MISSION
The mission of the Office of the City Auditor is to provide an independent objective assurance and consulting services, designed to add value and improve the City of St. Petersburg’s operations. Our primary objective is to assist management in the effective performance of their duties. We help the City accomplish its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of control processes, governance, and risk management. To that end, we provide information, analysis, appraisals, recommendations, and counsel regarding the activities and programs reviewed. Our underlying objective is to promote effective controls at a reasonable cost.

SCOPE
The scope of the Office of the City Auditor’s authority includes any operation under the direction of the Mayor, City Administration, or City Council. The scope also includes functions for which the City provides financial support and/or the City Council is the ex-officio governing body.

The scope of internal auditing encompasses the examination and evaluation of the adequacy and effectiveness of the City’s systems of internal control and the quality of performance of assigned responsibilities. The scope of internal auditing includes, but is not limited to, the following:

- Review of the reliability and integrity of operational and financial information and the means used to identify, measure, classify, and report such information.
- Review of the systems established to ensure compliance with policies, plans, procedures, regulations and applicable laws that could have a significant impact on operations and reports, and determine whether the City is in compliance. In cases where compliance may be at issue, to suggest necessary corrections.
- Review of the methods for safeguarding assets and, as appropriate, verify the existence of such assets.
- Appraisal of the economy, efficiency, and effectiveness of resource employment, as well as management operational controls that exist regarding the scope of financial statements.
- Review of operations and/or programs to ascertain whether results are consistent with established objectives and goals and whether the operations or programs are being carried out as approved and/or planned.
• Perform consulting services, the nature and scope of which are advisory related and intended to improve the City's governance, control processes, and risk management.
• Perform special reviews and/or investigations as requested by the Mayor, Deputy Mayor/City Administrator, and/or the Assistant City Administrator.

AUTHORITY

The Office of the City Auditor has the authority to audit all areas of the City. The City Auditor also has unlimited access to City Administration and City Council.

The City Auditor and department staff members are authorized to:
• Have full, free, and unrestricted access to all records, functions, property, and personnel pertinent to carrying out any engagement, subject to accountability for confidentiality and safeguarding of such records and information.
• Allocate resources, select subjects, set frequencies, determine scope of work, and apply techniques required to accomplish audit and/or investigative objectives.
• Obtain the necessary assistance of City personnel to perform audits and/or investigations, as well as other specialized services from within and outside the City.

INDEPENDENCE AND OBJECTIVITY

To ensure the independence of the Office of the City Auditor, its personnel report to the City Auditor, who reports directly to the Mayor. The Mayor is elected and thus responsible to the citizens and taxpayers of the City. The Mayor is also considered to be independent. These reporting relationships not only ensure independence, but also assure comprehensive audit coverage and adequate consideration of audit recommendations. The Office of the City Auditor has no direct responsibility to, or authority over, any area subject to its audit, review, or investigation. Therefore, the Office of the City Auditor is organizationally independent from those areas that it reviews, audits, and/or investigates.

The City Auditor shall ensure that the department remains free from any condition that threatens the ability of its auditors to faithfully perform their duties in an unbiased manner, including audit selection, timing, frequency, scope, procedures, and report content. If the City Auditor determines that its independence and/or objectivity may be subject to impairment, in fact or appearance, the details of such impairment shall be disclosed to appropriate parties.

If the City Auditor has, or is expected to have, roles and/or responsibilities that fall outside the activities of internal auditing, safeguards shall be established to limit any impairment to independence or objectivity.

