

Internal Audit  
Risk Assessment and Annual Audit Plan  
Fiscal Year 2019

---



## BACKGROUND

---

### MISSION

The mission of the Department is to promote honest, efficient, effective, economical, and fully accountable and transparent Parish government. To fulfill this mission, the Department shall conduct performance audits and perform non-audit services of any Parish department, program, service, or activity as approved by the Parish Council. The purpose of these audits is to provide the Council, Administration, the residents of Jefferson Parish, and other stakeholders with independent and objective analysis as to whether management is using its financial, physical, and informational resources effectively, efficiently, economically, ethically, and equitably, and in compliance with laws, regulations, contract and grant requirements, and Parish policies and procedures.<sup>1</sup>

### INTRODUCTION

The Director shall be responsible for developing and implementing a comprehensive program of audit coverage in the analysis, interpretation, and evaluation of financial and operating information by presenting, at the beginning of each fiscal year, an annual audit plan for adoption by Council resolution. The plan shall identify the preliminary objectives of each audit to be performed, reflecting the purpose of the engagement and a preliminary description of the areas that may be addressed. The Director will consult with the Parish President prior to submitting it to the Council for approval. The Parish President may identify areas where the Parish will benefit from performance audits or a non-audit service. The annual audit plan may be supplemented to include additional audits during the fiscal year by affirmative vote of one (1) more than that which would constitute a majority vote of the Council. The audit plan shall not be amended or supplemented to remove any audit to be performed.<sup>2</sup>

This document outlines the required Fiscal Year (FY) 2019 Audit Plan which provides the vision of Internal Audit efforts for FY2019, allocating efforts to the most critical areas within the structure of Jefferson Parish (JP) government.

Engagements were identified for the Annual Audit 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 FY2019.

### FUNCTIONS

The functions of the Department of Internal Audit include but are not limited to:

- 1) Plan and direct the internal audit activities of the parish.
- 2) Develop and implement a comprehensive program of audit coverage.
- 3) Perform financial and operational audits in accordance with the annual plan.
- 4) Prepare quarterly reports describing the status and progress towards completing the audits.
- 5) Prepare and issue an annual report on the status of recommendations made in completed audits.
- 6) Be responsible for preparing an annual Department operating budget and approving expenses.

---

<sup>1</sup> Ordinance No. 25549: April 4, 2018 – Chapter 2, Article V, Division 3.7, Sec.2-162(b)

<sup>2</sup> Ordinance No. 25549: April 4, 2018 – Chapter 2, Article V, Division 3.7, Sec.2-162.3(b)

## PERFORMANCE INDICATORS

The Department of Internal Audit is comprised of one full-time position. The Annual Audit Plan focuses on the most important priorities and risks of JP at this point in time. Performance indicators set for FY2019 are as follows:

Performance Indicator	2019 Planned
Internal Audit Annual Risk Assessment	1
Annual Report	1
Total Number of New Engagements	6
Percent of Audit Recommendations Accepted	90%
Total Number of Follow Up Engagements	1
Number of Professional Training Hours per Year	40

## RISK ASSESSMENT

---

### METHOD AND CRITERIA

The Department of Internal Audit developed the Annual Audit 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
- ❖ Size/complexity of department/operations
- ❖ Other high-risk indicators
- ❖ Prior audits
- ❖ Quality of departmental internal controls
- ❖ Auditor judgment

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

- ❖ Activities identified from questionnaires and interviews
- ❖ 2017 Comprehensive Annual Financial Report, and 2017 Single Audit Report
- ❖ 2017 External Audit adjustments and passed adjustments; there were none
- ❖ 2018 Jefferson Parish Approved Budget
- ❖ 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.

## FY2019 AUDIT PLAN

### GOALS

Performance Indicators call for a total one follow-up engagement and four proposed new engagements for FY2019, along with an allowance for two more new or follow-up audit engagements to be added over the course of the year. The engagement focus areas may be adjusted as new or current information becomes available or as situations may otherwise dictate. An annual risk assessment and an annual report will also be issued during FY2019 as required by JP Ordinance. The Director will complete a minimum of forty hours of professional education during FY2019.

### AUDIT PLAN

ANNUAL REPORTS		
#	DEPARTMENT	DESCRIPTION
1	Parishwide	2019 Annual Report
2	Parishwide	2020 Annual Risk Assessment/Audit Plan
2019 NEW ENGAGEMENTS		
#	DEPARTMENT	DESCRIPTION
1	Property Maint/Zoning	Vehicles under Tow: Revenue Contract
2	Jeff CAP	Food Service: Contract Compliance
3	To be Announced	Surprise Petty Cash Audit
4	Community Justice Agency	Healthcare Treatment: Contract Compliance
5	To be Determined	Allowance for Additional Engagement as Determined
6	To be Determined	Allowance for Additional Engagement as Determined
2019 FOLLOW UP ENGAGEMENT		
#	DEPARTMENT	DESCRIPTION
1	Animal Shelter	Follow up on Internal Controls
PROFESSIONAL TRAINING		
#	COURSE DESCRIPTION	HOURS
A	Institute of Internal Auditors, Gvt. Finance Officers Association, etc.	40

## OTHER AREAS OF RESPONSIBILITIES

- Manage reporting requirements by agencies.
- Assist with the AS/400 Financial Management System migration to a new accounting system.
- Prepare quarterly reports describing the status and progress towards completing the audits.
- Member of the review team for Personal Financial Disclosure forms.
- Attend agenda and Parish Council meetings.
- Other consultative sessions, as requested.

## CLOSING

---

This annual audit plan is submitted for adoption by the Parish Council and may be supplemented to include additional audits during the fiscal year by affirmative vote of one more than that which would constitute a majority vote of the Council. The audit plan shall not be amended or supplemented to remove any audit to be performed.<sup>2</sup>

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.

The Jefferson Parish Office of Inspector General (OIG) and the Department of Internal Audit communicate with a shared goal of not duplicating efforts. It is both the belief and intent of the Department of Internal Audit that this Audit Plan and that of the OIG are not 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 FY2019 Internal Audit Plan, please contact the Director of Internal Audit, Tara Hazelbaker, at (504) 736-6737 or by email at [thazelbaker@jeffparish.net](mailto:thazelbaker@jeffparish.net).

\*\*\*\*END\*\*\*\*

This plan was reviewed by the Jefferson Parish Administration prior to adoption by the Council.

Natalie D. Newton, Deputy COO  
Print Name / Title

\_\_\_\_\_  
Signature

9/28/2018  
Date