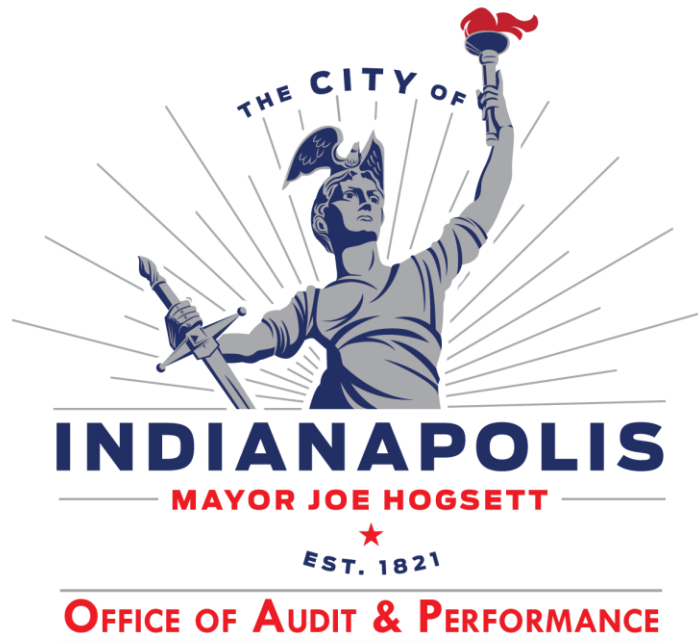


2021 Annual Report



Office of Audit and Performance and Indianapolis - Marion County Audit Committee

Indianapolis-Marion County Audit Committee: Overview and Annual Activities

The Indianapolis-Marion County Audit Committee (“Committee”) convened for an orientation session in February, and four meetings throughout 2021. After starting the year with four vacant positions, the committee was complete by the end of the year. Below are brief summaries of each meeting.

2021 Audit Committee Meeting Summary	
ORIENTATION February 19, 2021	The Annual Orientation/Refresher Session was held with all the Committee members in attendance. The program was aimed to educate members about the responsibilities of the Committee, the Office of Audit and Performance (“OAP”) and the City-County external audit, currently performed by BKD, LLP (“BKD”). Presenters included representatives from the Indiana State Board of Accounts, Office of the Corporation Counsel (“OCC”) and BKD.
PUBLIC MEETING February 26, 2021	The 2020 Annual Report was received and approved. The result of the Audit Committee Self-Assessment was presented to the committee. OAP also presented the results of the Annual Risk Assessment, which is used to determine the entities selected for audit in its annual plan. BKD, the City-County external audit firm, was introduced to the Committee.
PUBLIC MEETING April 23, 2021	BKD provided an overview of the 2021 External Audit Planning Document and discussed areas of risk, related timelines, and status for the City and County Annual Comprehensive Financial Reports and Single Audits. The Information Services Agency (“ISA”) provided an update on the City-County's Information Technology systems and activities.
PUBLIC MEETING July 23, 2021	BKD presented its reports on the City and County Annual Comprehensive Financial Reports and Single Audits.
PUBLIC MEETING October 22, 2021	The Committee received status updates from City-County agency representatives from the Indianapolis Metropolitan Police Department (“IMPD”) and the Marion County Sheriff’s regarding unresolved audit findings that have exceeded their initial implementation dates. OFM provided updates on findings from the 2020 external audits as well as the creation of the City-County Accounting Policies and Procedures manual.

2021 OAP Activities

Outstanding Audit Findings

OAP continued to track all outstanding audit findings and coordinate status updates from the appropriate agencies. The standard timeframe for implementing a corrective action plan (including recommendations) is six months. All agencies with findings outstanding for over six months are requested to provide status reports to the Committee at the Q4 meeting. OAP had 19 un-remediated findings as of January 2021, with an additional three added in July, for a total of 22 outstanding findings. Over the course of 2021, 17 recommendations were fully implemented, leaving five outstanding findings. Of these five outstanding findings, two have been unremediated for over two months.

