

**CITY OF PASADENA
AUDIT PLAN -ATTACHMENT A**

ITEM	TITLE-DESCRIPTION	RESOURCE	ESTIMATED		STATUS-COMMENTS
			START	FINISH	
AT 7/28/2014					
ITEMS 1 TO 7, INTERNAL AUDITS/ACTIVITIES IN PROGRESS					
1	Parking Operations – Review and make recommendations related to parking garages, administration by three independent contract operators, and control considerations.	Lance, Soll, & Lunghard LLP	July 2013	Feb. 2014	Report is complete. Next step is to present to a Council Committee
2	Concord Senior Housing – Review of agreements, ground lease payments, HUD requirements, deferred maintenance, and beneficial interest granted by City to Pasadena Fire and Police Retirement System.	White, Nelson, Deihl, Evans LLP	August 2013	Dec. 2013	Report is complete. Next step is to present to the Audit Committee
3	Housing and Commercial Development Projects Loan Inventory – Review of outstanding amounts owed to City, inventory and controls over compliance monitoring, billing, and timely follow	Internal	July 2013	Feb. 2014	To be reported to Audit Committee on 8/11/2014.
4	Workers Compensation Program – Current practices are being reviewed against best practices and industry standards.	External	Oct. 2013	Mar. 2014	A final report is being prepared to present to the Audit Committee.
5	Transient Occupancy Tax (TOT) – Review by external consultant of six largest hotels in Pasadena in two phases. Phase I auditor offsite requests for information (completed) with Phase II site visits anticipated in the two weeks. This is planned as a multi-year assignment with the largest six hotels generating 75% to 80% of TOT revenue being completed this year. Each year six more hotels will be selected for review. This is to be an ongoing annual process.	MuniServices	Nov. 2013	Mar. 2014	A summary report is being finalized.
6	Purchasing Contracts and purchase order process and procedures – Review of City’s policies, procedures, and practices related to vendor management, covering vendor selection, contract review and approval, internal controls, due diligence, and security. A sample of vendors/contracts from all departments will be selected. Preliminary planning has been conducted with McGladrey LLP.	McGladrey LLP	1/26/2014	May 2014	Phase I - Done
7	Continuing Monitoring of Petty Cash, Cash Handling, and Purchasing Card Activity – Review by internal staff is continuing on an ongoing basis as a follow up to previous audits. While these are conducted by existing staff with limitations on time available, we believe continued surprise internal audits to be one tool to keep the City in compliance in these three areas. These serve as an adjunct to the ongoing semi-annual trainings related to cash handling and petty cash.	Internal	Ongoing	Ongoing	Ongoing

