TO:	Jonathan Evans, City Manager
FROM:	Elena Georgiev, Independent Auditor
DATE:	August 30, 2021
SUBJECT:	DRAFT Audit Plan 2021-2022

Background:

Professional auditing standards require that the chief audit executive establish a risk-based plan to determine the priorities of the internal audit function, consistent with the organization's goals.

To develop the risk-based plan, the chief audit executive consults with the board and senior management and obtains an understanding of the organization's strategies, key business objectives, associated risks, and risk management processes.

During the year, the chief audit executive may adjust the plan in response to changes in the organization's business, risks, operations, programs, systems, and controls.

Methodology:

The first step in establishing a risk-based audit plan is to identify the auditable entities. An auditable entity could be a location, department, function, financial statement area, compliance requirement, or a multitude of other entities. Including such an entity in the audit universe is justified if the entity has some role in creating or preserving value for the organization.

Please see Attachment 1 for the City of Riviera Beach (City) list of auditable entities. The list was compiled by function.

The second step in establishing a risk-based audit plan is to identify the risk factors most likely to lead to risk consequences, define each factor and assign it a rating criteria. The risk factors used in the analysis include:

- Inherent Risk,
- Criticality of Service to Public Health/Safety,
- Recent Leadership Change,
- Recent IT Change, and
- Time Since Last Audit.

Then, each risk factor is applied to each individual auditable entity, resulting in a total risk score.

Finally, the score of each auditable entity is adjusted based on the current emerging risks and the information obtained through discussions with members of City Council and senior management, and survey of staff.

Audit Plan:

In the summer of 2019, the Riviera Beach 2030 concept was born and the City embarked on a new and exciting journey to break from the status quo and create a prosperous, resilient, and sustainable community.

Then, in the spring of 2020, COVID-19 struck and left many municipalities wondering about the future. However, this is not the time to take a step back, it is the time for decisive action that will propel the City toward making the Riviera Beach 2030 vision a reality. The proposed audits will help management build a stable foundation for the future. Please note that the audit plan considers the available audit hours, found in Attachment 2.

Top 5 Ranking Auditable Entities	Audits

1. HR - Compensation and Benefits	1. Audit of Human Resources
	    Phase I – Culture
	    Phase II – Human Resources Processes

2. HR - Recruitment and Selection	
3. HR - Training and Development	
4. HR - Performance Measurement and Succession Planning	
5. HR - Employee Relations	
	Additional Recommendations
	1. Review of Grants
	2. Review of P-Cards
	3. Review of Real Estate
	4. Review of the Small Business Forgivable Loans Program
	5. Assessment of IT Cybersecurity (Consider Outsourcing)

*This audit plan is a planning tool to help ensure the best use of audit resources. As such, it is subject to change throughout the year as risks and priorities change.

Please note that the time in Attachment 2 is an estimate. It may need to be adjusted depending on the actual time the projects take.

Attachment 1
Audit Universe

No.	No. (PY)	Auditable Entity
1	-	Elected Officials
2	-	City Attorney's Office - Administration
3	-	City Attorney's Office - Advisory
4	-	City Attorney's Office - Litigation
5	-	City Attorney's Office - Contract
6	-	City Attorney's Office - Outside Council
7	-	Civil Drug Court
8	-	Communications
9	-	Justice Service Center
10	-	Youth Empowerment Program
11	-	Economic, Business and Workforce Development
12	-	City Clerk - Administration
13	-	City Clerk - Records
14	-	City Clerk - Elections
15	-	Development Services - Administration
16	-	Development Services - Planning and Zoning
17	-	Development Services - Building
18	-	Development Services - Code Compliance
19	-	Finance - Administration
20	-	Finance - Financial/Fiscal Services
21	-	Finance - Treasury Services
22	-	Finance - Billing/Customer Service
23	-	Fire - Administration
24	-	Fire - Fire Services
25	-	Fire - Emergency Medical Services
26	-	Fire - Ocean Rescue
27	-	Fire - Inspections/Prevention
28	-	Fire - Emergency Preparedness and Response
29	-	HR - Administration
30	-	HR - Recruitment and Selection
31	-	HR - Compensation and Benefits
32	-	HR - Training and Development
33	-	HR - Performance Measurement and Succession Planning
34	-	HR - Separation
35	-	HR - Employee Relations
36	-	HR - Labor Relations
37	-	HR - Risk Management
38	-	IT - Administration

