

Internal Audit Report



2021 Office of the Internal Auditor Operations  
Report

For the quarter ended September 30, 2021



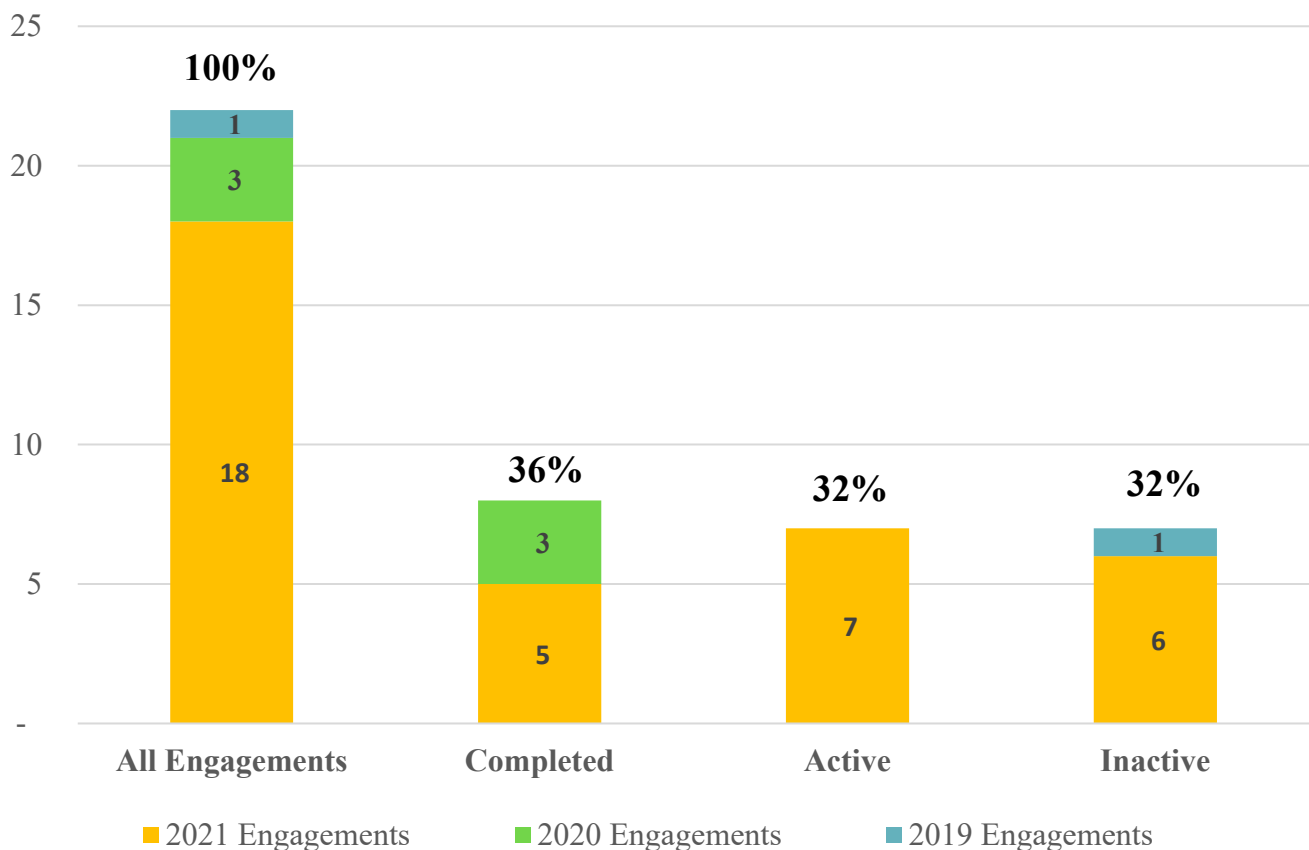


## 2021 ENGAGEMENT PROGRESS SUMMARY

Through September 30, Internal Audit has completed 36% of scheduled engagements. Another 32% are currently active, all from the 2021 audit plan. One engagement remains from the 2019 audit plan—Succession Planning Survey. We will reconsider this engagement in 2022. We will regroup with Human Resources in the new year to decide whether the timing is right to pursue this engagement or postpone it. In the context of all the audit engagements, we consider this a low risk engagement that could be postponed if necessary. In total, 68% of all our possible engagements are either active or were completed in the first two quarters of 2021.

