

WHAT IS THE SCOPE OF WORK PERFORMED BY THE OFFICE OF THE INDEPENDENT AUDITOR GENERAL?

Pursuant to Section 48 of the City Charter, the scope of work performed by the Office of the Independent Auditor General (OIAG) includes:

- Examining City audit functions and accounting systems;
- Providing budget and legislative analysis; and,
- Conducting financial, attestation, operational, compliance, single act, and performance, audits of City government, officials, and independent agencies.

HOW DO I REPORT FRAUD, WASTE, OR ABUSE OF CITY OF MIAMI GOVERNMENT RESOURCES?

To report fraud, waste, or abuse anonymously, you may call the City's fraud hotline at (305) 416-2003 and leave detailed information or at the OIAG's web page, click on the "Fraud Hotline" icon to download, complete, and mail a form designed for reporting fraudulent activity.

WHY DOES THE CITY OF MIAMI NEED AN INTERNAL AUDIT FUNCTION?

Internal auditing is one of the key components of an effective organization-wide risk management structure. The internal audit function performed by the OIAG adds value to the City by providing checks and balances, safeguarding tax payers' assets, enhancing performance, accountability, and responsibilities, and improving the City's overall financial/operational effectiveness and efficiency. The significant dollar amount of financial transactions processed, the use of new information technology systems in processing said financial transactions, and corporate/municipal fraud scandals, are examples of the forces driving the need for internal audit functions and improvements in the organizations that they serve.

WHY AND HOW IS THE CITY'S INTERNAL AUDITOR INDEPENDENT?

Independence is a fundamental concept of the auditing profession which provides the basis for objective and uninhibited appraisal. The OIAG adheres to Generally Accepted *Government Auditing Standards*, which state that:

In all matters relating to the audit work, the audit organization and the individual auditor, whether government or public, must be free from personal, external, and organizational impairments to independence, and must avoid the appearance of such impairments to independence. (GAGAS 3.02)

Section 48 of the City Charter, created the office and position of the Independent Auditor General (IAG). The IAG is appointed by the Miami City Commission and therefore independent of City Management. The Charter also authorizes the OIAG's to conduct audits with "free and unrestricted access to city government employees, officials, records, and reports." This independence from City management allows the OIAG to provide objective oversight through audits of all City departments, agencies, programs, and officials.

WHERE DOES THE CITY'S OFFICE OF THE INDEPENDENT AUDITOR GENERAL GET THE AUTHORITY TO AUDIT?

The Office and position of Independent Auditor General as well as its "duties and powers" were created by Section 48 of the City's Charter, which was unanimously approved by voters in a 1999 Charter amendment ballot.

HOW DOES AN AREA GET SELECTED?

The audits performed by the OIAG are selected through a combination of processes, including: comprehensive reviews of the nature, extent and level of risks associated with the processing of financial transactions, materiality thresholds, and operational activities; requests made by the City Commission; requests made by City management; City Code/Charter provisions; audit judgment; and credible information provided by third parties (fraud hotline). Based on the above factors the OIAG develops an Annual Audit Plan. The Audit Advisory Committee reviews said Plan and makes recommendations, if necessary.

WHAT OCCURS DURING AUDIT FIELDWORK?

We perform our audits in accordance with generally accepted *Government Auditing Standards* issued by the Comptroller General of the United States. Those standards require that we plan and obtain sufficient, appropriate and reasonable evidence to support our audit findings. Our audit methodology is as follows:

- Review prior years' work papers, applicable policies and procedures, agreements, resolutions, and relevant sections of the City Code/Charter, Florida Statutes, and federal guidelines relative to the audit objectives.
- Prepare an audit plan, complete a preliminary survey, and assess audit risk.
- Obtain an understanding of internal controls by reading applicable internal control policies and procedures, interviewing employees, and observing control procedures.
- Determine the effectiveness/weakness of internal controls; assess control risk; and plan the nature, timing, and extent of substantive tests.
- Perform analytical review procedures for the purposes of both planning substantive testing and confirming the reasonableness of audit findings and conclusions.

- Perform substantive testing consistent with the audit objectives by examining on a test basis, applicable controls, procedures, transactions, and records.
- Examine on a test basis, evidence supporting current transactions (as well as events and conditions) to determine if management has taken steps to correct deficiencies disclosed in the prior audit reports.
- Identify potential reportable conditions relating to internal controls, which, in our judgment, could affect management's assurance of the reliability of the financial operations, compliance with applicable laws, administrative rules, regulations, and other applicable guidelines.
- Obtain the auditee's concurrence with the audit findings through a memorandum of understanding, which describes the reportable condition(s) noted by the auditor.
- Schedule, hold, and discuss all audit findings with the auditee in an exit conference.
- Perform other procedures as deemed necessary.

WHAT OCCURS AFTER AUDIT FIELDWORK?

At the completion of audit fieldwork we report our conclusions, findings, and recommendations as well as the auditee's responses and corrective action plans to the City Commission via a clear and concise written audit report. A copy of the audit report is sent to the Honorable Mayor, the City Manager, members of the City's Audit Advisory Committee, the auditee, and other high ranking City officials. A follow-up of the audit findings is performed and the results are reported in a quarterly summary of audit findings, follow-ups and activities of the OIAG.

WHAT ARE THE OFFICIAL WORK HOURS FOR THE OFFICE OF THE INDEPENDENT AUDITOR GENERAL?

The Office of Independent Auditor General's official work hours are from 8:00 am to 5:00 pm EST, Monday through Friday.

HOW CAN I OBTAIN COPIES OF AUDIT REPORTS OR CONTACT SOMEONE IN THE OFFICE OF THE INDEPENDENT AUDITOR GENERAL?

The main telephone line to the OIAG is (305) 416-2040. Our fax number is (305) 416-2046.

Audit reports can be obtained from the OIAG's web page by clicking on "Audit Reports." To obtain additional reports, you may contact our Office between 8 a.m. and 5 p.m. or send a written request to 444 SW 2nd Avenue, 7th Floor, Miami, FL 33130.

HOW MANY PEOPLE WORK IN THE OIAG AND HOW MANY ARE DEGREED AND/OR CERTIFIED?

The OIAG has eleven budgeted positions and all auditors have a degree in Accounting. Four members of OIAG's staff are Certified Public Accountants (CPA) licensed to practice in the State of Florida and/or Certified Internal Auditors (CIA). Two staff auditors have successfully completed several parts of the CPA examination.

HOW DO I OBTAIN A COPY OF THE CITY'S COMPREHENSIVE ANNUAL FINANCIAL REPORT (CAFR)?

A copy of the City's CAFR can be obtained from the City Finance Department's web page.