Audit	Findings		>6 mo. O/S	Why O/S
	O/S	Description		
2017 IMPD	1	Overtime was not calculated in accordance with the union contract	Y	Technological and COVID-related delays of Kronos HCM system. Expected completion by EOY 2022.
2018 Vendor Master File	1	Clean the vendor master file - Purge dormant or blocked vendors and former employee records. Implement periodic reviews and maintenance to address timely updates affecting the integrity and accuracy of VMF data.	Y	Auditor's Office working through updates of 2,000 plus Vendor list.
2020 City AFR/ Single Audit	1	Internal control environment over financial reporting did not detect certain adjustments made to capital assets that were needed to prevent the financial statements from being materially misstated.	N	
2020 County AFR/ Single Audit	2	The Sheriff Commissary special revenue fund, the Clerk of Circuit Court agency fund, and the Sheriff agency fund are not maintained within the County's general ledger, resulting in adjustment to be posted for these accounts.	N	

Entity Self-Risk Assessment and Training

OAP's 2019 Peer Review noted the lack of an enterprise-wide, entity self risk assessment process. The self-risk assessment allows management to assess what they perceive to be risks to their organization's operations. In 2021, OAP introduced an entity self-risk assessment pilot program which included training prior to completion of the self assessment. The training was designed to assist management in assessing existing controls, reviewing the adequacy and efficiency of those controls and designing new controls where gaps or inefficiencies exist. OAP will review the results of the self-risk assessment to help ensure continuous control monitoring and process improvement. Two entities—the Human Resources Division and the Marion County Election Board—participated in pilot the initiative in 2021. In 2022 and beyond, OAP will work with OFM to expand self-risk assessment within the City-County.

Internal Control Awareness Training

OAP collaborated with BKD and organized a citywide internal controls awareness training on Thursday, September 30, 2021. The training provided attendees with an overview of internal controls using the Committee of Sponsoring Organizations (COSO) framework. The training also reiterated the importance of alignment between internal controls and the self-risk assessment process. In attendance were the City-County CFOs, elected officials, department directors, deputy directors, staff with access to the City's accounting application and other interested personnel. OAP and OFM are planning to offer similar trainings semi-annually beginning in 2022.

External Auditing and Contract Management

Over the course of 2021, the Office of Finance and Management, the Marion County Treasurer's Office, the Marion County Auditor's Office and the OAP Audit Team, worked with external auditor BKD to ensure the timely completion of City and County Annual Comprehensive Financial Reports ("Annual Reports"). As in 2020, the Annual Reports. were submitted to the Government Finance Officers Association for consideration for a Certificate of Excellence in Financial Reporting. The City and County also achieved timely issuance of its Single Audit reports. OAP contributed 386 hours in supporting the external audit engagement.

Fraud, Waste, Abuse, and Mismanagement (FWAM)

OAP maintains a Fraud Hotline to monitor and investigate tips relating to instances of fraud, waste, abuse, and mismanagement ("FWAM") within the City-County. The Fraud Hotline includes options for both phone and electronic submissions. Each new City-County employee is introduced to the concepts of FWAM and made aware of OAP's Fraud Hotline during their new employee orientation. Additionally, all employees receive information on fraud detection best practices during International Fraud Awareness Week in November.

Tips to the hotline have increased 400 percent over the last two years although many did not relate directly to FWAM and were directed to other resources. OAP plans to finalize Standard Operating Procedures for the hotline in 2022 to better achieve the mission of preventing and detecting fraud within City-County Government.

Indianapolis Metropolitan Police Department Advisory Services

OAP was engaged by the IMPD to identify best practices for internal controls of body-worn camera (“BWC”) programs. OAP recommended that IMPD create a pilot monitoring program focusing on testing adherence to the BWC procedures. Additionally, OAP recommended using the COSO Framework to identify operational practices to measure the project's effectiveness and efficiencies.

Ongoing Audit Projects

OAP started the following audits in 2021 with expected completion in 2022:

1. Community Justice Campus (CJC) (performed by BKD)
2. Human Resources Division
3. Marion County Election Board

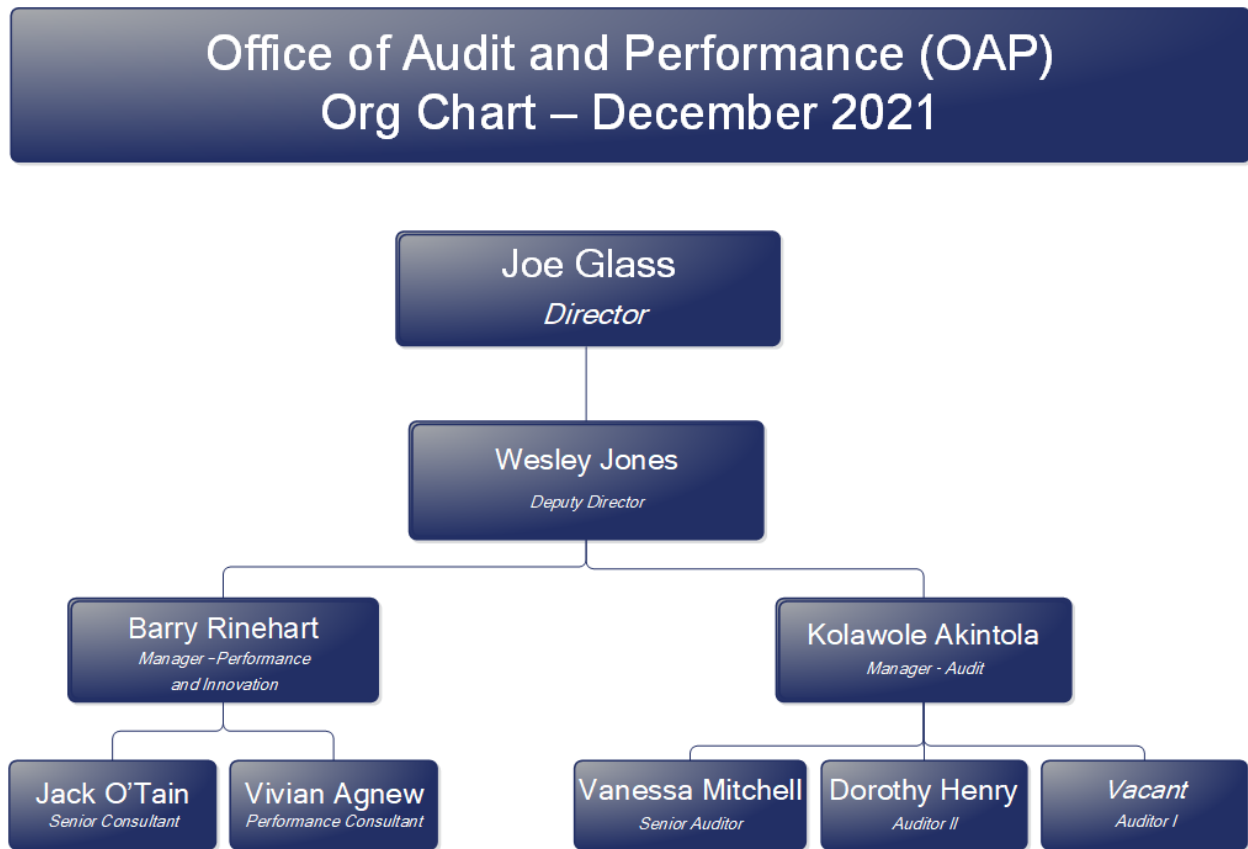
Performance and Innovation Team: Indy Performs

For much of the year, the Indy Performs initiative consisted of monthly meetings with a number of City-County units reporting on their progress with goals and objectives outlined in the City’s *One City Rising* plan. While the meetings served as a forum for agencies and departments to learn and collaborate, OAP’s Performance and Innovation team recognized an opportunity to create an even greater impact by transforming this initiative into a holistic performance management program. The concept was fully developed over late summer and fall, and formally introduced in November and December. Starting in early 2022, select individuals from City-County agencies will participate in a series of data literacy courses, focused on applications specific to their operations. As these data teams progress through the curriculum, they will be equipped with skills to more effectively identify, measure, and report on data to better inform their organizational performance. Once these practices become established, the Enterprise will be able to regularly report on stated goals and eventually provide transparency through the use of public-facing dashboards. These efforts will be the sole focus of the Performance and Innovation team throughout the entirety of 2022.

Appendix A – City-County Audit Committee Roster

Audit Committee Members	
Voting Members	
Dauids Reynolds, Chair	Senior Vice President, Policy Analytics LLC
Crystal Allen	CEO & VP Tax and Accounting Services, A Total Solution
Michael Claytor	Retired Financial Services Executive
Dan Boots	Councilor (District 3), City-County Council
Michael-Paul Hart	Councilor (District 18), City-County Council
Tanya Ndiaye	Accountant, Tanya Ndiaye dba "The Organizer"
Ryan Mann	Special Counsel to the Mayor of Indianapolis, Office of the Mayor
Non-Voting Ex-Officio Members	
Ken Clark	City Controller, Office of Finance and Management
Susan W. Gordon, CPA, JD, CFE	Director of Audit Services for Cities and Towns, State Board of Accounts
Brandon Herget	Chief Financial Officer and Policy Director, City-County Council
Joe Glass, Secretary	Director, Office of Audit and Performance
Julie Voorhies	Marion County Auditor, Marion County Auditor's Office

Appendix B - OAP Organizational Chart



Contact Us

Office of Audit and Performance

200 East Washington Street | Suite 2101 | Indianapolis, Indiana 46204
(317) 327-4591 | OAP@indy.gov | Indy.gov/OAP