No.	No. (PY)	Auditable Entity
39	-	IT - Applications/Business Operations
40	-	IT - Systems Operations
41	-	IT - Network Operations
42	-	IT - Service Desk Operations
43	-	IT - GIS
44	-	IT - Website
45	-	IT - Public Safety Support
46	-	Library - Administration
47	-	Library - Youth Services
48	-	Library - Adult Services
49	-	Library - Cultural and Research Services
50	-	Marina
51	-	Parks - Administration
52	-	Parks - Parks
53	-	Parks - Recreation
54	-	Parks - Aquatics
55	-	Police - Administration
56	-	Police - Communications
57	-	Police - Patrol
58	-	Police - Traffic
59	-	Police - K9
60	-	Police - Investigations
61	-	Police - Reserve Program and Volunteers
62	-	Police - Internal Affairs
63	-	Police - Evidence
64	-	Police - Records
65	-	Procurement - Administration
66	-	Procurement - Purchasing
67	-	Procurement - Contract Administration
68	-	Procurement - P-Card Administration
69	-	Procurement - Surplus Property Management
70	-	Public Works - Administration
71	-	Public Works - Engineering
72	-	Public Works - Property Maintenance
73	-	Public Works - Vehicle Maintenance
74	-	Public Works - Streets and Grounds Maintenance
75	-	Public Works - Stormwater Management
76	-	Real Estate

No.	No. (PY)	Auditable Entity
77	-	Solid Waste Collection
78	-	Utility Special District - Administration
79	-	Utility Special District - Water Treatment
80	-	Utility Special District - Water Distribution
81	-	Utility Special District - Wastewater/Sewage Collection
82	-	CRA

Estimated Hours

Available Hours

Independent Auditor	2,080	
Less: Audit Hours		
Audit #1 - Audit of Human Resources		
Phase I - Culture		-500
Phase II - Human Resources Processes		-500
Review #1 - Review of Grants		-250
Review #2 - Review of P-Cards		-250
Review #3 - Review of Real Estate		-250
Review #4 - Review of the Small Business Forgivable Loans Program		-250
Support for IT Consultant		-100
Support for External Auditor		-50
Post Audit Review #1 - OIG, Investigative Report of Summer Youth Employment Program *(February and August)*		-50
Post Audit Review #2 - OIG, Investigative Report of Outside Employment *(February and August)*		-50
Post Audit Review #3 - OIG, Investigative Report of City Council Vehicle Use *(February and August)*		-50
Post Audit Review #4 - OIG, Audit Report of Palm Beach County Office of Financial Management and Budget, Public Service Tax *(February and August)*		-50
Post Audit Review #5 - OIG, Audit Report of Employment Separation Process *(February and August)*		-50
Post Audit Review #6 - OIG, Audit Report of Purchasing Cards and Council Members' Out-of-State Travel *(February and August)*		-50
Post Audit Review #7 - OIA, Audit of Controlled Substances *(October)*		-50
Post Audit Review #8 - OIA, Audit of Parks and Recreation Cash Handling *(October)*		-50
Post Audit Review #9 - OIA, Audit of the Police Evidence Section *(October)*		-50
Special Projects		0
Hotline		0
	Subtotal	-2,600
Less: Non-Audit Hours		
Administrative		
Council Meetings		-104
Directors Meetings		-52
Other Meetings		-48
Audit Committee Meetings (Including Prep Time)		-40
Administration		-480
Research		0
Annual Risk Assessment and Audit Plan		-80
Professional Development		-80
	Subtotal	-884
Less: Paid Leave		
Personal Day		-8
Vacation		-160
Sick		-40
City Holidays		-96
	Subtotal	-304
	Total	-3,788
	Check	-1,708