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ITEM	TITLE-DESCRIPTION	RESOURCE	ESTIMATED			STATUS-COMMENTS
			START	FINISH	REPORT	
ITEMS 8 TO 25, INTERNAL AUDITS/ACTIVITES CONTEMPLATED						
FISCAL YEAR 2015						
8	Citywide Risk Assessment – An enterprise wide risk assessment is a management tool to develop the scope and direction of the internal audit program. This report assists the City in allocating resources for maintenance of continuous and sufficient internal audit coverage of areas deemed the highest risk profiles. The City’s business objectives will be stated, potential significant risks identified, the control environment assessed, and internal audit strategies established. This is anticipated to take approximately three months from the time of contract award.	External	3rd Qtr 2014	1st Qtr 2015	1st Qtr 2015	
9	Accounts Payable Procedures - Review of Accounts Payable practices and procedures to ensure compliance and measurement against best practices.	Internal or External	4th Qtr 2014	2nd Qtr 2015	2nd Qtr 2015	
10	PWP Inventory - The City should as part of it’s annual accounting cycle perform some testing of PWP inventory to confirm valuation for inclusion in financial statements.	Internal or External	2nd Qtr 2015	3rd Qtr 2015	4th Qtr 2015	
11	Fleet Operations-Fuel Pump Controls/Repairs and Maintenance - This evaluation will study the access to, accounting for, and use of fuel provided by the City and fleet maintenance operations.	Internal or External	1st Qtr 2015	2nd Qtr 2015	2nd Qtr 2015	
12	Capital Asset Acquisition and Disposal - The process for recording and disposal of assets should be periodically reviewed to ensure that fixed assets are properly recorded.	Internal or External	1st Qtr 2015	2nd Qtr 2015	2nd Qtr 2015	
FISCAL YEAR 2016						
13	Independent Contractor Versus Employee Issue – The IRS has changed their testing method to determine proper classification of employee versus independent contractor and has begun visiting Cities to assure compliance. This review would verify the City’s compliance and determine if improved documentation is needed to support the City’s position. It would also test that all regulatory items, such as 1099 issuance, are in compliance. It is anticipated that this could be completed in two months once departments have assembled the necessary documentation.	Internal or External	3rd Qtr 2015	1st Qtr 2016	1st Qtr 2016	
14	Leases – The City is both a lessor and a lessee in a number of properties. This review will utilize an the existing inventory to verify and assure continued and active monitoring of these leases. It is anticipated that this could be completed in three months once departments have assembled the necessary documentation.	Internal or External	4th Qtr 2015	2nd Qtr 2016	2nd Qtr 2016	
15	Human Resource Benefits Division/Payroll- Controls Over Benefits - This review would evaluate the controls and procedures that benefits are properly applied.	Internal or External	1st Qtr 2016	2nd Qtr 2016	2nd Qtr 2016	

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ITEM	TITLE-DESCRIPTION	RESOURCE	ESTIMATED			STATUS-COMMENTS
			START	FINISH	REPORT	
FISCAL YEAR 2016 (CONTINUED)						
16	Accounts Receivable Collection Procedures - Similar to the recent efforts related to loans made by the City, all receivables and their related procedures would be reviewed to insure that the City is collecting all amounts due.	Internal or External	3rd Qtr 2015	1st Qtr 2016	1st Qtr 2016	
17	PWP Power Trading - The trading transaction which the City enters into are high dollar and complex.	External	3rd Qtr 2015	2nd Qtr 2016	3rd Qtr 2016	Utility expertise will be required to perform this study
18	Budget/Human Resources Position Controls - This study would evaluate the budgetary control over the addition and reduction of City employees.	Internal or External	3rd Qtr 2015	1st Qtr 2016	1st Qtr 2016	
FISCAL YEAR 2017						
19	Purchasing Card Followup - Last year the City completed an extensive audit of purchasing card usage to verify compliance with City policies and procedures. This would provide for periodic spot checks to verify ongoing compliance.	Internal	3rd Qtr 2016	4th Qtr 2016	1st Qtr 2017	
20	Citywide Refund Process - The City issues refunds initiated by a number of City departments. This review would examine the various processes to insure compliance with City policies and best practices.	Internal or External	4th Qtr 2016	2nd Qtr 2017	3rd Qtr 2017	
21	Take Home Vehicles - Last reviewed by internal audit in 2008, this would update that study for Citywide compliance with IRS requirements.	Internal	1st Qtr 2017	2nd Qtr 2017	2nd Qtr 2017	This would include evaluation of garage location, safety, and other IRS exemptions.
22	ARTS-Fare Box Controls - Similar to the study on cash handling, this study will review the controls over the fares collected.	Internal or External	1st Qtr 2017	2nd Qtr 2017	2nd Qtr 2017	
23	Library Controls - The cash handling study indicated the need for further review, especially for the Library where the dollar amounts are very small and there are staffing limitations on segregation of duties.	Internal	1st Qtr 2017	2nd Qtr 2017	2nd Qtr 2017	
24	PWP Billing - This is a specialized billing system which should be evaluated for best practices and internal controls.	Internal or External	1st Qtr 2017	2nd Qtr 2017	3rd Qtr 2017	