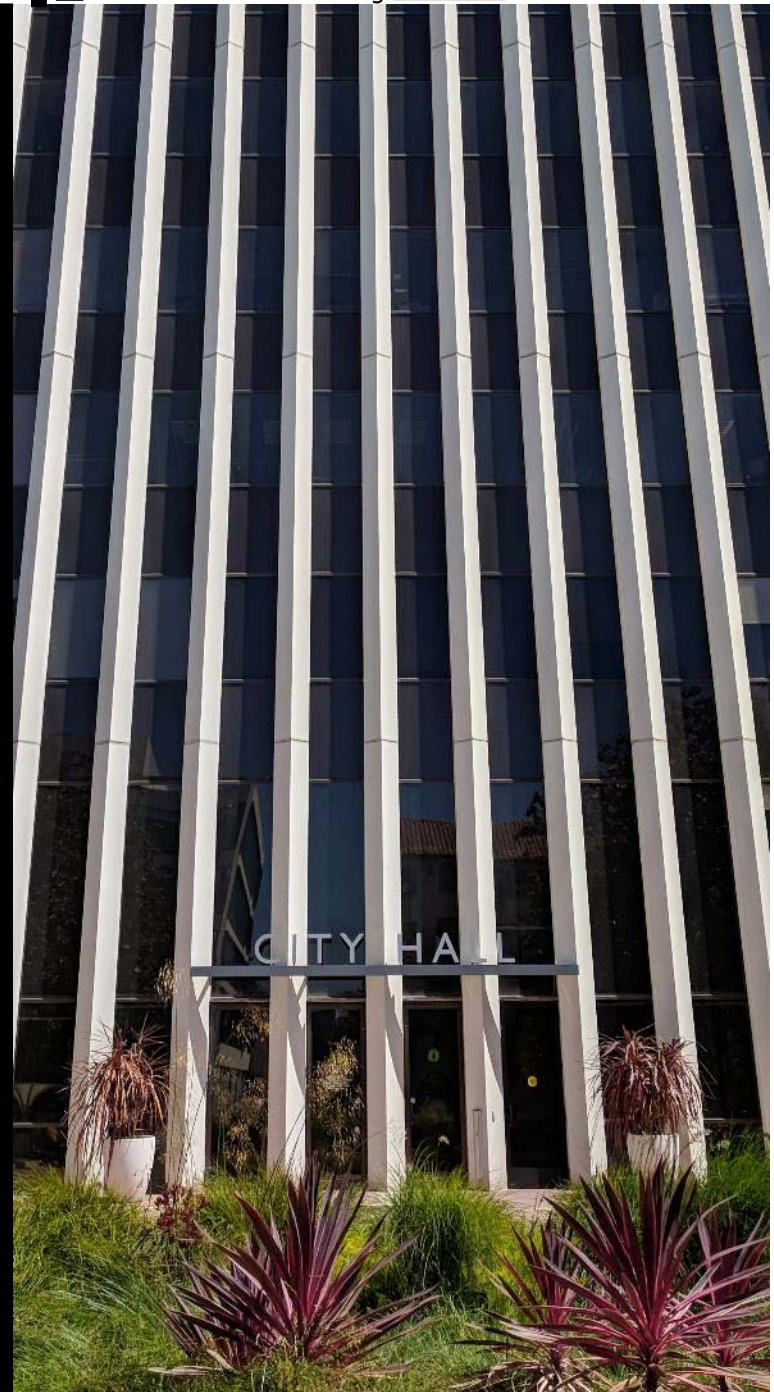


City of Palo Alto  
*Office of the City Auditor*

Presentation and Discussion of  
the Auditor's Progress on the  
Scope of Work

November 10, 2020





## Agenda

- Scope of work review
- Citywide risk assessment overview
- Progress to date
- Questions & discussion

## Project leaders



**Jodi Dobson**  
CPA  
Engagement Partner

Jodi is a partner who specializes in municipal utilities.



**Kyle O'Rourke**  
MPA, CIA, CRMA, CGAP  
City Auditor

Kyle is a Senior Manager who specializes in public sector internal audit.



**Heather Acker**  
CPA  
Technical Partner

Heather is the leader of Baker Tilly's risk advisory practice.



**Atit Shah**  
CISA  
IT Audit Specialist

Atit is a principal in our risk advisory practice who specializes in IT risk and cybersecurity.



## Scope of work review

Task 1: Citywide risk assessment

Task 2: Preparation of the annual audit plan

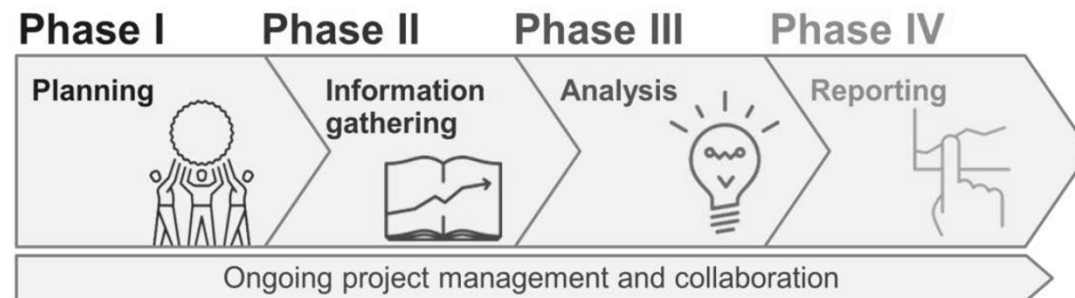
Task 3: Selection of the external financial auditor and annual audit coordination

