

Internal Audit
Risk Assessment and Annual Work Plan
Fiscal Year 2018



Tara Hazelbaker, CPA
DIRECTOR OF INTERNAL AUDIT | JEFFERSON PARISH



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JEFFERSON PARISH

Department of Internal Audit

Tara Hazelbaker, CPA
Director of Internal Audit

DATE: November 30, 2017
TO: Keith Conley, COO; Natalie Newton, DCOO
FROM: Tara Hazelbaker, Director of Internal Audit
SUBJECT: Parish-wide Risk Assessment and Annual Work Plan – Fiscal Year 2018

Attached is the Annual Work Plan proposed by the Department of Internal Audit for Fiscal Year 2018. This report is presented for your review and consideration. The plan includes seven (7) proposed new engagements and two (2) follow-up engagements for FY 2018. Five (5) others areas have been identified and may be completed as time allows or as circumstances may dictate.

The Annual Work Plan was developed by considering the results of the FY 2018 Parish-wide Risk Assessment, and input from Parish Administration, Directors, Parish Council and other sources. The work plan is designed to address what is considered to be risk areas while limiting the scope of work to what can realistically be accomplished by a department with one full-time position.

Respectfully submitted,

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BACKGROUND

MISSION

The mission of internal audit is to proactively address risks the parish faces in the current environment, as well as, in the future. Internal audit will provide an independent appraisal of Jefferson Parish's financial, operational, and control activities. The department will report on the adequacy of internal controls, the accuracy of transactions, the extent to which assets are accounted for and safeguarded, and the level of compliance with parish policies and government law and regulations. Additionally, the department will provide analyses, recommendations, and information concerning the activities reviewed.

INTRODUCTION

This document outlines the Fiscal Year (FY) 2018 Work Plan which provides the vision of Internal Audit efforts for FY 2018, allocating efforts to the most critical areas within the structure of Jefferson Parish (JP) government.

Engagements were identified for the Annual Work Plan by analyzing current and historical financial data, and considering input from JP executive staff, directors, and other stakeholders. Using that information and input, Internal Audit exercised judgment to identify engagements for FY 2018.

FUNCTIONS

The functions of the Department of Internal Audit include:

1. Develop and implement a comprehensive program of audit coverage.
2. Analyze and interpret financial and operational information.
3. Enhance internal controls by providing control recommendations to the departments.
4. Plan and direct the internal audit activities of the parish.

PERFORMANCE INDICATORS

The Department of Internal Audit is comprised of one (1) full time position. The Annual Work Plan focuses on the most important priorities and risks of JP at this point in time. Performance indicators set for fiscal year 2018 are as follows:

Performance Indicator	2018 Planned
Internal Audit Annual Risk Assessment	1
Total Number of New/Special Request Engagements	7
Percent of Audit Recommendations Accepted	90%
Total Number of Follow Up Engagements	2
Number of Professional Training Hours per Year	40

RISK ASSESSMENT

METHOD AND CRITERIA

The Department of Internal Audit developed the Annual Work Plan by first conducting a comprehensive risk assessment of JP activities. Engagements were then selected based on relative risk and available hours.

Risk assessment is the identification and analysis of risks to the achievement of an organization's objectives, for the purpose of determining how those risks should be managed. Risk assessment implies an initial determination of operating objectives, then systematic identification of those activities or events that could prevent a business unit or department from reaching its objectives. In other words, it is an analysis of what could go wrong.

This process provides a means to organize and integrate professional judgments for engagement selection and work schedule development. Activities with higher risk were assigned higher audit priorities. Internal Audit used the risk assessment results for determining upcoming engagements.

