

AUDIT COMMITTEE

City Auditor Quarterly Update

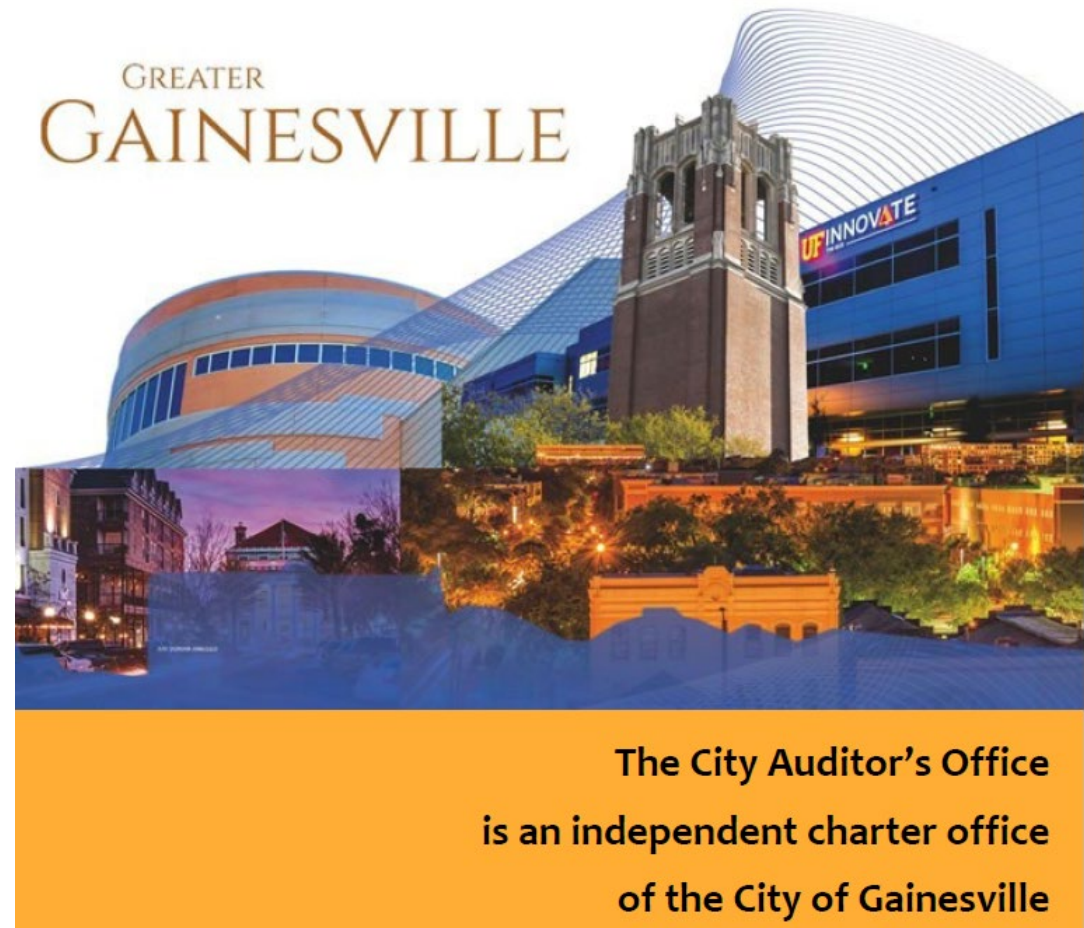
December 10, 2024

GAINESVILLE CITY COMMISSION

Harvey Ward, Mayor
Ed Book
Cynthia Chestnut, Mayor Pro Tem
Desmon Duncan-Walker
Bryan Eastman
Reina Saco
Casey Willits

AUDIT COMMITTEE MEMBERS

Harvey Ward, Mayor
Cynthia Chestnut, Mayor Pro Tem
Harold Monk, CPA, CFE (Appointed)