Objectivity is essential to the Office of the City Auditor in the fulfillment of its duties. Therefore, department staff members are not authorized to:
• Perform any operational duties for the City.
• Initiate or approve accounting transactions external to the Office of the City Auditor.
• Direct the activities of any City employee not employed by the department except to the extent such employees have been appropriately assigned to the department or otherwise assist the department.
RESPONSIBILITY

The City Auditor and departmental staff are responsible for all internal auditing activities for the City of St. Petersburg, including the following:

- Develop and implement a flexible Annual Audit Plan using appropriate risk-based methodology and submit that plan to the Mayor, Deputy Mayor/City Administrator, and Assistant City Administrator for review and approval each year.
- Review and adjust the Annual Audit Plan as necessary in response to changes in the City’s business, operations, programs, systems, controls, and/or risks identified by management. Significant revisions to the Annual Audit Plan shall be submitted to the Mayor, Deputy Mayor/City Administrator, and Assistant City Administrator for review and approval.
- Follow up on audit findings and corrective actions, and report to the Mayor any corrective actions not effectively implemented.
- Coordinate with and provide oversight of other control and monitoring functions such as, compliance, security, ethics, environmental, external audit, and risk management as directed by the Mayor.
- Ensure the principles of integrity, objectivity, competency and confidentiality are applied and upheld.
- Ensure the Office of the City Auditor staff collectively possesses or obtains the knowledge, skills, and other competencies needed to meet the requirements of this charter.
- Perform consulting services, beyond the department’s assurance services, to assist management in meeting its objectives such as, process design, training, facilitation and/or advisory services. To ensure the avoidance of perceived or actual conflicts of interest, staff shall be careful not to assume any management responsibilities.
- Ensure that emerging issues and/or trends that could impact the City are considered and communicated to senior management, the Mayor and City Administration as appropriate.
- Follow, and apply as appropriate, best practices and emerging trends regarding audits and/or investigations.
- Monitor the City of St. Petersburg Fraud Hotline, which is managed by an independent third party, and review and assess reports submitted by employees or vendors, and conduct an investigation, if necessary.
- Communicate to the Mayor, Deputy Mayor/City Administrator, and Assistant City Administrator the impact of resource limitations on the internal audit plan.

INVESTIGATIONS

The Office of the City Auditor is authorized by the Mayor to conduct investigations of any suspected inappropriate activity, including suspected fraudulent acts, in accordance with City of St. Petersburg Administrative Policy #040701, Fraud Policy.

- The City Auditor may receive relevant information of suspected wrongdoing on a confidential basis to the extent allowed by law.
- The City Auditor shall have the expertise to conduct or assist in the investigation of fraud and fraud related matters.
- Upon receiving notice of suspected fraud, the City Auditor shall notify the Mayor, the Deputy Mayor/City Administrator, and the City Attorney. The City Auditor, Deputy
Mayor/City Administrator and/or Mayor shall determine the extent of the Office of the City Auditor involvement in the internal fraud investigation.

- If a substantiated fraudulent act has criminal implications, the City Auditor shall consult with law enforcement agencies as necessary to assist in the preparation and presentation of criminal findings in a court of law.
- The City Auditor may request assistance of the Police Department, or engage external consultants as required by the specific allegation.
- The City Auditor shall coordinate the investigation and shall serve as the liaison between the Office of the City Auditor, the Legal Department, other applicable City departments, and law enforcement agencies, if any.

PROFESSIONAL STANDARDS

The Office of the City Auditor voluntarily follows the Institute of Internal Auditors (IIA) Professional Practices Framework (IPPF) which includes the IIA International Standards for the Professional Practice of Internal Auditing and the Internal Auditors (IIA) Code of Ethics. These professional standards and guidance provide a framework for conducting high quality audits with competence, integrity, objectivity and independence. Audits performed in accordance with the IIA Standards provide information useful for accountability, transparency, oversight, and improvements of City operations and programs. These standards include requirements and guidance that assist auditors in objectively acquiring and evaluating sufficient, appropriate evidence and reporting the results.

Boriana A. Pollard, MBA, CPA, CIA, CFE, CGAP
City Auditor

Mayor Rick Kriseman
City of St. Petersburg

7/10/18
Date

7/10/18
Date

Page 4 of 4