up Review - Public Utilities - Phase One	Follow Up		40		
Follow Up Review - Public Utilities - Phase Two	Follow Up		40		
Follow Up Review - Fixed Assets < $5,000	Follow Up		40		
Assist Association of Local Government Auditors with a Peer Review in order to waive peer review fee	Audit / Proj		80		
Admin_Misc (Meetings, policies & procedures, benchmarking, email, memos, risk assessment, audit plan, lodger's tax, park bond audit, fraud, waste & abuse coord.)	Admin & Projects		880	880	42.15%
Training / CPE	CPE		60	60	2.87%
Holiday / Sick	H & L		273	273	13.07%
TOTAL FOR FYE 2017 / 2018			2088	2088	100.00%

FYE 2018 / 2019	Type of Work		Audit Hours		
Purchasing	Audit		195		
PCI Compliance	Audit		240		
Follow Up Review - AP GRT, Lodger's Tax	Follow Up		120		
Peer Review - (Audit of Internal Audit)	Audit		320	875	41.91%
Admin_Misc (Meetings, policies & procedures, benchmarking, email, memos, risk assessment, audit plan, lodger's tax, park bond audit)	Admin & Projects		880	880	42.15%
Training / CPE	Training		60	60	2.87%
Holiday / Sick	H & L		273	273	13.07%
TOTAL FOR FYE 2018 / 2019			2088	2088	100.00%

AUDIT	ENTITY	AUDIT OBJECTIVES
2016 / 2017 Planned Audits		
Genoveva Chavez Community Center	Parks and Recreation	To assess the efficiency and effectiveness of internal controls at the community center. Audit objective may include 1) an assessment of the cash handling function, and 2) assurance of compliance with City policies and procedures with a focus on procurement, and human resource managment.
Follow up review of 2008 Park Bond Audit (SAO)	Various Departments	To determine that previously identified audit findings have been remediated by management as stated in management's responses, and to test the effectiveness of any remediation's to date.
Public Utilities Phase Two (Billing, Debt Forgiveness, Deposits)	Public Utilities	To assess the efficiency and effectiveness of internal controls over the Public Utilities Billing function. Audit objectives may include an assessment of 1) Public Utilities billing and collection processes, 2) the fairness and equity of deposits, 3) internal controls around the deposit process, 4) regulatory compliance, or best practices regarding the processes around debt forgiveness, 5) internal controls around debt forgiveness, and 6) controls around cash handling and posting of entries.
Cash Handling	Various Departments	To continue to assess the internal controls around cash handling at various City Departments and to issue recommendations to management as to how to strengthen those controls.
Cash Balances / Reserves / Negative Balances	Finance	To ensure that the cash balances recorded by the City are properly reserved. To determine that Generally Accepted Accounting Principles, Government Accounting, Auditing, and Financial Reporting practices and other proper standards are being followed.
Vendor Audit - Security	Parks and Recreation	To determine that Chavez Security has complied with the terms of their contract to install security cameras at various locations around the City including Parks and Trailheads. Further objectives include verification of 1) where servers are stored, 2) security controls regarding protecting the servers and tapes from unauthorized access, 3) determination of what kind of information is being stored on the servers, 4) compliance with data retention rules, 5) and IPRA implications. Objectives with other security vendors will be dependent upon duties performed.
Fixed Assets < $5, 000	ITT	To assess the newly implemented process of tagging certain fixed assets (computers, and other movable chattel) that cost less than $5,000 to ensure compliance with the State Auditor's Rule. A walkthrough of the internal controls regarding this process will be done to document and test the current procedures. Recommendations will be made to improve the process, if applicable.
Accounts Payable / Duplicate Payments	Finance (Accounts Payable)	To review electronic payment files and use software to analyze duplicate payments that have been made to vendors.
Family Medical Leave Act - Sick Leave	Human Resources	To assess compliance with Federal and other mandated guidelines including the City's policies and procedures. To determine that leave benefits paid are within statutory guidelines.