INTERNAL AUDIT TEAM

STEPHEN MHERE, CIA, CISA, MBA, MS, CITY AUDITOR

DIANA FERGUSON-SATTERTHWAITE, FCCA, CIA, CFE, ASSISTANT CITY AUDITOR

LISA SIEDZIK, CISA, IT AUDIT MANAGER

PETER DEMARIS, INTERNAL AUDITOR

MEAYKI BATIE, AUDIT COORDINATOR





RECENTLY COMPLETED PROJECTS



Recently Completed Projects

Data Management

- **Objective:** The objective of this audit was to assess compliance with applicable cybersecurity laws, regulations, and security requirements relating to the creation, viewing, modification, transmission, dissemination, storage, and/or destruction of information.
- **Status:** Completed

The results of this Data Management audit are confidential and exempt from public records. We identified opportunities for improvement which were communicated to management. Management developed a corrective action plan to address the opportunities.



Recently Completed Projects

PRCA Billing and Collections

- **Objective:** The objective of this engagement was to evaluate if PRCA established internal controls for billing and collections processes and merchant account handling.
- **Status:** Completed

The PRCA Billing and Collections audit is a carry-over from 2024. Based on the work performed, we conclude that PRCA management established internal controls for the billing and collections processes and merchant account handling. However, they require enhancement. Management developed a corrective action plan to address the opportunities.





WORK IN PROGRESS



Internal Audit Work in Progress (Cont.)

PCI Process Audit

- **Objective:** The objective of this audit is to review processes and controls around the governance, effectiveness, and efficiency of PCI data security standards (DSS) across General Government, including the management of services that are delivered by external providers:
- **Status:** Planning (but on hold upon request from management → to resume in January 2025)

Internal Audit Work in Progress (Cont.)

SHIP and Local Housing Assistance Plan

- **Objective:** The objective of this audit is to review the use of SHIP funds and assess the adequacy of the Local Housing Assistance Plan intended to produce and preserve affordable homeownership and multifamily housing.
- **Status:** Pre- Planning



ADD TO AUDIT PLAN





Add to Audit Plan

IT audits on the FY25 audit plan have been delayed. As a result, additional IT audits will need to be added to the FY25 plan to ensure adequate assurance is provided to the City.

PROPOSED ENGAGEMENT TO ADD TO THE 2025 AUDIT PLAN

- FLHSMV Internal Control and Data Security – department requested
 - Objective: To assess the design and operating effectiveness of controls related to the Florida Highway Safety and Motor Vehicles data exchange processes.
- Building Control – new audit based on IT risk assessment
 - Objective: To assess adequacy of badge access controls and management of physical keys to ensure the risk of unauthorized access is adequately managed in accordance with applicable information technology laws, regulations, and security requirements.



PERIODIC MONITORING



Periodic Monitoring

Affirmative Action Plan Audit Issue #2 – Re-Opened

Risk level: Moderate

Original Report Date 2/5/2020

Revised Due Date – October 31, 2024

A revised plan with a timeline for Affirmative Action Plan completion, manager training, monitoring, and other related processes has been provided by management. Internal Audit meets with management monthly to obtain strategic updates and to monitor the status of implementation based on the timeline provided.



AUDIT ISSUE FOLLOW UP



CLOSED AUDIT ISSUES – GENERAL GOVERNMENT

Audit Issue Status	Audit Report Date	Audit Report Title	Audit Issue Title	Audit Issue #	Audit Issue Risk Rating	Impacted Department(s)	Date Closed
Closed	3/18/2024	2023 Citywide Fleet Management Processes	Billing and Payments	1	M	Fleet Management and Department of Financial Services	11/6/2024
Closed	3/18/2024	2023 Citywide Fleet Management Processes	Take Home Vehicles	2	M	Fleet Management	11/6/2024
Closed	3/18/2024	2023 Citywide Fleet Management Processes	Confidential	3		Fleet Management	11/6/2024

