

Internal Audit
Division

Fiscal Year
2019-20

Internal Audit
Plan



OVERVIEW

The City of Carlsbad's internal auditor performs independent and objective assurance services to safeguard city resources and improve city operations. Internal audits help to mitigate risks by recommending specific improvements to city processes and controls. Potential audits may include any city department, division, function, or program administered by the city.

The purpose of the fiscal year 2019-20 internal audit plan (audit plan) is to outline audits and other activities the internal auditor proposes to conduct during the fiscal year. This document serves as the primary work plan to carry out the responsibilities of the internal auditor. The basis for the plan comes from auditor observations, inquiries with management, audit requests from the City Council and city management, and potential areas of risk. The internal auditor's strategy in developing this plan seeks to identify, prioritize and manage audits deemed critical to city operations, programs and systems.

Currently, the Internal Audit Division is comprised of one full-time internal auditor. The audit plan considers available staff hours, level of expertise and experience, estimated size and complexity of audits, time allocated to satisfy continuing professional education requirements, time allocated to performing audit follow-up procedures, and use of external consultants/auditors.

The audit plan is a working document. During the year, causes for changes to the audit plan may include an increase or decrease in audit scope, additional or pressing audit requests, or an excessive threat to auditor independence. As such, projects initiated in the current year may carry over into the following fiscal year.

Planned audits are listed on the following page with potential objectives. During the preliminary work period, the internal auditor will establish familiarity with the department and/or function by conducting background interviews and research. At that time, audit objectives may be refined and methodology will be developed.

Fiscal Year 2019-20 (Remainder) Planned Audits			
Audit Topic	Performed by	Audited Entity	Potential Objectives
Citywide Cash Count	Internal Auditor	Various departments	<ul style="list-style-type: none"> To count the cash at various city departments and compare with city records.
The Crossings at Carlsbad Golf Course	Internal Auditor	The Crossings at Carlsbad Golf Course; JC Resorts Management; City of Carlsbad Finance Department, Parks & Recreation Department, and other departments as necessary	<ul style="list-style-type: none"> To assess JC Resorts Management's compliance with city's sexual harassment policies and procedures and other mandated guidelines. To assess the financial performance of the pro shop and food and beverage. To review The Crossings' overall financial health against comparable nearby golf courses and the general golf market to assess financial sustainability. To determine whether various city departments provide adequate oversight of and services to The Crossings.
Transient Occupancy Tax	External firm	Various hotels as determined by city	<ul style="list-style-type: none"> To determine if a hotel is properly reporting and remitting the tax in compliance with city ordinance.
City Credit Cards	Internal Auditor	Various departments	<ul style="list-style-type: none"> To determine whether the city's credit card policies and procedures function as management intended and comply with applicable state and federal laws. To assess individual and departmental transaction, purchase, and issuance compliance.