Task 4: Execute the annual audit plan

Task 5: Preparation of quarterly reports and annual status report

Task 6: Evaluation and benchmarking

## Task 1: Citywide risk assessment



Project phases:

1. Planning – workplan finalization, project kick-off activities
2. Information gathering – information review, interviews
3. Analysis – document auditable areas and score risks based on likelihood and impact
4. Reporting – draft and finalize risk assessment report

## Task 1: Risk considerations

### Risk types:

- Financial
- Operational
- Technology
- Fraud
- Strategic
- Compliance
- Reputation

### Risk scoring:

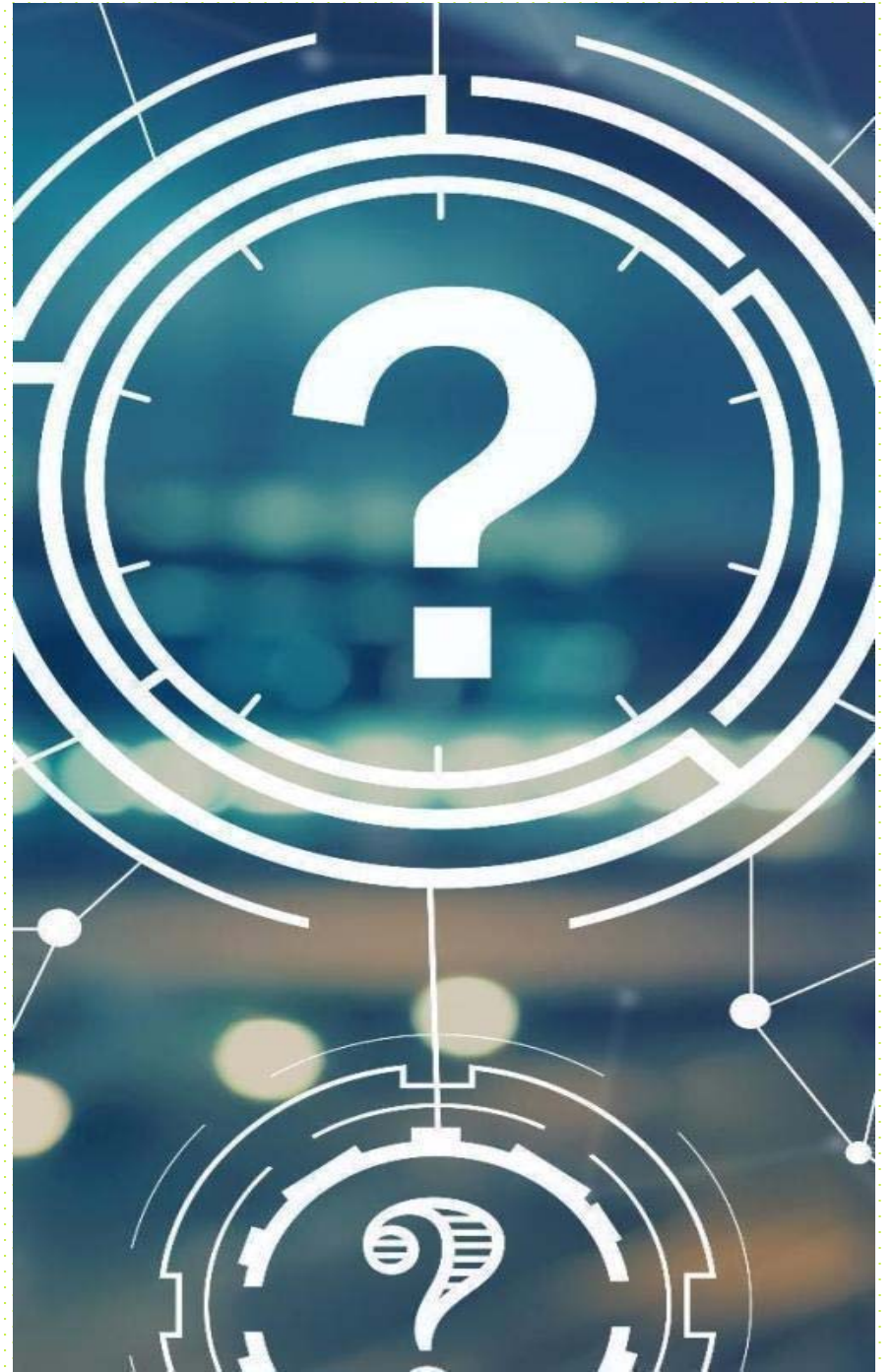
- Likelihood – probability of an adverse event occurring
- Impact – financial or other impact of an adverse event occurring

## Progress to date

Task		Key activities
1.	Citywide risk assessment	<ul style="list-style-type: none"> <li>• Conducted kick-off meeting</li> <li>• Reviewing key information</li> <li>• Conducting interviews with Council and ELT</li> <li>• Conducting preliminary risk analysis</li> </ul>
2.	Annual audit plan	<ul style="list-style-type: none"> <li>• Pending risk assessment results</li> </ul>
3.	Financial audit	<ul style="list-style-type: none"> <li>• Developing understanding based on FY20 audit</li> <li>• Preliminary planning for FY21 audit</li> </ul>
4.	Execute annual audit plan	<ul style="list-style-type: none"> <li>• Pending finalization of the annual audit plan</li> </ul>
5.	Periodic reporting and hotline monitoring	<ul style="list-style-type: none"> <li>• Preparing templates</li> <li>• Obtaining access to the hotline</li> </ul>
6.	City Auditor evaluation	<ul style="list-style-type: none"> <li>• Preliminary planning for initial peer review</li> </ul>



*Questions & discussion*







Thank you, we look forward to working with you!

**Kyle O'Rourke, City Auditor**

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