



*Presentation to the Audit Committee
August 31, 2017*

**STATUS REPORT ON THE FISCAL YEAR 2017 AUDIT PLAN
(JANUARY 1, 2017 to JUNE 30, 2017)**

*Yong Ju No, CPA
Director of Internal Audit*

**STATUS REPORT ON THE FY17 AUDIT PLAN
(JANUARY 1, 2017 to JUNE 30, 2017)**

Title	Objective(s)	Status	Service	Results/Comments
Carry-over Assignments from FY16				
Citywide Purchasing and Accounts Payable Procedures Performance Audit	Determine whether appropriate controls exists within the purchasing/disbursement process to ensure correct, appropriate and timely payments are made for goods/services received.	In Process	Audit and Assurance	We expect to issue our report and present it to the Audit Committee in the Fall of 2017.
On-going Assignments				
City's Investment Quarterly Review	Determine whether the City's investments comply with City Ordinance 42-35 and Massachusetts General Laws.	Ongoing	Audit and Assurance	No reportable findings.
Maintain the City's Fraud Hotline	Investigate reports of fraud, waste or abuse.	Ongoing	Investigation	<p>Seven (7) allegations have been submitted, six (6) of which have been closed with no further action warranted.</p> <p>We investigated an allegation regarding false time entry at Springfield Public Schools. Our investigation revealed the allegation to be unsubstantiated. However, we did make two (2) recommendations to improve the monitoring of employees' time. These recommendations were provided to the affected Principals, Payroll, and Human Resources.</p>
Office of Internal Audit Advisory Roles	Provide guidance and advice to City departments	Ongoing	Advisory	We performed a review of the City's flexible spending account program as requested by the CAFO, resulting in two (2) recommendations to improve processes.

STATUS REPORT ON THE FY17 AUDIT PLAN (continued)
(JANUARY 1, 2017 to JUNE 30, 2017)

Title	Objective(s)	Status	Service	Results/Comments
On-going Assignments (continued)				
Annual External Financial Audit for Year Ended June 30, 2016	The City's Ordinance requires the Office of Internal Audit to contract with an independent certified public accounting firm to conduct the annual external audit of City's financial statements. The firm also conducts the federally required Single Audit.	Complete	Audit and Assurance	The external auditors presented the results of the FY16 audit to the Audit Committee on August 31, 2017.
The School Department's Student Activity Funds Agreed Upon Procedures	Comply with Massachusetts General Law.	Complete	Audit and Assurance	We issued our report to the Superintendent in June 2017 and disclosed that except for certain matters that are in need of improvement, the School's policies and procedures are generally sufficient to administer the student activity funds.
New Assignments				
Citywide Unannounced Cash Counts	Verify accuracy of cash records and identify any weaknesses surrounding the safekeeping of cash.	Complete	Audit and Assurance	No reportable findings.
Review of the Parking Validation Machines at the City	Identify those City departments with parking validation machines and review the related parking expenditures.	Complete	Audit Committee Request	We presented the report to the Audit Committee on August 31, 2017.
Investigation of the Alleged Contract Violations for Managing the City's Golf Courses	Quantify the alleged contract violations by Kennedy Golf Management Inc.	In Process	Investigation	We do not currently have a timetable for the completion of our investigation.

**STATUS REPORT ON THE FY17 AUDIT PLAN (continued)
(JANUARY 1, 2017 to JUNE 30, 2017)**

Title	Objective(s)	Status	Service	Results/Comments
New Assignments (continued)				
Follow Up Reviews – Springfield Police Department’s Seized Cash, Department of Elder Affairs, and the Fun and Fitness Program at the Parks Department	Review, monitor, and test the implementation status of prior audit recommendations.	In Process	Audit and Assurance	We expect to issue our report and present it to Audit Committee in the Fall of 2017.
Health and Human Services	Determine whether the controls over operations, including cash receipts, disbursements, payroll, grant compliance, and safeguarding assets are effective.	Not Started	Audit and Assurance	We expect to commence the audit in the Fall of 2017.
Springfield Police Department (SPD) Follow Up Information Technology Review	Determine whether the FY 2015 recommendations from consultant have been implemented.	Not Started	Audit and Assurance	Postponed to FY18. SPD management has requested that this follow up review be performed after they have implemented new software at the E-Street location in FY18.
Springfield Schools Department (SPS) Follow Up Information Technology Review	Determine whether the FY 2016 recommendations from consultant have been implemented.	Not Started	Audit and Assurance	Postponed to FY18. SPS management has requested that this follow up review be performed after they have moved their servers to the Allen Street location in FY18.

STATUS REPORT ON THE FY17 AUDIT PLAN (continued)
(JANUARY 1, 2017 to JUNE 30, 2017)

Title	Objective(s)	Status	Service	Results/Comments
New Assignments (continued)				
Payroll Audit	Determine whether the controls over payroll are effective and that there is reasonable assurance that payroll is correct.	Not Started	Audit and Assurance	Postponed to FY18 to focus on the investigation of the alleged contract violations for managing the City's golf courses.