



*Presentation to the Audit Committee of the City Council
April 9, 2026*

ANNUAL AUDIT PLAN FOR FISCAL YEAR 2027

*Prepared by Yong Ju No, CPA, CFE
Director of Internal Audit*

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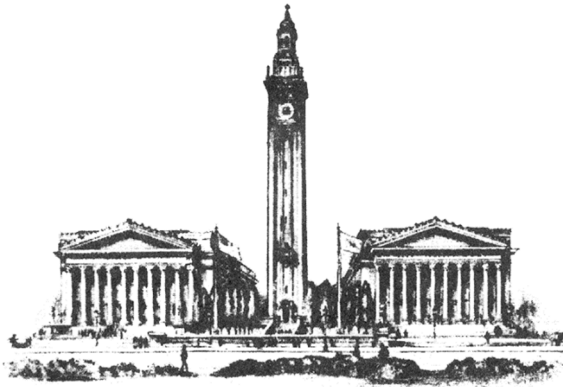
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THE CITY OF SPRINGFIELD, MASSACHUSETTS

April 9, 2026

Honorable Members of the Audit Committee of the City Council:

In accordance with City Ordinance 67-14, attached is the Annual Audit Plan proposed for Fiscal Year 2027 for your review and acceptance.

The Annual Audit Plan was developed by considering the required audits mandated by the City Ordinance, Massachusetts General Laws, and the results of the Fiscal Year 2027 Citywide Risk Assessment. We designed the Annual Audit Plan to prioritize the City's most significant risk areas while strategically optimizing our available staff resources to maximize our impact and oversight.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Yong Ju No'. The signature is written in a cursive, flowing style with a long horizontal stroke extending to the right.



Mission Statement

The mission of the Office of Internal Audit is to promote accountability and integrity in City government by providing independent and objective reviews and assessments of the City's departments, programs, and services to improve the efficiency of procedures and effectiveness of operations; and to prevent and detect waste, fraud, and abuse.

Powers and Duties

City Ordinance 67-14 among other things grants the Director of Internal Audit the following powers and duties:

The Director of Internal Audit shall examine or cause to be examined the financial and other records of the city and its departments including the city retirement system and any other audits or reviews as determined necessary by the Director of Internal Audit. The Director shall conduct or cause to be conducted both financial and performance audits to prevent and detect waste, fraud and abuse and to improve the efficiency, effectiveness and quality of public services provided in and by the City. Department heads are encouraged to use the resources of the Director of Internal Audit.

The Director of Internal Audit shall maintain a fraud hotline for the City of Springfield. This hotline should be made available to the public and to city employees to enable them to report fraud, waste, and abuse.

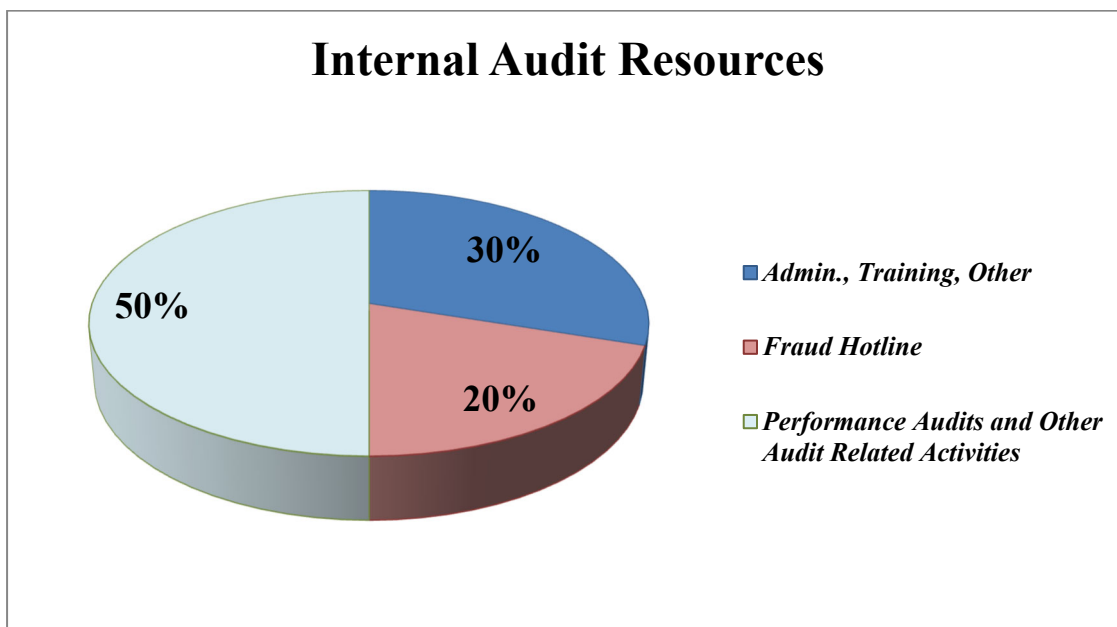
No employee, officer, board, commission, agency or other unit of the city government, including the school department, shall interfere with any audit or review conducted by the Director of Internal Audit or his/her staff.



