



City Council Staff Report

From: City Manager

Report Type: CONSENT CALENDAR

Lead Department: City Auditor

Meeting Date: March 13, 2023

Report #:2302-1021

TITLE

Approval of the Office of the City Auditor FY2023 Task Orders

RECOMMENDATION

The City Auditor and the Policy & Services Committee recommend that the City Council approve the following Task Orders, identified in the Audit Plan Report:

- 1) FY23-Task 01 – Citywide Risk Assessment
- 2) FY23-Task 02 – Annual Audit Plan
- 3) Task 04.12 – Wire Payment Process and Controls Review (Extension)
- 4) Task 04.13 – Remote and Flexible Work Study (Extension)
- 5) Task 04.14 – Cybersecurity Assessment (Extension)
- 6) Task 04.15 – Wastewater Treatment Facility Agreement (Extension)
- 7) Task 04.19 – Disaster Recovery Preparedness
- 8) Task 04.20 – Procurement Process Review

DISCUSSION

In accordance with [our agreement with the City](#), Baker Tilly is required to conduct recurring activities each year. Those recurring activities including the following tasks outlined in our agreement:

- Task 1: Citywide Risk Assessment
- Task 2: Preparation of Annual Audit Plan
- Task 4: Execute Council approved Annual Audit Plan (Attachment B)

The Office of the City Auditor (OCA) is seeking approval from the Policy & Services Committee of the Tasks Orders that correspond to the Tasks outlined above and recommendation to forward these task orders to the City Council for approval. The Task Orders provide the contractual authority to begin this work in the new Fiscal Year 2023. An excerpt from the

contract outlining these tasks is below for ease of reference.

Task 1. Beginning with year 1 and continuing at a minimum every other year thereafter, prepare a citywide risk assessment following the same review and approval requirements described in Task 2. The risk assessment process will be the primary determinant of subsequent audit activity.

Task 2. Prepare an annual audit plan for review by the City Manager and appropriate City Council committee(s), and approval by the City Council, that identifies preliminary objectives of each audit to be performed, the schedule for each audit, and the estimated not to exceed resources and costs for each audit. The City Auditor shall consult with the City Attorney as necessary when developing audit plans. The annual audit plan will be largely based on the risk assessment required in Task 1.

Task 4. Execute Annual Audit Plan: Conduct a minimum number of internal audits in accordance with each [approved annual audit plan](#) based on the risk assessments. Each internal audit will commence only upon the City's approval of a Task Order (which may be at the task or sub-task level) as required by this Agreement. Each internal audit requires the preparation of a written report for review by the City Manager, City Attorney and appropriate Council committee, and review/approval by the City Council as required.

Task 4 Details.

The details of the four task orders (4 extensions and 2 new) are as follows:

04.12 Wire Payment Process and Controls Review (Extension)

This task order with the period of performance from January 10, 2022, to June 30, 2022, was signed at the end of February 2022, and the review was commenced in March 2022. Although the fieldwork was completed in May 2022, the report process took longer than expected, and then there was a transition period in early FY23 until the interim City Auditor was appointed. OCA requests the period of performance to be extended to March 31, 2023. The total not-to-exceed budget remains the same although the costs incurred after June 30, 2022, will be charged against the FY2023 budget (instead of the FY2022 budget).

04.13 Remote and Flexible Work Study (Extension)

This task order with the period of performance from March 1, 2022, to December 31, 2022, was signed in mid-April 2022, and the review was commenced in late April 2022. Although the fieldwork was completed in September 2022, the management response process is taking longer than expected. OCA requests the period of performance to be extended to March 30, 2023. The total not-to-exceed budget remains the same.

04.14 Cybersecurity Assessment (Extension)

This task order with the period of performance from March 1, 2022, to December 31, 2022, was signed in mid-April 2022, and the review was commenced in April 2022.

Although the fieldwork was completed in November 2022, the management response process is taking longer than expected. OCA requests the period of performance to be extended to April 30, 2023. The total not-to-exceed budget remains the same.

04.15 Wastewater Treatment Facility Agreement (Extension)

This task order with the period of performance from March 1, 2022, to December 31, 2022, was signed in mid-April 2022, and the review was commenced in June 2022. Although the fieldwork was completed in October 2022, the report process is taking longer than expected. OCA requests the period of performance to be extended to May 31, 2023. The total not-to-exceed budget remains the same.

04.19 Disaster Recovery Preparedness

The preliminary audit objectives include involves assessing the documentation of current disaster recovery plan for high priority application and supporting infrastructure to identify the adequacy of the documentation and identify additional documentation requirements.

[Note: The task order title was incorrectly shown as “Disaster Recover Preparedness” in Task Order 4.19. We corrected it to “Disaster Recovery Preparedness” after the P&S Committee meeting on February 28, 2023.]

04.20 Procurement Process Review

The preliminary audit objectives include:

- Determine whether adequate controls are in place and working effectively to ensure that the appropriate vendors are selected properly to achieve desired objectives.
- Identify the opportunities to improve the efficiency and effectiveness of the procurement process.

FISCAL/RESOURCE IMPACT

Work recommended in these tasks is within both the approved scope and compensation of the contract with Baker Tilly and funding levels in the FY 2023 Operating Budget for the Office of the City Auditor.

ATTACHMENTS

- Attachment A: OCA FY23 Task Orders
- Attachment B: FY23 Audit Plan