

**About Our Office:** The Office of the City Auditor (OCA) seeks to assist the City Council in establishing transparency, accountability, and continuous improvement in Austin City government. We do this by conducting performance audits, special request projects, fraud investigations, and other integrity-related projects.

**What is a Performance Audit?**

Performance audits provide findings or conclusions based on an evaluation of sufficient, appropriate evidence against criteria. Audit services provide objective analysis to assist management and those charged with governance to improve program performance and operations, reduce costs, facilitate decision-making for initiating corrective action, and contribute to public accountability.

- Government Accountability Office

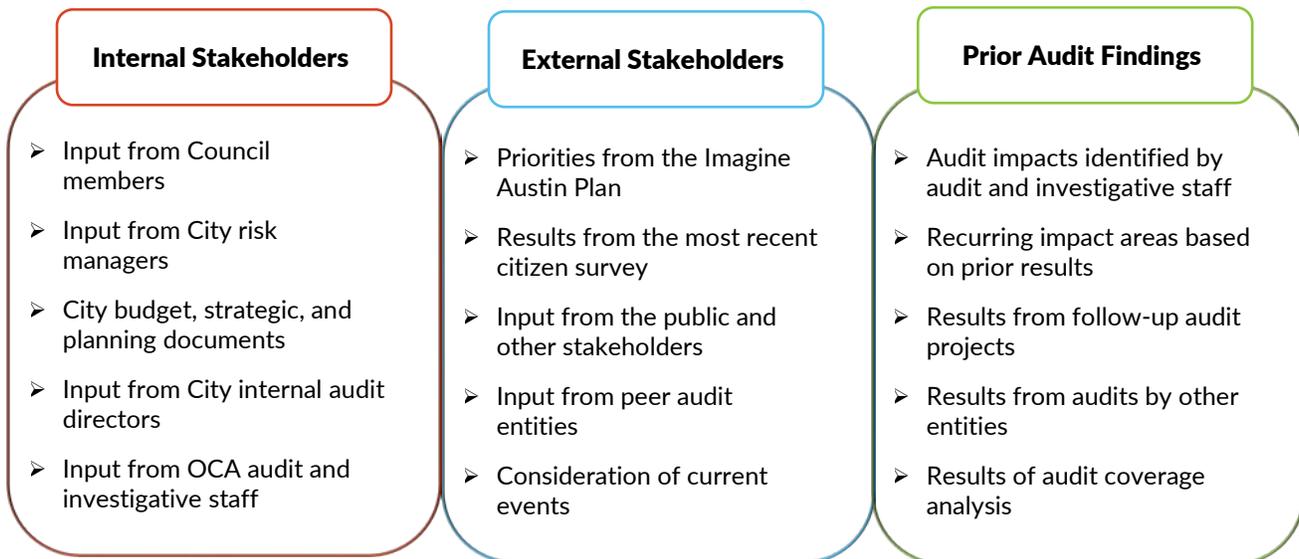
**About Our Planning Process:** Each year, our office utilizes a planning process that:

1. Establishes what high-impact areas will be prioritized for audits,
2. Estimates a timetable for initiating and completing audits, and
3. Seeks to avoid work that overlaps with efforts by other internal and external entities.

Project Identification: Throughout the year, our office collects information from a variety of internal and external sources to identify potential impact areas from an audit perspective (see Table 1). We consider:

1. Expectations from internal stakeholders such as elected officials and City management,
2. Expectations from external stakeholders such as the public and peers, and
3. An analysis of impacts areas identified from prior audits and investigations.

**Table 1 – Sources of Information**



Risk Assessment and Project Prioritization: We analyze the information collected to identify potential audit topics with a particular focus on impacts areas that show a pattern or are repeated among the various sources of information. We then prioritize these topics based on several factors, including:

1. Risk or impact level,
2. Stakeholder interest and community impact,
3. Audit coverage,
4. Available resources, and
5. Timing.

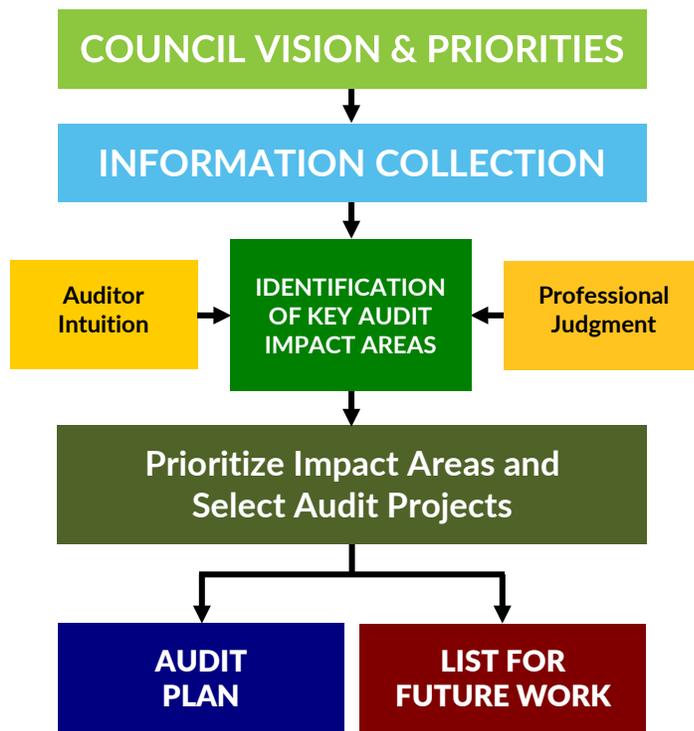
This process yields a high-impact audit plan project list and a list of other possible audits that will be considered for future work (see Table 2).

### What is Risk Assessment?

Risk assessment is a systematic process used to identify and prioritize the relative impact of risk factors that indicate where there may be a high level of exposure or potential liability for the City. The results of this process identify areas where audits or additional management action may be warranted and indicate where the greatest impact can be achieved from finite resources.

The City Auditor's Audit Plan: The audit plan is a product of this process and identifies the audits our office intends to conduct in the coming year. The City Auditor seeks feedback from stakeholders to ensure that the proposed projects address the highest impact areas for the City. The plan is also flexible so that unforeseen or urgent issues can be addressed in a timely manner.

**Table 2 – Plan Development Flow Chart**



Each year, the City Auditor submits the audit plan to the City Council for review and comment through the Council Audit and Finance Committee.

As noted in City Code section 2-3-7, the City Auditor maintains the flexibility to amend the plan, as needed, by notifying and obtaining comments from the Council Audit and Finance Committee. Likewise, the City Auditor may expand the scope of an audit, as needed.

As noted in City Code section 2-3-9, the Committee reviews and makes a recommendation to the full Council regarding the City Auditor's audit plan.