Audit Resources

Yong Ju No, CPA, CFE, Director
Cecelia Goulet, CPA, CIA, CGA, Manager
Erika Wallace, Auditor

There are 5,270 staffing hours available for Fiscal Year 2027, of this amount 2,630 hours (50%) are planned for performance audits and other audit related activities; 1,050 hours (20%) are planned for the maintenance of the fraud hotline; and 1,590 hours (30%) are planned for administrative, training and other duties.



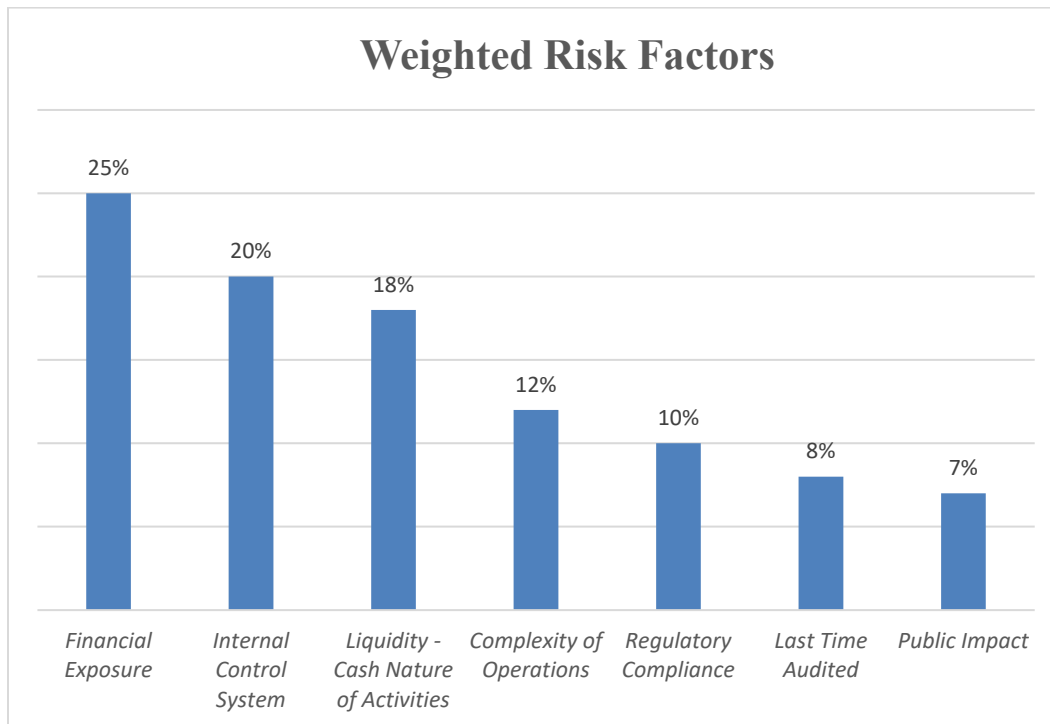
City Wide Risk Assessment Summary

Risk assessment is the process we used to identify and prioritize the City’s internal control practices and significant areas of operating risk. This process provides a tool for creating a roadmap ultimately used in developing the Annual Audit Plan for Fiscal Year 2027. We designed the annual audit plan to address what we considered to be the highest priority areas while limiting the scope of work to what we can realistically accomplish with the staff resources available.



City Wide Risk Assessment Model

In developing a risk assessment model, we first had to define the audit universe. The audit universe is a listing of all the City’s significant auditable units. To accomplish this, we used the City’s Fiscal Year 2026 Adopted Budget. The next step in creating the risk assessment model was to identify the major risks factors associated with the City’s auditable units. We then assigned weights to each risk factor based on relative importance. These measurable risk factors and assigned weights are summarized in the following graph:



We continued our prioritization process by assigning a value to all of the above risk factors for each of the auditable units. Based on the results from interviews with City management and solicitation of risk ideas from City Council, knowledge of past problematic areas, and reviews of the Comprehensive Annual Financial Statements and other sources of information, we assigned a point value of zero to five (0-5) for each risk factor evaluated. On this scale, zero represents the lowest level of risk (e.g., minimal financial exposure or strong existing controls) and five represents the highest level of risk (e.g., critical financial exposure, complex regulatory compliance, or significant public impact). We then added the weighted factors together to obtain the representative risk score for each auditable entity, tabulated, and ranked the results from highest to lowest risk scores.

These rankings were taken into consideration when developing the Annual Audit Plan for the Fiscal Year 2027. We must emphasize that we must also give consideration to any unique situations that may arise as well as certain circumstances which might supersede our previously identified and scheduled top priority items.



