

Internal Audit Report



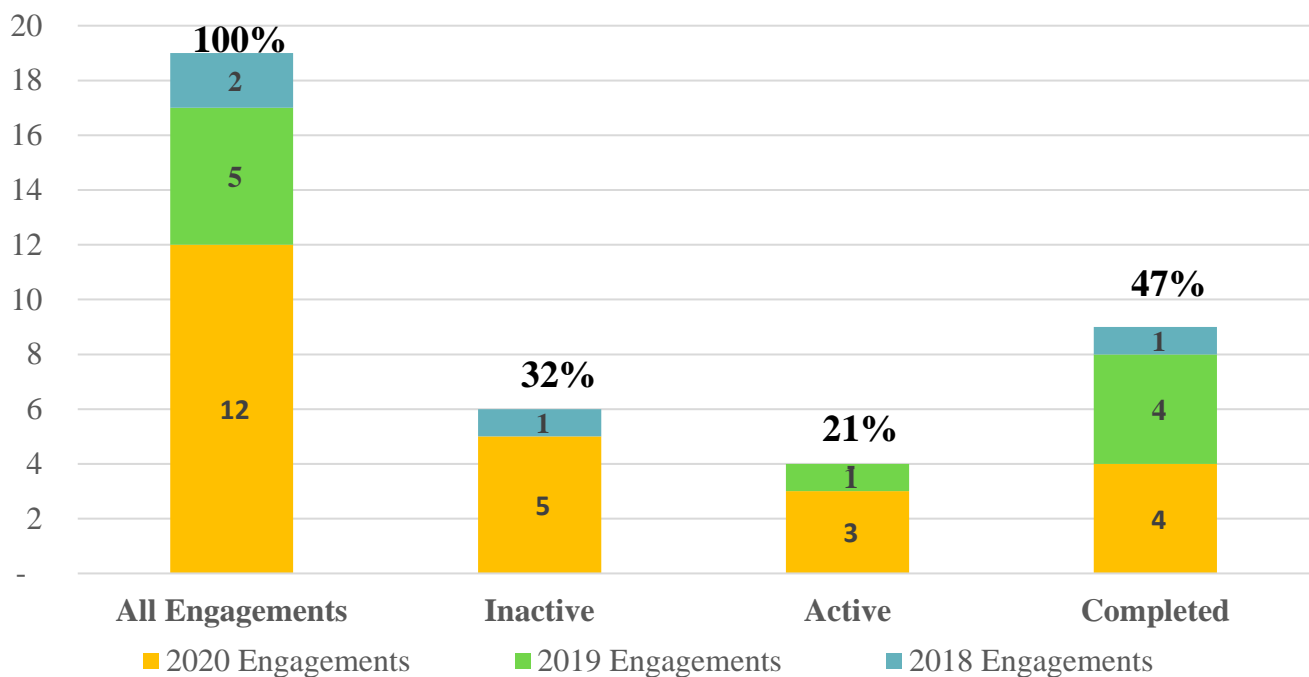
2020 Office of the Internal Auditor Annual Operations Report

For the year ended December 31, 2020



This annual report, part of our scheduled communications with the Audit Committee, provides an account of our progress against our 2020 annual audit plan, provides a status report on outstanding recommendations, and describes other related activities in which we participated during the year.

2020 Engagement Plan Progress and Status



As of December 31, 2020

Total output for 2020 was down (compared to previous years) as the Internal Audit Manager was reassigned for most of the year to fill the role of Recovery Manager under the City’s Disaster Recovery Plan in response to the COVID-19 pandemic. As a result, the two remaining Internal Auditors had to both conduct audit engagements and perform workpaper reviews on each other’s work. The Internal Audit Manager did review all final reports before they were issued. The staffing shortage impacted our productivity; however, staff were able to complete nine engagements in 2020. With nine engagements completed and three active, the Office achieved a 68% combined rate for active and completed engagements.

Why the Audit Plan Changes

Due to varying engagement sizes and complexity as well as our limited staff resources, engagements started in one year often roll into the next or subsequent years. Except for our two recurring Aurora Police Department (APD) engagements, most of our engagements are non-recurring. Each is new and unique with no previous history by which to guide our audit work. Consequently, we may face unexpected issues

during fieldwork that require additional effort beyond our original plan, extending the engagement beyond its original estimated completion date, and impacting the timing for other scheduled engagements.

We also entertain requests for new engagements during the year. The decision to add or not add these engagements to our work plan is based upon our available resources and our assessment of the risks inherent in the new engagements in relation to existing planned engagements. We added four unplanned audits during 2020 (designated in **bold** in the table below.)