AUDIT	ENTITY	AUDIT OBJECTIVES
2017 / 2018 Planned Audits		
DWI Forfeitures	Police Department	To assess internal controls around the DWI Forfeiture processes. Audit objectives may include an assessment of record-keeping practices, acquisition and disposal processes, and cash handling and recording processes.
Accounts Payable - Limited Scope review of Gross Receipts Tax paid when s /h /b inclusive in total	Finance (Accounts Payable)	To assess the internal controls in place regarding the payment of gross receipts tax for a vendor when contract states it is inclusive of gross receipts tax. Audit objectives may include determining if the City is owed money for overbilling and overpayment of gross receipts tax to a sample of vendors.
Follow Up Accounts Payable / Duplicate Payments	Finance (Accounts Payable)	To determine that previously identified audit findings have been remediated by management as stated in management's responses, and to test the effectiveness of any remediation's to date.
Follow up review of 2008 Park Bond Audit	Various Departments	To determine that previously identified audit findings have been remediated by management as stated in management's responses, and to test the effectiveness of any remediation's to date.
Follow Up Review Vendor Audit - Security	Parks and Recreation	To determine that previously identified audit findings have been remediated by management as stated in management's responses, and to test the effectiveness of any remediation's to date.
Follow Up Review - FMLA - Sick Leave	Various Departments	To determine that previously identified audit findings have been remediated by management as stated in management's responses, and to test the effectiveness of any remediation's to date.
Follow up review of Public Utilities	Public Utilities	To determine that previously identified audit findings have been remediated by management as stated in management's responses, and to test the effectiveness of any remediation's to date.
Follow up review of Fixed Assets <$5,000	ITT	To determine that previously identified audit findings have been remediated by management as stated in management's responses, and to test the effectiveness of any remediation's to date.
2018 / 2019 Planned Audits		
Purchasing	Finance (Purchasing)	To determine what happens with a contract or purchase order once it is initially approved, 2) who is following through to ensure compliance with the process through close. What are the roles of purchasing, legal, and the individual departments. Further objectives include reviewing the use of state price agreements.
Payment Card Industry Standards Audit (PCI)	Finance / IT	To determine that Finance and IT are complying with payment card industry standards. Specifically, has ITT completed their self-assessment review and submitted their self-review as required for compliance, and is Finance in compliance.
Follow up review of Accounts Payable - Duplicate Payments	Finance (Accounts Payable)	To determine that previously identified audit findings have been remediated by management as stated in management's responses, and to test the effectiveness of any remediation's to date.
Peer Review	Internal Audit	To determine if Internal Audit is complying with Governmental Auditing Standards.
Follow Up Review - Accounts Payable / Gross Receipts Tax	Finance (Accounts Payable)	To determine that previously identified audit findings have been remediated by management as stated in management's responses, and to test the effectiveness of any remediation's to date.

City of Santa Fe
Internal Audit

RISK ASSESSMENT 2016 - 2017

ATTACHMENT 3

Weighting	15%	10%	15%	15%	15%	5%	20%	95%	
	R1	R2	R3	R4	R5	R6	R7		
Description	Governance	Perception of Risk	Reputation Risk	Economic Factors	Environmental Factors	Organizational Changes	Time last Audited	Raw Total	Weighted Total
City Attorney Office	54	4	32	23	39	15	45	212	324
City Clerk	22	12	6	31	36	24	30	161	227
Municipal Court	23	19	12	51	45	45	30	225	298
City Manager									
Constituent Services	39	13	10	13	51	39	30	195	262
Human Resources	17	7	17	37	36	39	6	159	199
Internal Audit	18	10	24	2	18	15	0	87	111
ITT *	39	38	23	31	30	42	9	212	261
Public Defender	55	6	5	2	5	5	0	78	109
Asset Development *	13	10	11	36	36	18	0	124	163
Community Services									
Children and Youth Commission	47	17	13	43	39	51	42	252	340
Library	21	25	10	13	51	75	12	207	228
Senior Services	36	31	23	51	45	33	27	246	334