Internal Audit continues to work remotely, conducting business in-person only when necessary. Our TeamMate audit software and the ability to use electronic signatures have allowed us to be effective in this remote work environment. We can obtain audit documentation electronically and engage client staff through Microsoft Teams effectively.

### 2021 Engagement Progress



*As of September 30, 2021*

## **Agile Engagements**

Internal Audit applies its own custom agile approach to our engagements. This approach brings valuable information to our clients more quickly than the traditional approach through a report provided at the end of each milestone.

This is an explanation of our Milestones:

**Team Preparation:** *Ensure that the engagement team can properly conduct the engagement.*

**Client Evaluation:** *Gain a deeper understanding of the client's operating environment and client issues that may affect the engagement objectives and that may influence subsequent engagement procedures.*

**Process Controls and Efficiency:** *Determine whether appropriate process controls exist and whether processes are efficient.*

**Risks:** *Assess the impact of identified risks on the engagement objectives, scope, and on the objectives test work procedures.*

**Planning and Preparation Finalization:** *Determine the final engagement objectives, scope, and objectives test work procedures.*

**Objectives Test Work:** *Obtain sufficient evidence to afford a reasonable basis for conclusions on the engagement objectives.*

**Reporting:** *Summarize the results of our engagement procedures and our related conclusions, findings, and recommendations in a clear and concise report that addresses all engagement objectives.*

**Wrap Up:** *Complete all administrative tasks necessary for a complete and orderly closeout of the engagement.*

2021 Operations Report—For the quarter ended September 30, 2021

In the table below, purple shading shows completed milestone work; hatched cells represent milestones in progress; and, orange shading represents future milestone work and the projected quarter in which that work is anticipated. This information is as of September 30.

Engagements	Milestones							
	1. Team Preparation	2. Client Evaluation	3. Internal Controls	4. Risk Evaluations	5. Preparation Finalization	6. Objectives Test Work	7. Reporting	8. Wrap Up
Succession Planning Survey		<b>RECONSIDER IN 2022</b>						
AEDC Incentives	<b>COMPLETED</b>							
APD Versadex Case Management	<b>COMPLETED</b>							
APD Property and Evidence	<b>COMPLETED</b>							
<i>New</i> —APD Property and Evidence Change of Custodian	<b>COMPLETED</b>							
APD Vice and Narcotics	<b>COMPLETED</b>							
<i>New</i> —APD Property and Evidence Change of Command Cash Count	<b>COMPLETED</b>							
Marijuana Enforcement		<b>ACTIVE: ROLLOVER TO 2022</b>						
P-card Transactions Monitoring	<b>Throughout the year</b>							
Civil Service Commission Research	<b>COMPLETED</b>							
AFR Culture Survey Follow Up		<b>ON HOLD</b>						
Payroll and HR Selected Process Reviews	<b>RECONSIDER AFTER ERP IMPLEMENTATION</b>							
Planning Administration Culture Follow Up	<b>POSTPONED DUE TO THE CHANGE IN LEADERSHIP</b>							
Audit of Mayor and Council Expenses	<b>Throughout the year</b>							
Court Case Management	<b>MAY START IN Q4</b>							
<i>New</i> —Visit Aurora			Q4	Q4	Q4	Q4	Q4	Q4
Police: APD K-9 Part 1	<b>COMPLETED</b>							

