



CITY OF AUSTIN

Office of the City Auditor



Annual Service Plan

Austin, Texas

Calendar Year 2006

City Auditor
Stephen L. Morgan, CIA, CFE, CGAP, CGFM

Deputy City Auditor
Colleen G. Waring, CIA, CGAP

A full copy of this report is available for download at our website:
<http://www.ci.austin.tx.us/auditor/performance.htm>. You may also contact our office by email at
oca_auditor@ci.austin.tx.us.

Alternative formats are available upon request.
Please call (512) 974-2805 or Relay Texas #711.



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City of Austin

MEMO



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March 3, 2006

To: Mayor and Council Members

From: Stephen L. Morgan, City Auditor

Subject: OCA CY 2006 Service Plan

Thank you for your assistance in developing our CY 2006 Service Plan. Based on your January 31, 2006 approval, we will be carrying out projects to help us achieve our performance goals, which are to:

1. Improve effectiveness of City programs and activities.
2. Focus attention on significant current and future risks to the City.
3. Improve economy and efficiency of the City in managing resources.
4. Promote honesty, openness and compliance in conduct of City business.
5. Strengthen our capacity for leadership and innovation through assistance to Council or Management.

The attached plan contains projects and hours for CY 2006.

cc: Toby Futrell, City Manager
Juan Garza, General Manager, Austin Energy

Office of the City Auditor
CY 2006 Service Plan

PG #	Performance Goals & Strategies	CY 2006 PROJ BUD
Improve effectiveness of City programs and activities		
5	Disaster Preparedness, Response, and Recovery	2,500
5	Police Recruiting and Training	2,000
Focus attention on significant current and future risks to the City		
5	Sustainability- Carry Over	1,250
Improve economy and efficiency of the City in managing resources.		
6	Purchasing - Competitive Bidding	2,000
6	Hotel Occupancy Tax - Carry Over	800
6	Hotel Motel Bed Tax (additional remittance audits)	1,500
Promote honesty and openness in conduct of City business		
6	Austin Water Utility: Vulnerability Assessment	3,000
6	Integrity Unit	5,250
	Prevention: training, newsletter	
	Detection: fraud hotline	
	Investigation	
	Follow through: controls review	
	Management Integrity Committee Support Activities	
Information Technology		
7	Data reliability: AMANDA and AFS3	1,500
Austin Energy		
7	Environmental Remediation/Hazardous Waste Mitigation	2,000
7	Power Generation - FPP Direct Costs	1,000
7	AE: Risk Management - Carry Over	200
Follow-Up Verification: Verify reported Implementation status for prior audit recommendations		
8	Rental Housing Development Contract Monitoring	1,000
8	Property Tax - Carry Over	500
Strengthen OCA's capacity for leadership and innovation through assistance to Council or Management		
8	Assistance to Council	1,000
8	Foresight: Long Range Projections by Experts	250
	Administrative hours	200
TOTAL HOURS		25,950
FTEs (at 1500 direct hours available per FTE)		17.30

25,950	Max avail hours
17.30	Authorized FTEs + Temp
	(20.3 less Admin -2.0, Exec.Mgt-2, + Temp-1)

Black = Proposed new project; Red = Carryover project from CY05; Blue = Continuing responsibility

PROJECT	HOURS	COMMENTS
Improve effectiveness of City programs and activities		
Disaster Preparedness, Response, and Recovery	2,500	
<ul style="list-style-type: none"> ○ What have we spent in the last 5 years ○ How do our disaster management plans compare to best practices 		
APD Police Training and Recruiting	2,000	
<ul style="list-style-type: none"> ○ Compare APD's current practices to best practices for achieving Training and Recruiting goals ○ Review current performance measures for utility by decision makers 		
Focus attention on significant current and future risks to the City		
<i>Carry over (additional hours after January 2006)</i>		
Sustainability I – Long Term Planning	1,250	
<ul style="list-style-type: none"> ○ What does the region have currently in terms of long term planning? ○ What communication takes place among the players involved? ○ What are the key assumptions used in planning (e.g. growth, revenue, usage trends)? 		

PROJECT	HOURS	COMMENTS
Improve economy and efficiency of the City in managing resources		
FASD: Purchasing – Competitive Bidding <ul style="list-style-type: none"> ○ Do FASD’s central purchasing procedures and practices ensure that the City solicits competitive prices? 	2,000	
<i>Carryover (additional hours after January 2006)</i>	800	
<b style="color: red;">Hotel Occupancy Tax – Collection and Remittance <ul style="list-style-type: none"> ○ Do hotels appropriately collect and remit hotel occupancy taxes from their guests? 		
Hotel Motel Bed Tax: Additional work in Hotel Motel Bed Tax remittance and collection <ul style="list-style-type: none"> ○ Continue to audit Hotels and Motels selected by risk assessment ○ Partial funding for 2 FTE’s through FY06 Financed by expense refund from Convention Center Department in the amount of \$50,000 for FY 06 	1,500	

PROJECT	HOURS	COMMENTS
Promote honesty and openness in the conduct of City business		
Austin Water Utility	3,000	
<ul style="list-style-type: none">○ Conduct vulnerability assessment○ Prioritize areas for audit and begin first audit		
City Auditor's Integrity Unit	5,250	
<ul style="list-style-type: none">○ Prevention: training, newsletter○ Detection: fraud hotline○ Investigation and audit work○ Follow through: controls reviews○ Management Integrity Committee support activities		
Information Technology		
Data Reliability Testing	1,500	
<ul style="list-style-type: none">○ Amanda○ AFS3		

PROJECT	HOURS	COMMENTS
Austin Energy		
Environmental Remediation/Hazardous Waste mitigation -- <ul style="list-style-type: none"> ○ Audit AE's environmental monitoring program to determine whether environmental risks are appropriately monitored and reported on. 	2,000	
Power generation – Fayette Power Plant direct costs <ul style="list-style-type: none"> ○ Is LCRA properly assigning direct costs to AE for Units 1 and 2? ○ Is LCRA properly assigning direct costs for Unit 3 to assure that AE is not charged for operation of Unit 3? 	1,000	
<i>Carry over(additional hours after January 2006)</i>		
AE Risk Management	200	
Follow-Up Verification: Verify reported implementation status for prior audit recommendations		
Rental Housing Development Contract Monitoring <ul style="list-style-type: none"> ○ Verify implementation status reported by management 	1,000	
Property tax <ul style="list-style-type: none"> ○ Verify implementation status reported by management 	500	

Strengthen OCA's capacity for leadership and innovation through assistance to Council or Management

Assistance to Council	1,000
○ Information Provision	
○ Information Verification	
Foresight: Long Range Projections	250
○ Experts' views on City's risk horizon presented to AFC	

PROJECT	HOURS	COMMENTS
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Propose for FY 2007: Ongoing risk and vulnerability assessment and increased audit coverage of large City functions. Additional capacity for integrity services and response to Council requests.

Public Safety

Ongoing audits in Austin Police Department, Fire Department and Emergency Medical Services

- 2 FTEs
- Public safety expertise (consulting assistance)

3,000

Austin Water Utility - ongoing audit presence

Ongoing audits in Austin Water Utility with role and responsibilities similar to the Austin Energy Audit Initiative.

- 2 FTEs
- Engineering expertise (consulting assistance)

3,000 Funded by increased expense refund from AWU.

Assistance to Council for Special Requests

- Restore historical service level
- Additional .5 FTE

750

