



City Auditor's Office Charter

Introduction:

Internal auditing is an independent and objective assurance and consulting activity that is guided by a philosophy of adding value to improve the operations of the City of Fort Lauderdale. It assists the City in accomplishing its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of the organization's risk management, control, and governance processes.

Role:

The City Auditor's Office is established pursuant to Section 4.14 of the City Charter to review business practices, procedures, internal controls, and procurement practices that are used, employed and promulgated by the city government. The City Auditor supports the City Commission through review and analysis of Commission agenda items, attendance at Commission meetings and workshops, and, upon Commissioner request, review of any matter related to City business.

Professional Standards:

The City Auditor's staff shall govern themselves by adherence to Governmental Auditing Standards issued by the Comptroller General of the United States, which provide that the auditors have the competence, integrity, objectivity and independence in planning, conducting and reporting on their work. In addition, the staff will adhere to the City Auditor's Standard Operating Procedures Manual.

Authority:

To the degree necessary to fulfill the responsibilities of the office, the City Auditor shall have the power and authority to:

1. Conduct financial and compliance, economy and efficiency, and performance audits of city government and city officials with written reports submitted to both City Commission and the City Manager.
2. Have free and unrestricted access to government employees, officials, records, and reports; and where appropriate, require all branches, departments, and officials of city government to produce documents, files and other records.
3. The City Auditor shall review any matter related to city business upon the request of a City Commissioner or the City Manager.
4. The City Auditor has authority to remove, for further review and evaluation, an item from any City Commission agenda and defer consideration on that item until the next regularly-scheduled meeting of the City Commission. The item must relate to a transaction in which the City will either expend or receive funds, property, goods or services. The City Commission may override the City Auditor's decision to remove an item from the City Commission agenda by a vote of one (1) more than that which would constitute a majority vote of the full City

Commission. This right of removal may only be exercised once for each agenda item removed.

Organization:

The City Auditor shall report exclusively to the City Commission.

Independence:

All audit activities shall remain free of influence by any element in the organization, including matters of audit selection, scope, procedures, frequency, timing, or report content to permit maintenance of an independent and objective mental attitude necessary in rendering reports.

City Auditor's staff shall have no direct operational responsibility or authority over any of the activities they review. Accordingly, they shall not develop nor install systems or procedures, prepare records, or engage in any other activity which would normally be audited.

Audit Scope:

The scope of the City Auditor's Office encompasses the examination and evaluation of the adequacy and effectiveness of the organization's governance, risk management process, system of internal control structure, and the quality of performance in carrying out assigned responsibilities to achieve the organization's stated goals and objectives. It includes:

- Reviewing the reliability and integrity of financial and operating information and the means used to identify, measure, classify, and report such information.
- Reviewing the systems established to ensure compliance with those policies, plans, procedures, laws, and regulations which could have a significant impact on operations and reports and whether the organization is in compliance.
- Reviewing the means of safeguarding assets and, as appropriate, verifying the existence of such assets.
- Reviewing and appraising the economy and efficiency with which resources are employed.
- Reviewing operations or programs to ascertain whether results are consistent with established objectives and goals and whether the operations or programs are being carried out as planned.
- Reviewing specific operations at the request of the City Commission or management, as appropriate.
- Monitoring and evaluating the effectiveness of the organization's risk management system.
- Reviewing the quality of performance of external auditors and the degree of coordination with internal audit.

Audit Planning:

Annually, the City Auditor shall prepare an audit work schedule, staffing plan, and budget for the following fiscal year. The audit work schedule is to be developed based on a prioritization of the audit universe using a risk-based methodology.

Reporting:

A written report will be prepared and issued by the City Auditor or designee following the conclusion of each audit. A copy of each audit report and a summarization will be forwarded to the City Commission, City Manager and the Audit Advisory Committee.

The City Auditor or designee may include in the audit report the auditee's response and corrective action taken or to be taken in regard to the specific findings and recommendations. Management's response should include a timetable for anticipated completion of action to be taken and an explanation for any recommendations not addressed.

In cases where a response is not included within the audit report, management of the audited area should respond, in writing, within thirty days of publication to the City Auditor and those on the distribution list.

The City Auditor's Office shall be responsible for appropriate follow-up on audit findings and recommendations. All significant findings will remain in an open issues file until cleared by the City Auditor.

John Herbst, CPA, CGFO

City Auditor