Engagements	Milestones							
	1. Team Preparation	2. Client Evaluation	3. Internal Controls	4. Risk Evaluations	5. Preparation Finalization	6. Objectives Test Work	7. Reporting	8. Wrap Up
Police: K-9, Part 2	IN 2022 AUDIT PLAN							
<i>New</i> —Police Records Division Culture Survey							Q4	Q4
Police: CCJRA Compliance								Q4
Police: Crisis Response Team Program Review		TBD						
Police: Senate Bill 217 Compliance	RECONSIDER IN 2022							

**Other Matters**

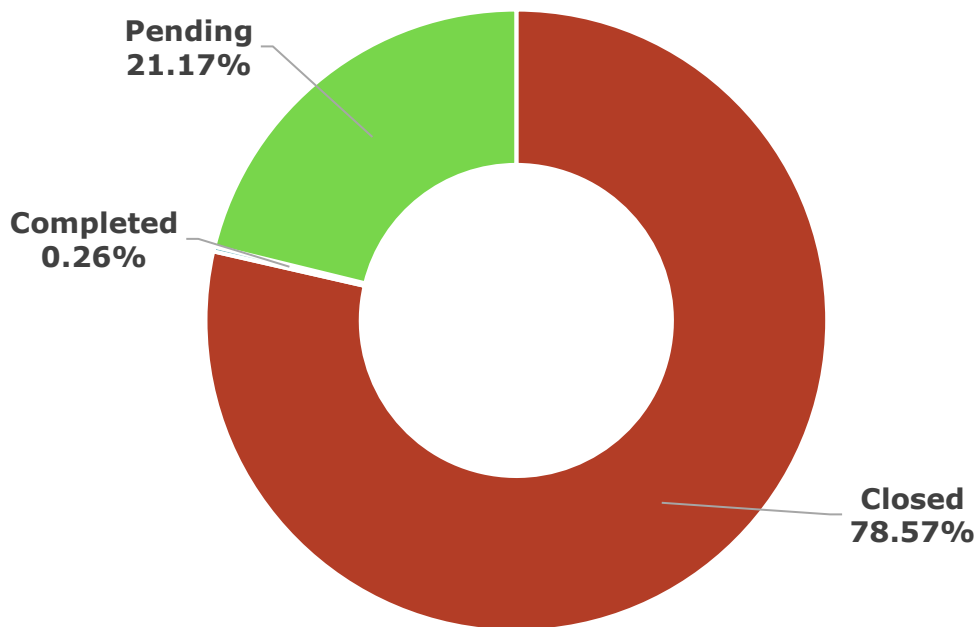
**2022 Risk Assessment:** Both Internal Audit and the Police Auditor completed our risk assessment activities in Q3. We have drafted our proposed 2022 audit plans and will be submitting them to the City Manager for approval. We will jointly present our approved 2022 Audit Plans to the Audit Committee in November.

**Staff Professional Development:** All staff is on track to complete their annually required 40 hours (minimum) of continuing professional training for 2021.

## RECOMMENDATIONS

We maintain and track the implementation status of our audit recommendations in our TeamMate audit software. The chart below displays the status of recommendations as of September 30, 2021. As of that date, 21.17% of all audit recommendations issued remained incomplete (Pending: either an implementation effort is in process or it has not begun.) While the total number of recommendations in the system has not increased, 24 recommendations closed in the last quarter. This is good as audit clients satisfactorily implement our recommendations. The list that follows the table on the next page outlines the status, by engagement, of outstanding audit recommendations. Internal Audit regularly monitors the progress made on these recommendations.

