

Appendix A: Purpose, Methodology, Scope, and Objectives of the Audit

Performance Audit Purpose and Overview

Performance audits provide objective analysis to assist management and those charged with governance and oversight to improve program performance and operations, reduce costs, facilitate decision making by parties with responsibility to oversee or initiate corrective action, and contribute to public accountability.

Generally accepted government auditing standards (GAGAS) require that a performance audit be planned and performed so as to obtain sufficient, appropriate evidence to provide a reasonable basis for findings and conclusions based on audit objectives. Objectives are what the audit is intended to accomplish and can be thought of as questions about the program that the auditors seek to answer based on evidence obtained and assessed against criteria.

We conducted this performance audit in accordance with GAGAS. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Audit Scope and Objectives

In order to provide the City with appropriate, data driven, recommendations, the following questions were assessed within each of the agreed upon scope areas:

Summary of Objectives and Conclusions

Objective	Recommendation
Safety Services	
<p>What opportunities exist for the City to improve the efficiency and/or effectiveness of the staffing and operations of the Police Department in relation to peers, industry standards, and/or leading practices?</p>	<p>R.1 Renegotiate police minimum manning requirements and adjust staffing based on workload and service levels desired.</p> <p>R.2 Improve data collection so that future staffing decisions can be based on accurate information</p> <p>R.5 Renegotiate dispatch minimum manning requirements to allow for flexible staffing based on workload and service levels desire</p> <p>Issue for further study: Determine optimal dispatch staffing based on workload metrics.</p>

What opportunities exist for the City to improve the efficiency and/or effectiveness of the staffing and operations of the Fire Department in relation to peers, industry standards, and/or leading practices?	R.3 Renegotiate fire minimum manning requirements and adjust staffing based on workload and service levels desired. R.4 Reduce fire department overtime costs
Are the City's Safety Services collective bargaining agreement provisions appropriate in comparison to local peers, minimums requirements, and the City's financial condition?	R.6 Reduce severance payouts within Collective Bargaining Agreements.
Are the City's Safety Services salaries and wages appropriate in comparison to local peers and the City's financial condition?	No Recommendation. Salaries and wages were comparable to or below peers.
City-Wide	
Are the City's capital planning and budgeting practices consistent with leading practices and industry standards?	R.7 Develop a formal capital plan that is linked to funding streams.
Are the City's fleet management practices consistent with leading practices and industry standards?	R.8 Improve ongoing fleet data collection, use of the iWorQ system, and fleet replacement practices.
Are the City's insurance costs appropriate in comparison to other governmental entities within the local market and the City's financial condition?	Noteworthy Accomplishment

Although assessment of internal controls was not specifically an objective of this performance audit, internal controls were considered and evaluated when applicable to scope areas and objectives. The following internal control components and underlying principles were relevant to our audit objectives²³:

- Control environment
 - We assessed the City's exercise of oversight responsibilities in regards to detecting improper payroll reporting and benefits administration.
 - We assessed the City's exercise of oversight responsibilities in regards to detecting improper data entry in the dispatch system and fleet management information system.
- Risk Assessment
 - We considered the City's activities to assess fraud risks.
- Information and Communication
 - We considered the City's use of quality information in relation to its financial, payroll, staffing, and fleet data.

²³ We relied upon standards for internal controls obtained from *Standards for Internal Control in the Federal Government* (2014), the U.S. Government Accountability Office, report GAO-14-704G

- Control Activities
 - We considered the City’s compliance with applicable laws and contracts.

An internal control deficiency was identified during the course of the audit and is discussed in **R.2** and **R.8**.

Audit Methodology

To complete this performance audit, auditors gathered data, conducted interviews with numerous individuals associated with the areas of City’s operations included in the audit scope, and reviewed and assessed available information. Assessments were performed using criteria from a number of sources, including:

- Peer Cities;
- Industry Standards;
- Leading Practices;
- Statues; and
- Policies and Procedures.

In consultation with the City, we selected cities similar in population and other demographics to form the peer group for comparisons contained in this report. These peers are identified as necessary and appropriate within the section where they were used.