OPEN AUDIT ISSUES – GENERAL GOVERNMENT

Audit Issue Status	Audit Report Date	Audit Report Title	Audit Issue Title	Audit Issue #	Audit Issue Risk Rating	Impacted Department(s)	Original Audit Issue Due Date	Revised Due Date
Past due	2/5/2020	Affirmative Action Plan Audit 2019	Establish standard periodic review of AAP hiring goals, which are integrated as a part of HR data capture, management, and extraction.	2	M	Office of Equity and Inclusion	6/30/2020	12/31/2023 10/31/2024
Partially Implemented	3/18/2024	2023 Continuous Audit Program Part III	Seasonal Employee Leave Classification	Part III	M	HR	8/30/2024	12/31/2024
Open	6/11/2024	Review of Governance, Compliance, and Internal Controls around Business Tax Processes	Insufficient Policies and Procedures, Oversight and Monitoring, and Processes Related to Identifying New Businesses	1	M	Department of Financial Services	12/31/2024	
Open	6/11/2024	Review of Governance, Compliance, and Internal Controls around Business Tax Processes	Insufficient Collection Activities	2	M	Department of Financial Services	12/31/2024	
Open	6/11/2024	Review of Governance, Compliance, and Internal Controls around Business Tax Processes	Confidential	3		Department of Financial Services	12/31/2024	

OPEN AUDIT ISSUES – GENERAL GOVERNMENT

Audit Issue Status	Audit Report Date	Audit Report Title	Audit Issue Title	Audit Issue #	Audit Issue Risk Rating	Impacted Department(s)	Original Audit Issue Due Date	Revised Due Date
Open	9/17/2024	Gainesville Fire Rescue (GFR) Fire Inspections	Database Maintenance and Inspection Prioritization	1	M	Gainesville Fire Rescue	8/1/2025	
Open	9/17/2024	Gainesville Fire Rescue (GFR) Fire Inspections	Oversight and Monitoring	2	M	Gainesville Fire Rescue	8/1/2025	
Open	9/17/2024	Gainesville Fire Rescue (GFR) Fire Inspections	Staffing	3	M	Gainesville Fire Rescue	1/1/2026	
Open	9/17/2024	Gainesville Fire Rescue (GFR) Fire Inspections	Invoicing Procedures and Billing Practices	4	M	Gainesville Fire Rescue and Department of Financial Services	6/30/2025	
Open	9/17/2024	Gainesville Fire Rescue (GFR) Fire Inspections	Fire Inspection Procedures and Frequency	5	M	Gainesville Fire Rescue	1/1/2026	
Open	9/17/2024	Gainesville Fire Rescue (GFR) Fire Inspections	Confidential	6		Gainesville Fire Rescue	6/1/2025	



FRAUD HOTLINE AND INVESTIGATIONS



Fraud Hotline and Investigations

<i>City Auditor Quarterly Update Fraud Hotline and Investigations * As of 12/4/2024</i>			
Audit Committee Meeting Date	12/10/2024*	9/17/2024	6/11/2024
New Cases Since Last Audit Committee	4	6	2
Open Investigations	4	2	0
Closed Investigations	2	4	2



EXTERNAL AUDITS



FY 23 EXTERNAL FINANCIAL STATEMENT AUDIT

GENERAL GOVERNMENT

EXTERNAL AUDITOR – PURVIS GRAY & COMPANY



FY23 External Audit Report
For the fiscal year ended September 30, 2023

Audit Status

FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT

Completed and Presented at the March 18, 2024
Audit Committee Meeting
(Purvis Gray has already begun work for the FY24 ACFA report)



WRAP UP



Upcoming Audit Committee Meeting Dates

- March 25, 2025
- June 10, 2025
- September 16, 2025
- December 9, 2025

Fraud, Waste, and Abuse Hotline

- To report an incident, call 1-844-818-2492 or
- Visit <https://www.lighthouse-services.com/cityofgainesville>
- To report other issues:
 - **Harassment or Discrimination Issues**, call the Equal Opportunity Office at 352-334-5051
 - **Employee Relations Issues**, call Human Resources at 352-334-5077



Thank You

Office of the City Auditor

Stephen Mhere, CIA, CISA, MBA, MS | City Auditor | City of Gainesville

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Office: 352-334-5020

URL: <https://www.gainesvillefl.gov/Government-Pages/Government/City-Auditor>