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RISK ASSESSMENT 2016 - 2017

Weighting	15%	10%	15%	15%	15%	5%	20%	95%
	R1	R2	R3	R4	R5	R6	R7	
Description	Governance	Perception of Risk	Reputation Risk	Economic Factors	Environmental Factors	Organizational Changes	Time last Audited	Raw Total	Weighted Total
Finance *									
Budget Office								0	0
Fleet Management	71	45	26	29	39	45	6	261	327
Purchasing *	15	7	22	40	27	21	15	147	204
Risk Management	11	18	10	35	33	15	21	143	201
Financial Management *									
Accounting	20	15	10	24	27	63	27	186	222
Accounts Payable	43	25	14	49	30	48	27	236	307
Accounts Receivable	67	10	12	25	57	27	41	239	347
Budget Office	62	36	17	39	57	39	15	265	348
Cashiers - Main	35	14	10	46	27	39	27	198	265
Cashiers - PU	30	17	14	61	39	45	9	215	274
Investments	21	16	10	55	63	27	21	213	295
Payroll	33	23	15	31	18	24	18	162	217
Fire Department									
Fire Administration	21	27	57	27	57	33	15	237	317
Fire Operations	17	39	55	35	48	57	75	326	450

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Weighting	15%	10%	15%	15%	15%	5%	20%	95%	
	R1	R2	R3	R4	R5	R6	R7		
Description	Governance	Perception of Risk	Reputation Risk	Economic Factors	Environmental Factors	Organizational Changes	Time last Audited	Raw Total	Weighted Total
Housing & Community Development *									
HCD Department	16	26	16	22	60	27	6	173	223
Affordable Housing	34	15	10	21	63	27	12	182	244
Long Range Planning	69	25	13	31	27	12	30	207	301
Land Use									
Historic Preservation	34	20	17	5	51	39	3	169	206
Planning	19	22	31	13	45	33	0	163	201
Parks and Recreation *									
Parks	33	38	17	23	21	18	15	165	218
Recreation	39	40	41	31	48	48	30	277	362
GCCC **	39	39	50	67	57	60	15	327	419
MRC	58	45	35	21	21	15	6	201	267
Public Utilities									
Billing **	40	54	29	55	63	51	63	355	486
Environmental Services	24	28	10	40	63	57	75	297	411
Wastewater	31	31	20	55	42	42	39	260	352
Water	39	13	22	43	51	15	18	201	289

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City of Santa Fe
Internal Audit

RISK ASSESSMENT 2016 - 2017

ATTACHMENT 3

Weighting	15%	10%	15%	15%	15%	5%	20%	95%
	R1	R2	R3	R4	R5	R6	R7	
Description	Governance	Perception of Risk	Reputation Risk	Economic Factors	Environmental Factors	Organizational Changes	Time last Audited	Raw Total	Weighted Total
Public Works	7	35	21	23	51	27	45	209	292
Facilities	39	27	24	55	33	15	51	244	363
Grant Administration	15	34	36	43	57	69	27	281	349
Engineering	71	28	43	35	57	39	0	273	357
Streets and Drainage Maintenance	45	32	31	38	33	36	21	236	313
Santa Fe Police Department *	30	18	47	55	63	60	15	288	371
Transportation									
Airport *	48	35	35	35	51	39	30	273	368
Mass Transit	36	35	30	67	57	69	27	321	409
Parking	39	40	21	43	30	51	2	226	269
Tourism Santa Fe *									
Arts Commission	46	16	10	35	48	27	75	257	388
Civic Center &Visitors Bureau including operations	31	36	13	31	21	36	18	186	233

* indicates interview with respondent
** Indicates audit is being conducted FYE 2016

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2016/2017
AUDIT PLAN
AVAILABLE AUDIT HOURS

	Internal Auditor		
	Hours	Percent	
Audit & Project Work	1,082	51.83%	Estimates made based on benchmarking with other internal audit shops.
General Administration/Planning	673	32.24%	
Training & CPE	60	2.87%	Required for professional certifications
Holidays	88	4.22%	
Vacation & Sick Leave	185	8.84%	
	2,088	100.00%	

