



# Internal Auditing Division 2011 Annual Report

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February 13, 2012

The following report is a summary of the highlights and audit accomplishments during 2011. The Internal Auditing Division had a productive year which included the completion of six audit reports, five follow-up reviews and eight special projects. We also substantially completed three additional audits and provided assistance to the external audit firm in order to reduce audit expenses. In 2011, 51 management action plan items/recommendations were made. For a brief description of our audit projects, see pages 4 and 5.

In 2011, we identified over \$1,660,000 in dollar recoveries, cost savings, or potential revenues. The Internal Auditing Division's work is not always measurable. However, it does provide other benefits such as the improvement of internal controls and minimization of risks.

Our accomplishments were not possible without the dedication of our small group of auditors. I want to thank them for their efforts. I also want to thank Finance-Administration and the Audit Committee for their valued contributions. With this leadership and staff, we look forward to another excellent year.

Sincerely,

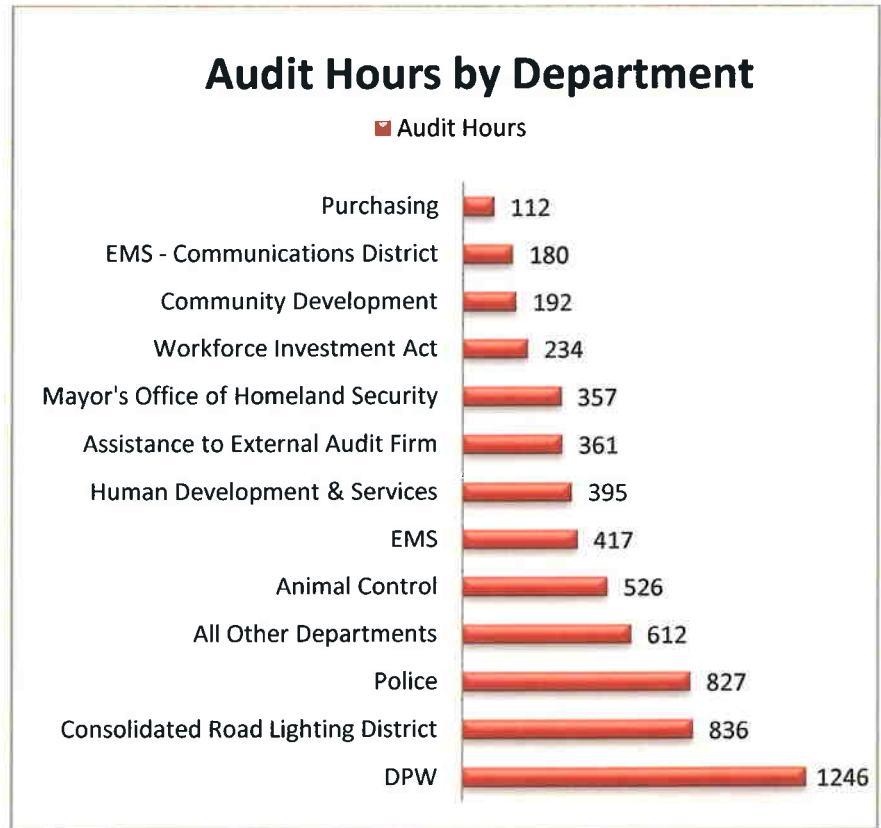
Carol Marcantel  
Auditing Manager

## Audit Hours by Department/Program

The Internal Auditing Division has a risk analysis model from which its Annual Audit Plan is developed. Some of the criteria used to evaluate departments and programs include:

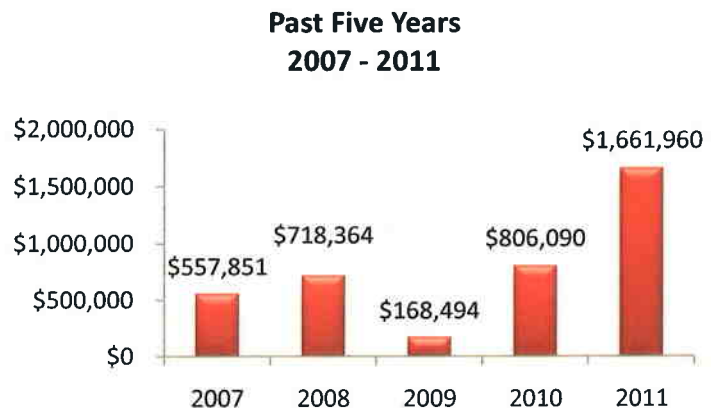
- Time elapsed since last audit
- Assets controlled by unit
- Proposed expenditures
- Revenues collected
- Evidence of problems

The Annual Audit Plan is reviewed and approved by the Audit Committee each year.



## Cost Savings, Recoveries, and Potential Revenues

Over the past ten years, the Internal Auditing Division has identified cost savings, recoveries, or potential revenues of over \$12,288,000.



