

Ordinance to approve the Annual Audit Plan for FY 2013-2014

Whereas, Section 12 ½ - 2 (h)(1) of the City Code of Ordinances requires that no less than thirty (30) days prior to the beginning of each fiscal year, the City Auditor shall submit an Annual Audit Plan to the Council Audit Committee for review and comment, after which the plan is to be forwarded to City Council for review and final approval;

Whereas, Section 12 ½ - 2 (h) (1) of the City Code of Ordinances provides that the plan shall identify each audit to be conducted in terms of the department, organization, service, program, function or policy to be audited and audit objectives to be addressed;

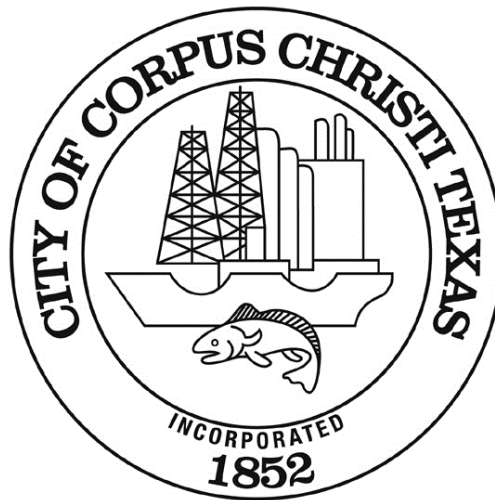
Whereas, the Council Audit Committee reviewed and approved the FY 2013-2014 Annual Audit Plan at its meeting on June 4, 2013;

Now therefore, be it ordained by the City Council of the City of Corpus Christi, Texas:

Section 1. That the City Council has reviewed and does approve the Annual Audit Plan for FY 2013-2014, copy attached as Exhibit A.

City of Corpus Christi

City Auditor's Office



Proposed Annual Audit Plan

Fiscal Year 2014

June 4, 2013

To: Honorable Mayor and Council Members
Subject: Proposed Annual Audit Plan Fiscal Year 2014

In accordance with Corpus Christi Code of Ordinance, Chapter 12 1/2, Section 2 (h)1, I am pleased to present the Annual Audit Plan (the plan) for Fiscal Year (FY) 2014. Section 2 requires the City Auditor to submit the plan to the Council Audit Committee for review and comment thirty (30) days prior to the beginning of each fiscal year.

The FY 2014 plan incorporates input from City Council Members and information from a department-level risk assessment survey. The survey considered factors such as financial impact, internal and external environment changes, complexity, and prior issues. The City Auditor's Office used professional judgment to rank this input and develop auditable areas including preliminary audit objectives. This approach provides adequate audit coverage of City processes and programs in high-risk areas.

Government auditing standards require that we provide independent, objective, fact-based assessments of the stewardship, performance and cost of policies, programs, and operations that we audit. Our work is a vital component of the City's effort to maintain citizens' trust and confidence in the effective, efficient and economic deployment of City resources.

2014 Audit Plan

During FY 2013 the City Auditor's Office saw the resignation of the prior City Auditor and one of its two staff auditors. As a result, none of the FY 2013 audits have been initiated. Therefore, the majority of FY 2013 audit projects have been reclassified as FY 2014 audits. The FY 2014 plan includes 5 audits and 3 follow-up audits along with one audit carried over from FY 2012. The plan also includes staff hours for unannounced cash counts, investigations of fraud hotline tips, and special assignments approved by the Audit Committee.

I look forward to assisting the Audit Committee and City Council in fulfilling their governance responsibilities to the citizens of Corpus Christi.

Respectfully,



Arlena Sones, CPA, CIA, CGAP
City Auditor

Proposed FY 2014 Audit Plan

Item No.	Project No.	Department & Audit Area	Audit Objectives	Estimated Hours
1	AU14-001	Financial Services <i>Hotel/Motel Occupancy Tax*</i>	Determine if hotels/motels are properly collecting and remitting all occupancy taxes owed to the City in compliance with applicable regulations and guidelines.	885
2	AU14-002	Financial Services <i>Warehouse*</i>	Determine if adequate controls are in place to manage inventories.	685
3	AU14-003	Municipal Court <i>Fee Collections*</i>	Determine if adequate controls are in place for the collections and billing of fees.	785
4	AU14-004	Airport <i>Leases</i>	Determine if airport car rental concessionaires and fixed based operators are properly reporting and remitting lease amounts to the City.	785
5	AU14-005	MIS <i>Financial Software</i>	Determine if segregation of duties has been implemented in the new financial software systems.	400
6	FU14-001	Financial Services <i>Purchasing*</i>	Evaluate management implementation of prior audit recommendations.	100
7	FU14-002	Financial Services <i>Utility Business Office & Field Operations*</i>	Evaluate management implementation of prior audit recommendations.	100
8	FU14-003	Financial Services <i>Central Cashiering*</i>	Evaluate management implementation of prior audit recommendations.	100
9	TBD	Citywide	Perform unannounced cash counts, investigate allegations of fraud, waste or abuse, and conduct special assignments approved by audit committee.	400
			Total Estimated Hours	4,240
Audit Carryovers				Estimated Remaining Hours
1	AU12-003	Financial Services - Central Cashiering	Evaluate the adequacy of cash handling controls over receipts.	500
*This audit was originally scheduled for FY 2013; however, it will be re-classified as FY 2014.				

That the foregoing ordinance was read for the first time and passed to its second reading on this the _____ day of _____, _____, by the following vote:

Nelda Martinez	_____	Chad Magill	_____
Kelley Allen	_____	Colleen McIntyre	_____
Rudy Garza	_____	Lillian Riojas	_____
Priscilla Leal	_____	Mark Scott	_____
David Loeb	_____		

That the foregoing ordinance was read for the second time and passed finally on this the _____ day of _____, _____, by the following vote:

Nelda Martinez	_____	Chad Magill	_____
Kelley Allen	_____	Colleen McIntyre	_____
Rudy Garza	_____	Lillian Riojas	_____
Priscilla Leal	_____	Mark Scott	_____
David Loeb	_____		

PASSED AND APPROVED, this the _____th day of _____, _____.

ATTEST:

Armando Chapa
City Secretary

Nelda Martinez
Mayor