Leave Entitlement per Employee With 1 to 5 years service	%	Hours
Vacation	5.77%	115
Sick Leave	4.62%	69
Total		185

2016-2017
AUDIT PLAN
CALCULATION OF AVAILABLE AUDIT HOURS

WORKDAYS

1st Quarter		2nd Quarter		3rd Quarter		4th Quarter		Total Hours/ Employee
July	20 Days	October	20 Days	January	20 Days	April	20 Days	
August	23 Days	November	19 Days	February	20 Days	May	22 Days	
September	20 Days	December	21 Days	March	23 Days	June	22 Days	
Total Qtr.	**63 Days**	**Total Qtr.**	**60 Days**	**Total Qtr.**	**63 Days**	**Total Qtr.**	**64 Days**	
#of Workdays * 8 hrs =	504 Hrs		480 Hrs		504 Hrs		512 Hrs	**2000**

HOLIDAYS

1st Quarter		2nd Quarter		3rd Quarter		4th Quarter		Total Hours/Holidays
July	1 Days	October	1 Days	January	2 Days	April	0 Days	
August	0 Days	November	3 Days	February	0 Days	May	1 Days	
September	2 Days	December	1 Days	March	0 Days	June	0 Days	1
Total Qtr.	**3 Days**	**Total Qtr.**	**5 Days**	**Total Qtr.**	**2 Days**	**Total Qtr.**	**1 Days**	
	24 Hrs		40 Hrs		16 Hrs		8 Hrs	**88**
	528 Total		520 Total		520 Total		520 Total	
						Total Hours Available		**2088**

Vacation

1 to 5 years	5.77%	115

Auditible Areas	2015-2016	2016-2017	2017-2018	2018-2019
Municipal Court	E	A, E	E	E
City Clerk				
City Manager				
Human Resources	E	E	E, F	E
Internal Audit	E, 10-P's	E, 8-P's	E, 8-P's	C, E, 8-P's
Civic Center & Visitors Bureau	E	A, E	E	E
Housing and Community Development	E, G	E, G	E, G	E, G
Community Services	E, G	E, G	E, G	E, G
Senior Services	E, G	E, G	E, G	E, G
Finance	E, F	E, F, F	E, F, F	E, F
Accounts Payable	E	E	A, E, F	E, F
Budget Office	E	E	E	E
Cashiers	E, F	E, F	E	E
Fixed Assets	E	E	E	E
Fleet Management	E	E	E	E
Licensing	E, F	E	E	E
Payroll	E	E	E	E
Purchasing	E	E	E, F	A, E
Fire Department	E, G	E, G	E, G	E, G
Information Technology, and Telecom.	A, E, F	E	E, F, G	A ,E
Land Use	E	E	E	E
Parks and Recreation	E	A, A, E	E, F	E
Police Department	E, G	A, E, G	A, E, G	E, G
Public Utilities	E, G	E, G	E, G	E, G
Utility Billing	E, G	A, E, F, G	E, F, F, G	E, G
Public Works	E, G	E, G	E, G	E, G
Transportation				
Airport	E, G	E, G	E, G	E, G
Parking	E, F, G	E, P	E	E
Mass Transit	E, G	E, G	E, G	E, G

Legend

A =Internal Audit completed that Fiscal Year
C = Contract Audit, or peer review of Internal Audit
E = Audits conducted by external audit as part of financial audit
F = Follow Up Audit Completed that Fiscal Year
G = Audits conducted by other government agencies
P = Project completed that fiscal year

	Number of Audits Completed by IA Per Fiscal Year			
	2015-2016	**2016-2017**	**2017-2018**	**2018-2019**
Audits	4	9	2	2
Projects	9	8	8	8
Follow-ups	3	4	9	2

Admin projects include: 1) Risk Assm., 2) Audit Plan, 3) Lodger's Tax Audit Coord., 4) Ord. Rev., 5) Policies & Proc., 6) Fraud, Waste & Abuse Hotline, 7) Tracking Findings, and 8) Peer Review, as applicable. In 2016 also include 9) Park Bond Audit Coordinator.