

Ordinance to approve the Annual Audit Plan for FY 2012-2013.

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 City Council through the Council Audit Committee for review and comment;

Whereas, the Council Audit Committee reviewed and approved the FY 2013 Annual Audit Plan at its meeting on May 29, 2012;

Whereas, the Council Audit Committee shall forward the Annual Audit Plan to the City Council for City Council review and final approval

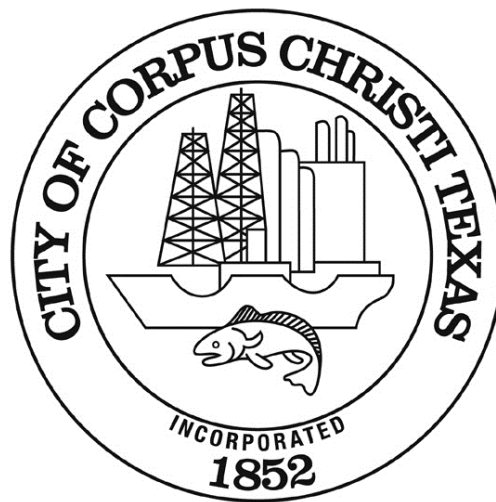
Be it ordained by the City Council of the City of Corpus Christi Texas:

Section 1. That the City Council has reviewed and does approve the Annual Audit Plan for FY 2012-2013, copy attached as Exhibit A.

Exhibit A

City of Corpus Christi

City Auditor's Office



Proposed Annual Audit Plan

Fiscal Year 2013

May 17, 2012

**To: Honorable Members of the Council Audit Committee and
City Council**

Subject: Fiscal Year 2013 Proposed Audit Plan

In accordance with Corpus Christi Code of Ordinance, Chapter 12 1/2, Section 2 (H)1, attached is the City Auditor's Fiscal Year 2013 Audit Plan. This provision requires the City Auditor to submit the annual audit plan for review and comment through the Council Audit Committee thirty (30) days prior to the beginning of each fiscal year. The FY 2013 Audit Plan incorporates input from City Council Members and some Department Directors. We also applied a department level risk assessment considering factors such as financial impact, internal and external environment changes, complexity, and prior issues. The City Auditor used professional judgment to rank this input and develop auditable areas including preliminary audit objectives. This approach provides adequate audit coverage for City processes and programs in high-risk areas and recognized concerns raised by City Management.

The Government Auditing Standards, which we will follow, require that we provide independent, objective, fact-based assessments of the stewardship, performance and cost of policies, programs, and operations we audit. Our work is also vital to maintaining citizens' trust and confidence in the City's effective, efficient and economic deployment and use of its resources.

2013 Audit Plan

For FY 2013, the plan includes 4 proposed audits and 5 Follow-up Audits (Enclosure A) along with one audit carried over from the prior fiscal year. The plan also includes the performance of Surprise Cash Counts on various city sites collecting money, Fraud Investigations, and Special Assignments or requests by City Council and City Management. These requests will be subject to approval by the Council Audit Committee.

With approval of the Council Audit Committee, this plan may be amended. We look forward to assisting the Committee and the City Council in fulfilling their governance responsibilities to the City of Corpus Christi.

Celia Gaona, CIA CFE CISA

City Auditor

Enclosure A

Proposed FY 2013 Audit Plan

Item #	Project #	Department	Program/ Risk Area	Component	Audit Objectives	Estimated Hours
1	AU13-001	Hotel/Motel Occupancy Tax	Compliance	Revenue	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	AU13-002	Financial Services - Warehouse	Inventory	Expense	Determine if adequate controls are in place to manage inventories.	685
3	AU13-003	Engineering	Compliance	Expense	Evaluate controls over the procurement of professional services process.	785
4	AU13-004	Municipal Court	Operational	Revenue	Determine if adequate controls are in place for the collections and billing of fees.	785
5	FU13-001	Financial Services - Payroll	Follow-Up Audit	Expense	Evaluate management implementation of prior audit recommendations.	100
6	FU13-002	Financial Services - Purchasing	Follow-Up Audit	Expense	Evaluate management implementation of prior audit recommendations.	100
7	FU13-003	Financial Services - Utility Business Office & Field Operations	Follow-Up Audit	Expense	Evaluate management implementation of prior audit recommendations.	100
8	FU13-004	Financial Services - Central Cashiering	Follow-Up Audit	Revenue	Evaluate management implementation of prior audit recommendations.	100
9	FU13-005	Hotel/Motel Occupancy Tax	Follow-Up Audit	Revenue	Evaluate management implementation of prior audit recommendations.	100
10	TBD	Citywide	Other Engagements	TBD	Perform Surprise Cash Counts, Special Assignments, and evaluate allegations of fraud, waste or abuse, and conduct investigations.	812
Audit Carryovers						Estimated Carryover hours from FY12
	AU12-003	Financial Services - Central Cashiering	Cash	Revenue	To evaluate the adequacy of cash handling controls over receipts.	300

4,752

That the foregoing ordinance was read for the first time and passed to its second reading on this the _____ day of _____, 2012, by the following vote:

Joe Adame	_____	David Loeb	_____
Chris N. Adler	_____	John E. Marez	_____
Kelley Allen	_____	Nelda Martinez	_____
Larry Elizondo	_____	Mark Scott	_____
Priscilla G. Leal	_____		

That the foregoing ordinance was read for the second time and passed finally on this the _____ day of _____, 2012, by the following vote:

Joe Adame	_____	David Loeb	_____
Chris N. Adler	_____	John E. Marez	_____
Kelley Allen	_____	Nelda Martinez	_____
Larry Elizondo	_____	Mark Scott	_____
Priscilla G. Leal	_____		

PASSED AND APPROVED, this the _____ day of _____, 2012.

ATTEST:

Armando Chapa
City Secretary

Joe Adame
Mayor