Completed or Active	Postponed	Cancelled
		Payroll, Part 1
Grants Administration Processes, Part 1		
Succession Planning Survey		
Purchasing Card Transactions		
Purchasing Operations Review, Part 2		
PerfectMind/WorldPay Reconciliation Review		
Public Safety Dispatch Culture Survey Follow Up		
APD Property and Evidence		
APD Vice and Narcotics		
	Marijuana Enforcement Process Review	
		Secondary Employment Compliance
APD Body Cam Compliance		
	Citywide Governance	
		Construction Project Review
	Courts Case Management	
APD Overtime Grants		
AEDC Financial Incentives		
APD Versadex Case Management		
APD K-9, Part 1		

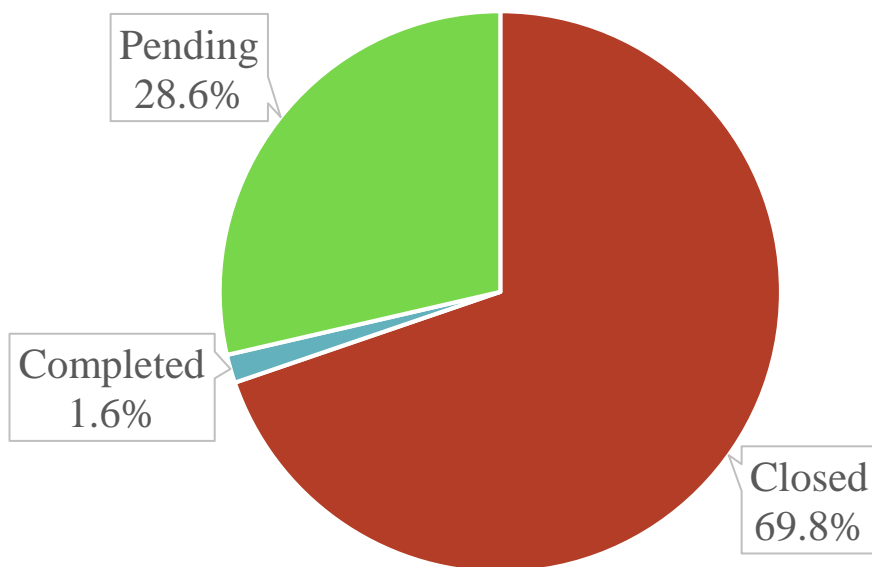
The postponed engagements have been included in the 2021 audit work plan. Of the cancelled engagements, portions of the Payroll engagement were reconstituted into a new engagement in the 2021 plan.

In 2021, Internal Audit added a new position, a Police Auditor. The Police Auditor will conduct engagements in areas of police operations of potentially high liability or of significant public concern. The engagements will be focused on increasing department transparency and regaining and maintaining public trust. This position was filled from our team by Michelle Crawford. We are actively recruiting for an entry level auditor to backfill for Michelle’s promotion.

RECOMMENDATIONS

We record and regularly track the implementation progress of audit recommendations in our TeamMate audit software. We work with our audit clients to establish realistic implementation dates. Sometimes, these dates are revised due to unforeseen circumstances. The chart below displays the status of recommendations as of December 31, 2020. As of that date, only 28.6% of all audit recommendations issued remained incomplete. The table that follows shows pending audit recommendations by engagement and provides status totals for audit engagements for which all recommendations are either closed or completed.

Status of Audit Recommendations



Closed: Client management has approved the implementation. No further action is necessary.

Completed: The client has implemented the recommendation and is waiting for client management’s final approval in TeamMate.

Pending: Implementation is not completed.

2020 Annual Engagement Plan | Annual Progress Report

Report Release Date	Audit Plan Year	Audit Plan Year and Engagement Name	Closed	Completed	Pending	Grand Total
January 2016	2015	Payroll and HR Audit	14	-	1	15
		<i>Subtotal 2015</i>	14	-	1	15
		<i>Percentage of Total</i>	93%	0%	7%	100%
September 2017	2016	Citywide Physical Security Assessment	14	-	9	23
September 2017		Core 4 Culture Impact Assessment	3	-	1	4
April 2017		Overall Disaster Preparedness Assessment	10	-	1	11
March 2018		Fire Department Overtime	21	-	1	22
		<i>Subtotal 2016</i>	48	-	12	60
		<i>Percentage of Total</i>	80%	0%	20%	100%
May 2018	2017	Lethal and Less Lethal Weapons Inventory and Control Review	11	-	7	18
		<i>Subtotal 2017</i>	11	-	7	18
		<i>Percentage of Total</i>	61%	0%	39%	100%
November 2018	2018	Overall Disaster Preparedness: Recommendations Follow-up	3	-	4	7
May 2019		Fleet Management Operational Review	17	-	17	34
October 2019		Purchasing Operations Review-Part 1	1	-	5	6
		<i>Subtotal 2018</i>	21	-	26	47
		<i>Percentage of Total</i>	45%	0%	55%	100%
October 2019	2019	Planning Culture Survey	3	1	10	14
October 2019		House Aurora Partnership	2	-	11	13
February 2020		Grant Administration Processes	-	2	14	16
July 2020		Dispatch Culture Survey (Follow-Up)	-	-	4	4
November 2020		Purchasing Card Transaction Propriety	-	-	10	10
		<i>Subtotal 2019</i>	5	3	49	57
		<i>Percentage of Total</i>	9%	5%	86%	100%
September 2020	2020	APD Body-Worn Camera Compliance	-	-	10	10
		<i>Subtotal 2020</i>	-	-	10	10
		<i>Percentage of Total</i>	0%	0%	100%	100%
		Total for all years above combined	99	3	105	207
		<i>Percentage of Total</i>	48%	1%	51%	100%
		Totals for all engagements with all Completed or Closed	157	3	-	160
		<i>Percentage of Total</i>	98%	2%	0%	100%
		Grand total for all recommendations	256	6	105	367
		<i>Percentage of Total</i>	69.8%	1.6%	28.6%	100%

