



The Office of Internal Audit provides independent, objective assurance and consulting services that add value to and improve Louisville Metro's operations.

Photo by Laura Hartford

The Office of Internal Audit follows the Standards for the Professional Practice of Internal Auditing established by the Institute of Internal Auditors. These standards specify the requirements of professional internal auditing including independence, proficiency, scope of work, and administration. In addition, all audits are governed by the provisions of the Generally Accepted Government Auditing Standards, which is commonly known as the Yellow Book.

Internal auditors are business professionals with degrees in accounting, finance, and business administration. Additionally, most have either graduate level degrees or a professional certification such as the Certified Internal Auditor.

To perform audits effectively, it is necessary to have full access to records, properties, and personnel. All information pertaining to audits performed by the Office of Internal Audit is confidential. However, final audit reports fall under the State's Open Records Laws.



Jerry E. Abramson, Mayor
Louisville Metro Council



Our Mission is to provide high value audit and consulting services to assist both policy makers and program managers in providing quality services in a manner that is accountable, efficient, effective, and ethical to the citizens of Louisville Metro.

SERVICES

All internal audit services are directed toward helping clients achieve goals and objectives. Although audits look at how things were done in the past and how they are done today, this information is used to help make improvements so that management is even more effective. We can help you by:

- ▶ Analyzing risks and business objectives.
- ▶ Evaluating internal controls.
- ▶ Providing broad business experience and technical expertise.
- ▶ Serving as a resource clearinghouse.
- ▶ Assisting in system development.
- ▶ Advising on outside consultants.

BENEFITS

Through our services and associated recommendations, our clients benefit by obtaining reasonable assurance regarding:

- ▶ Accomplishment of objectives and goals for their operations and programs;
- ▶ Identification of key business risks and associated mitigating activities;
- ▶ Effectiveness and efficiency of their operations and programs;
- ▶ Reliability of financial information;
- ▶ Compliance with applicable laws and regulations;
- ▶ Safeguarding of assets.

TYPES OF AUDITS

The types of audits we provide include:

- Risk and Controls Audits
- Operational Audits
- Business Risk Assessment
- Special Request (Unscheduled) Audits
- Mandated Audits
- Investigative Audits
- Performance Audits

Responsibility for internal control systems rests with the individual Metro departments and managers. Each individual department has the basic responsibility for setting up, maintaining, and periodically reviewing its internal control systems.

AUDIT SELECTION

Audit selection is not an arbitrary process. Risk assessment techniques are used to identify areas or activities to be included in the plan. The assessment considers many factors, including possible financial exposures, system or processing complexity, changes in management, personnel turnover, and results of past audits. After this risk assessment is completed, an audit plan is developed. Several factors influence the selection and scheduling of audits including:

- ▶ The type of audit;
- ▶ Current and planned work on other audit projects requiring substantial time commitments;
- ▶ The availability of staff in client units selected for review;
- ▶ The availability of Internal Audit staff with the appropriate skills.

In addition to planned reviews, we set aside time for special requests by management.

AUDIT PROCESS

We strive to develop and maintain good working relationships with Louisville Metro management. Our scope and objectives are discussed with management to develop action plans regarding key areas of concern. During the audit we try to be as responsive to the agency personnel's schedule as our engagements will permit. There are several general steps in an audit.

- I. Planning
Objectives established.
- II. Field Work
Entrance conference with client personnel.

Procedures documented through interviews.

Review of transactions to see if what is happening is what is supposed to happen.

Quality assurance review by Internal Audit senior management.
- III. Reporting
Draft report issued to client.

Exit conference with client to discuss report.

Final report issued with client's responses included.