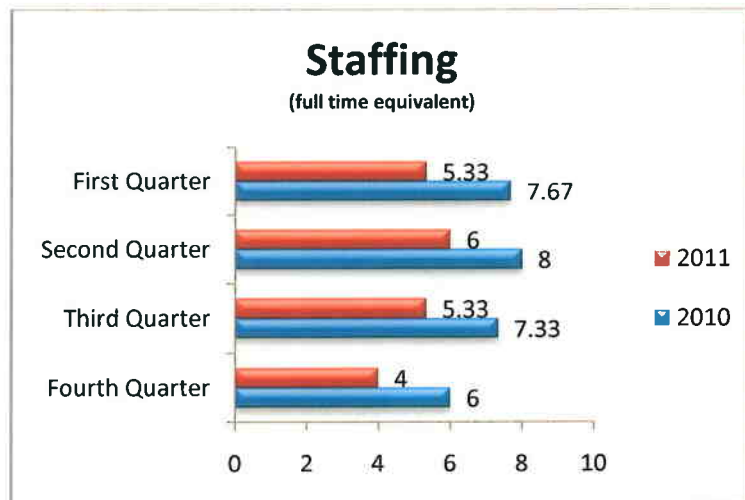
## Corrective Action for Audit Issues

In order to improve the value and effectiveness of internal audit services, we track management concurrence and implementation of corrective action. **Management Action Plan** items are corrective actions which management helped develop and committed to the corrective action. **Recommendations** are corrective actions which management did not accept, however, Internal Auditing thinks the action is needed to resolve the audit issue. In 2012, Internal Auditing will work more closely with departments to bring quicker and more effective resolution of audit issues.

Audit	Mgmt Action Plan Items	Recommendations	Total	Resolved	Resolution In Progress	Not Resolved
WIA Training Provider Audit	13	0	13	6	6	1
Cash Count Audit	17	0	17	8	0	9
OCD Inspections Division Audit	6	0	6	3	3	0
Contracts Process Audit	3	0	3	0	2	1
EMS Billing Process Audit	6	6	12	0	3	9
<b>Total</b>	<b>45</b>	<b>6</b>	<b>51</b>	<b>17</b>	<b>14</b>	<b>20</b>
<b>Percentage</b>				<b>33%</b>	<b>28%</b>	<b>39%</b>

## Staffing (Full-time equivalents)

Because of budget constraints and expected funding not realized, the Internal Auditing Division was not able to expand the staff to form the Financial Accountability Section (Grants) approved by the Metropolitan Council in 2009. Currently, only five of the eleven allotted internal audit positions are filled. The staff continues to work with Finance-Accounting on grant related issues.



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## Audits Completed

*Below is a summary of audits completed in 2011.*

**2010 Annual Report (Feb. 2011)** This report was a summary of the activities and accomplishments of the Internal Auditing Division in 2010.

**EMS Billing Process Audit (Feb. 2011)** The objective of the audit was to review the EMS Billing process to analyze transport billing and collection efforts and determine the completeness and accuracy of billings.

**Overtime Expense Audit (Apr. 2011)** The purpose of the audit was to determine if overtime costs could be reduced by analyzing recurring overtime expenses.

**WIA Training Provider Audit Follow-up (Apr. 2011)** We conducted a review to determine the implementation status of the management action plan.

**Cash Count Audit Follow-up (Apr. 2011)** We conducted a review to determine the implementation status of the management action plan.

**Fleet Operations Audit (Aug. 2011)** We analyzed fleet operations for unscheduled repairs, under utilization of vehicles, and compliance with useful life standards.

**Police Movable Assets Audit (Oct. 2011)** Our audit looked at whether the Police Department's assets were properly controlled, safeguarded, and accounted for.

**OCD Inspections Division Audit Follow-up (Oct. 2011)** We conducted a review to determine the implementation status of the management action plan.

**Contracts Approval and Tracking Process Audit Follow-up (Oct. 2011)** We conducted a review to determine the implementation status of the management action plan.

**EMS Billing Process Audit Follow-up (Oct. 2011)** We conducted a review to determine the implementation status of the management action plan and audit recommendations.

**Street Light Jurisdiction Boundary Audit (Oct. 2011)** The audit assessed whether or not the City-Parish was paying for street lights outside of its jurisdiction.

## Special Projects Completed

*Below is a summary of special projects completed in 2011.*

DPW-Warehouse Inventory (Jan. 2011)

Police Intelligence Division Cash Count (Jul. 2011)

Mississippi River Flood Disaster Recovery (Sep. 2011)

Overtime Investigation (Jul. 2011)

Animal Control – Companion Animal Alliance Transition (Aug. 2011)

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### Special Projects Completed (continued)

2008 & 2009 Homeland Security Grant Issues (Dec. 2011)

Police Violent Crimes Division Cash Count (Dec. 2011)

Energy and CDBG Disaster Grants & State Cooperative Endeavor Agreements (Dec. 2011)

### Audits In Progress

*The following audits are near completion with the expected issuance dates noted.*

CSBG Literacy Grant Audit (Feb. 2012)

Sanitary Sewer Overflow Program Contract Audit (Mar. 2012)

Telephone Expense Audit (Mar. 2012)

### Internal Auditing Division Staff

Auditing Manager - Carol Marcantel, CPA

Chief Auditor - Cindy Kleinpeter, CPA, CIA, CFE

Chief Auditor – Barbara Baughman

Auditor – Andrea George

Auditor – Devin Fernandez

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Certification Legend

CPA Certified Public Accountant	CIA Certified Internal Auditor	CFE Certified Fraud Examiner
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