Recommendation Implementation Notes

Audit Plan Year	Engagement Name	Implementation Comments
2015	Payroll and HR Audit	Implementation is in process; the final recommendation is pending the implementation of a new technology solution. We expect completion when the new solution is in place.
	Citywide Physical Security Assessment	The newly hired Physical Security Manager is addressing the remaining outstanding recommendations. We expect continued progress throughout 2021.
2016	Overall Disaster Preparedness Assessment	Revised completion dates are Q1 2021. Internal Audit completed a follow-up engagement on the original audit recommendations: see <i>2018 Overall Disaster Preparedness: Recommendations Follow Up</i> below.
	Fire Department Overtime	The final recommendation relates to establishing performance measures for overall performance. This will be addressed during the City strategic planning development currently in process.
	Core 4 Culture Impact Assessment	Human Resources is addressing the recommendations in Q1 2021.
2017	Lethal and Less Lethal Weapons Inventory and Control Review	A new inventory system has been selected and is in the final stages of implementation. We expect the completion of all recommendations in 2021.
	Fleet Management Operational Review	The implementation of recommendations was delayed due to delays in Wi-Fi installation by the Information Technology Department, outside of Fleet's control.
2018	Purchasing Operations Review-Part 1	Implementation is in process; revised target dates are in Q1 2021.
	Overall Disaster Preparedness: Recommendations Follow-up	Implementation is in progress; revised target dates are in Q3 2021.
2019	Planning Culture Survey	Planning has been making consistent progress in addressing the recommendations.
	House Aurora Partnership	New Homelessness Manager and the new Neighborhood Services Director are making progress on reimagining this program and implementing recommendations.
	Grant Administration Process	Implementation is in process. Finance is developing new procedures and training for release in the first quarter of 2021.
	Purchasing Card Propriety	Implementation is in process.
2020	APD Body-Worn Camera	Implementation is in process. APD is in the process of selecting a new BWC vendor. Updates to the BWC Policy are working through the APD approval process.

OTHER ACTIVITIES

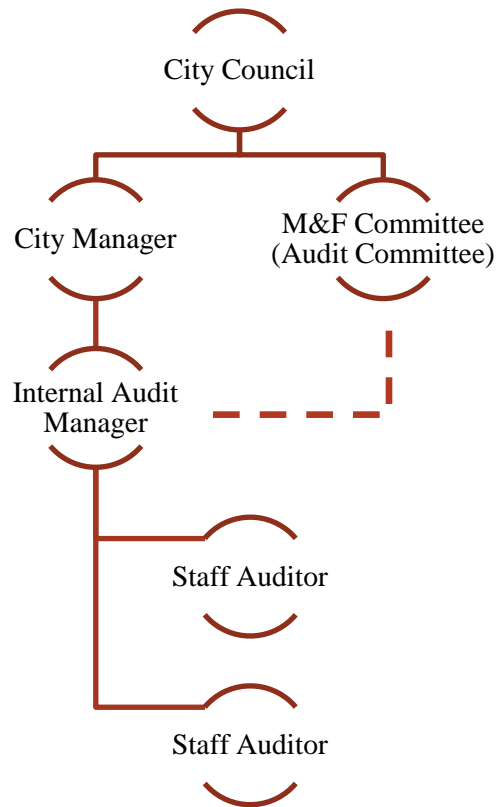
Information Technology (IT) and Risk Operations

Internal Audit conducted separate quarterly meetings with the City’s Chief Information Security Officer (CISO) and the Risk Operations staff. In these meetings, we discussed topics of mutual interest that aided our risk assessment and monitoring efforts. These functional areas also contributed questions that Internal Audit used in our annual risk assessment questionnaire.

Staff Professional Development

All audit staff completed their 40 hours of required annual professional development.

Internal Audit Reporting Structure



Attached Engagement Summary Reports

- Purchasing Card Transaction Propriety