**Audit Recommendations Statuses as of  
September 30, 2021**



**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.

**Pending:** Implementation is not completed.

## 2021 Operations Report—For the quarter ended September 30, 2021

Report Release	Audit Plan Year	Engagement Name	Closed	Completed	Pending	Grand Total
January 2016	2015	Payroll and HR Audit	14		1	15
September 2017	2016	Citywide Physical Security Assessment	14		9	23
March 2018	2016	Fire Department Overtime	21		1	22
April 2017	2016	Overall Disaster Preparedness Assessment	10		1	11
September 2017	2016	Core 4 Culture Impact Assessment	3		1	4
May 2018	2017	Lethal and Less Lethal Weapons Inventory and Control Review	11		7	18
May 2019	2018	Fleet Management Operational Review	25		9	34
October 2019	2018	Purchasing Operations Review-Part 1	1		5	6
November 2018	2018	Overall Disaster Preparedness: Recommendations Follow-up	3		4	7
February 2020	2019	Grant Administration Processes	8		8	16
October 2019	2019	Planning Administration Culture Survey	8		6	14
October 2019	2019	House Aurora Partnership	10		3	13
September 2020	2020	APD Body Camera Compliance		1	9	10
May 2021	2020	Economic Development Rebates Tracking			8	8
January 2021	2020	APD - Versadex Case Management			6	6
April 2021	2020	APD - K9 Operations Part 1	1		4	5
June 2021	2021	APD - Property and Evidence Audit	5		1	6
<b>Total for engagements with pending recommendations</b>			134	1	83	218
<i>Subtotal pending as a percentage of Grand Total</i>			61.47%	0.46%	38.07%	100.00%
<b>Closed and completed</b>			174	0	0	174
<i>Subtotal closed and completed as a percentage of Grand Total</i>			100.00%	0.00%	0.00%	100.00%
<b>Totals for all recommendations statuses</b>			<b>308</b>	<b>1</b>	<b>83</b>	<b>392</b>
<i>Total as a percentage of Grand Total</i>			78.57%	0.26%	21.17%	100.00%
<b>Prior quarter numbers for all recommendations statuses</b>			<b>284</b>	<b>8</b>	<b>100</b>	<b>392</b>
<i>Total as a percentage of Grand Total</i>			72.45%	2.04%	25.51%	100.00%
<b>Change from prior quarter</b>			<b>24</b>	<b>-7</b>	<b>-17</b>	<b>0</b>

## Implementation Notes

### 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.

### 2016 Citywide Physical Security Assessment

- The City is working on hiring a new Facility Security Manager, who will be responsible for addressing the remaining outstanding recommendations. We expect completion delays until the position is filled.



2016 Fire Department Overtime

- The final recommendation relates to establishing performance measures for overall performance. This will be addressed during the City’s strategic planning process. That initiative is expected to conclude in 2022.

2016 Overall Disaster Preparedness Assessment

- Revised completion dates are Q4 2021. Internal Audit completed a follow-up engagement on the original audit recommendations: see *2018 Overall Disaster Preparedness: Recommendations Follow Up* below.

2016 Core 4 Culture Impact Assessment

- Human Resources is addressing the recommendations in Q4 2021.

2017 Lethal and Less Lethal Weapons Inventory and Control Review

- A new inventory system is live, APD is actively working on addressing the remaining recommendations. We expect the completion of all recommendations in 2021.

2018 Fleet Management Operational Review

- Implementations is in process, Fleet wi-fi is now fully operational, and they continue to work on the remaining recommendations.

2018 Purchasing, Part 1

- Implementation is in process; revised target dates are in Q1 2022.

2018 Overall Disaster Preparedness: Recommendations Follow Up

- Implementation is in progress; revised target dates are in Q4 2021.

2019 Grant Administration Processes

- Implementation is in process. Finance created two new positions that focus on grants, they continue to make progress.

2019 Purchasing Card Transaction Propriety

- Implementation is in process.

2019 Planning Administration Culture Survey

- Planning has been making consistent progress in addressing the recommendations. Several recommendations are delayed due to the transition in department leadership.

2019 House Aurora Partnership

- Implementation of recommendations is in process.

2020 APD – Body Worn Camera Compliance

- Implementation is in process. Updates to the BWC Policy are working through the APD approval process.

2020 APD – Versadex Case Management

- Implementation of recommendations is in process.