The department assessed risk within JP by sending out parish-wide questionnaires and interviewing selected Jefferson Parish personnel. The following criteria were then used to determine the relative risk of each activity area:

- | | |
|--|---|
| ❖ Criticality of JP Mission | ❖ Prior audits |
| ❖ Size/complexity of department/operations | ❖ Quality of departmental internal controls |
| ❖ Other high-risk indicators | ❖ Auditor judgment |

The activities used in this analysis came from the following sources:

- ❖ Activities identified from questionnaires and interviews
- ❖ 2016 Comprehensive Annual Financial Report
- ❖ 2016 External Audit adjustments and passed adjustments
- ❖ 2017 and 2018 Budgets
- ❖ AS/400 Financial Management System general ledger data and contract information

ACCEPTABLE LEVEL OF RISK

Although the plan encompasses a wide-range of focus areas, it does not provide coverage for all JP activities. Limited Internal Audit resources were maximized to provide reasonable coverage of the activities believed to require the most attention.

However, because Internal Audit cannot address every risk area, it is important that the executive staff and directors understand the limitations of the audit coverage and the risks they assume in unaudited areas. This plan allocates Internal Audit resources to the JP's most important priorities and risks at this point in time. The Audit Plan also includes an allowance of time for special audit requests that may occur during the year from the Parish Council, Administration, Directors, and others.

FY 2018 WORK PLAN

GOALS

Performance Indicators call for a total of nine (9) new and follow up engagements to be performed during FY2018. These engagements may be replaced by special request audits. Five (5) other areas have also been identified and may be completed as time allows. The engagement focus areas may be adjusted as new or current information becomes available or as situations may otherwise dictate.

WORK PLAN

#	DEPARTMENT	DESCRIPTION
New Engagements		
1	Community Development	Program Review
2	Public Works - Streets	Inventory
3	Jeff Cap	Program Review
4	Cultural Season	JPAS Review
5	General Services	JPAC Review
6	Economic Development	Heritage Festival
7	To Be Announced	Petty Cash - Audit 1
Follow Up Engagements		
8	Animal Shelter	Inventory-Revenue Reconciliation
9	Various Departments	Cash-Free Effort
Other Identified Areas		
1	Culture and Parks	Lafitte Pavilion
2	Public Works - Drainage	Inventory
3	Economic Redevelopment	Metairie CBD
4	Citizen's Affairs	Tourism Activities
5	To Be Announced	Petty Cash - Audit 2

OTHER AREAS OF RESPONSIBILITIES

- Continue to assist with the AS/400 Financial Management System migration to a new accounting system.
- Assist with efforts to move the parish to a cash free environment.
- Member of review team for Personal Financial Disclosure forms.
- Attend agenda and Parish Council meetings.
- Complete forty (40) hours of professional education.
- Other consultative sessions, as requested.

CLOSING

This plan acts as a guide for Internal Audit and includes proposed engagements and other initiatives to perform during the year. Time has been budgeted so that Internal Audit can be responsive to the immediate needs of the JP Administration, Parish Council, Directors, and others as they may arise throughout the fiscal year.

As discussed previously under “Acceptable Level of Risk” this plan does not, nor is it intended to, address or provide complete coverage for all JP activities or system risks. This plan allocates the limited resources of the Department of Internal Audit to the most important priorities and risks of the parish at this point in time.

Upon completing this risk assessment, the Jefferson Parish Office of Inspector General’s Annual Work Plan for Calendar Year 2018 was reviewed. It is both the belief and intent of the Department of Internal Audit that the two work plans not be in conflict so that both offices can operate effectively and efficiently. The Department of Internal Audit anticipates and expects unfettered access to Jefferson Parish records so as to achieve success in its mission.

Internal Audit wishes to thank the JP Administration, Parish Council, Directors and all others for their assistance in providing information which led to the development of this plan. In addition, Internal Audit looks forward to assisting the parish in meeting its objectives this fiscal year. For further information on the FY 2018 Internal Audit Plan, please contact the Director of Internal Audit, Tara Hazelbaker, at (504) 736-6737 or by email at thazelbaker@jeffparish.net

****END****

This plan approved by:

**Keith A.
Conley**

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Keith Conley, Chief Operating Officer

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APPROVED
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