Annual Audit Plan for Fiscal Year 2027

Auditable Unit	Project/Audit Name	Objective(s)	Hours
Required/Ongoing Projects			
Treasurer	City’s Investment Quarterly Review	Comply with City Ordinance. Determine whether the City’s investments are in compliance with Massachusetts General Laws (MGL).	60
School Department	Student Activity Funds Agreed Upon Procedures	Comply with MGL. The Office of Internal Audit conducts agreed-upon procedures (AUP) for two years, and external auditors perform the AUP in the third year. Fiscal Year 2027 is when external auditors will handle the AUP for the year ending June 30, 2026.	10
Citywide and School Department	Annual External Financial Audit	City 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.	20
Total Hours for Required/Ongoing Projects			90
Follow Up Reviews			
Information Technology Department	Information Technology	Reassess the City’s cybersecurity and data-theft risks by expanding on the FY2024 review, identifying new vulnerabilities. <i>(Conducted by an independent consultant, contingent on funding.)</i>	40
Springfield Police Department, Parks & Recreation Division, Benefits Department, and Springfield Public Schools	Follow Up Reviews – Springfield Police Department’s Seized Cash (Carryover from FY26) ¹ , Parks & Recreation Division, Health Insurance Benefits Review, SPS’ Food Service Management Agreement.	Review, monitor, and test the implementation status of prior audit recommendations.	610
Total Hours for Follow up Reviews			650



Auditable Unit	Project/Audit Name	Objective(s)	Hours
Performance Audits			
Department of Public Works	Street Lights Repair and Maintenance Performance Audit	Carryover from FY26 Audit Plan ¹ Assess Department of Public Work’s street lights maintenance and repairs protocols for efficiency and effectiveness.	310
Springfield Police Department	Review of the Springfield Police Department’s Property and Evidence Room	Carryover from FY26 Audit Plan ¹ Evaluate the design and operating effectiveness of controls over property and evidence room inventory, from intake to disposition, to mitigate the risks of loss, damage, unauthorized access, and improper handling, ensuring compliance with relevant policies and procedures.	330
Facilities Department at Springfield Public Schools	Review of the Siemens Energy Monitoring Contract	Assess the School department’s effectiveness in monitoring the District’s energy monitoring contract.	550
Information Technology Department at Springfield Public Schools	Technology Inventory Management Review at Springfield Public Schools	Phase I – Central Office and staff assigned assets. Verify that the District’s technology assets are accurately recorded, physically secured, and effectively assigned to staff.	300
Citywide	Unscheduled Audits	Hours set aside to perform audits of unforeseen issues and requests by management, the Mayor, and/or City Council, subject to the Director’s independent risk assessment and available resources.	400
Total Hours for Performance Audits			1,890
Total Hours for Audits and Related Activities			2,630
Total Hours for Maintenance of Fraud Hotline			1,050
Total Hours for Administration, Training, and Other			1,590
Total Available 2027 Hours for Office of Internal Audit			5,270

¹ Carryover audits from prior year plans were prioritized to ensure continuity and completion of previously approved audit work.

**Appendix A – Audit Requests from City Council and Disposition**

During the development of the Fiscal Year 2027 Annual Audit Plan, the Office of Internal Audit solicited input and risk ideas from the members of the City Council. The following table outlines the specific audit requests received from City Councilors and the resulting disposition of each request based on our risk assessment model and available audit resources.

Requesting Party	Date Received	Requested Audit/Area of Concern	Disposition	Rationale
City Council Member	January 2026	Street Lights Repair and Maintenance Performance Audit	Included in the FY2027 Audit Plan (Carryover)	Audit included in FY2026 Audit Plan and carried forward to ensure completion and continuity.
City Council Member	January 2026	Snow Removal Operations	Included in the FY2026 Audit Plan.	Audit initiated in FY2026.
City Council Member	January 2026	Street Maintenance Operations – Potholes and Sidewalks	Included in the FY2026 Audit Plan	Audit initiated in FY2026.
City Council Member	January 2026	Spirit of Springfield Contract	Included in the FY2025 Audit Plan	A performance audit of Parks & Recreation, which included the Spirit of Springfield contract, was completed in FY2025. Follow-up procedures are included in the FY2027 Audit Plan.
City Council Member	March 2026	Landscape Contract with Gleason Johndrow	Deferred	The audit subject was not selected because higher-risk priorities were identified through the Citywide Risk Assessment. Additionally, the landscape contract has been audited previously.
City Council Member	March 2026	Office of Elections/Voting	Outside Jurisdiction	The OIA consulted with the City's Law Department, which advised that this type of review falls outside the OIA's jurisdiction. Under state law, only the Commonwealth has the authority to conduct audits of election administration.