2020 Economic Development Rebates Tracking

- Implementation of recommendations is in process.

2020 APD - K9 Operations Part 1

- Implementation is in process; we expect the completion of all recommendations in 2021.

2021 APD - Property and Evidence

- Implementation of recommendations is in process.

## INTERNAL AUDIT TEAM

---

### **Wayne Sommer** | Internal Audit Manager

---

Wayne is a Certified Public Accountant (CPA) and a Chartered Global Management Accountant (CGMA) with 41 years of diverse work experience. He began his career as an auditor for KPMG in Washington, DC (then known as Peat Marwick Mitchell and Co), with specialization in not-for-profit entities and financial institutions. He spent the next seven years in various financial and management capacities at a Northern Virginia savings bank. Prior to coming to the City of Aurora, Wayne spent 23 years at the International City/County Management Association (ICMA) in Washington, DC with 14 of those as Director, Administration and Finance (CFO), and the last nine working in executive management roles performing strategic planning, business development, and organizational change and development. Wayne also managed ICMA's U.S. Programs, which offered research and consulting products and services to local governments, the private sector, and the Federal government. Wayne has been with the City of Aurora since May 2014.

**Professional Associations:** American Institute of Certified Public Accountants; Institute for Internal Auditors; Association of Local Government Auditors; Government Finance Officers Association

---

### **Michelle Crawford** | Internal Audit Senior—Police Auditor

---

Michelle is a Certified Internal Auditor (CIA), a Certified Fraud Examiner (CFE), Certified in Risk Management Assurance (CRMA), and has 14 years of experience in governmental auditing. She received her Bachelor's in business administration at the University of Montana and her Master's in accountancy from Missouri State University. Upon graduation from Missouri State University, she started her career at the Missouri State Auditor's office as a Staff Auditor I and progressed over the next seven years to a Senior Auditor. As an auditor with the State Auditor's office, she conducted performance audits of local governments and worked on the statewide Single Audit. Michelle has been with the City of Aurora since October 2014.

**Professional Associations:** Association of Certified Fraud Examiners; Institute for Internal Auditors; Association of Local Government Auditors; Government Finance Officers Association

---

### **Sheree Van Buren** | Internal Audit Staff

---

Sheree is a Certified Internal Auditor (CIA) with 11 years of audit experience. She graduated from Colorado State University in 2010 with a Bachelor of Science in Business Administration – Accounting degree. Prior to joining the City of Aurora, she spent three years as an Audit Associate with PwC, LLP. During this time, Sheree worked in the financial services industry, performing year-end financial statement audits for local and international investment companies.

**Professional Associations:** Institute for Internal Auditors; Association of Local Government Auditors; Government Finance Officers Association; National Forum for Black Public Administrators; Black Employees for a Better Aurora

---

**Laiba Saqib** | Internal Audit Staff

---

Laiba earned a Master of Professional Accounting (MPAcc) degree from the Metropolitan State University of Denver (MSU Denver) in 2021. She received her Bachelor's in Accounting also from the Metropolitan State University of Denver. During her undergrad degree, Laiba interned as an internal audit intern for the Audit Division at the Colorado Department of Transportation (CDOT). After graduation, Laiba took a job as a tax auditor at the Colorado Department of Revenue and started her graduate degree. During her master's program, Laiba worked as the internal auditor for the University as a semester-long project. Laiba has been with the City of Aurora since March 2021.

**Professional Associations:** Institute for Internal Auditors; Association of Local Government Auditors

## Appendix A: Completed Engagement Summary Reports

This quarter we completed the APD Vice and Narcotics Change of Command Cash Count. There were no discrepancies. As this was only a cash count, we did not prepare a report. We only recorded the results in our work papers.

We also conducted research for the City Manager on leading practices for the recruiting and hiring of police and fire personnel as well as on the operations of Civil Service Commissions. This was not an audit engagement and was conducted in lieu of the previously planned engagement.