



Annual Citywide Risk Assessment

Fiscal Year 2022





Internal Audit Unit

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Attached is the Annual Citywide Risk Assessment proposed by the Internal Audit Unit of the City of Fresno. Included within this document is the Audit Work Plan, which lists the proposed audit assignments for FY 2022. The Audit Work Plan was developed by considering the results of the FY 2022 Citywide Risk Assessment, and input from other sources. The list of proposed audit assignments for FY 2022 includes performance audits regarding the various City departmental activity groups and other audit projects and activities. We designed our work plan to address what we considered to be risk areas, while limiting the scope of work to what we can realistically accomplish with the staff resources available.

Respectfully submitted,

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Table of Contents

Calculation of Estimated Audit Hours Available for FY 2022	1
Citywide Risk Assessment – Fiscal Year 2022	2
Interpreting Risk Assessment Results	2
Audit Work Plan – Fiscal Year 2022	3
Attachment A	4
Attachment B	7



Calculation of Estimated Audit Hours Available for FY 2022

Three Full-Time Equivalent (FTE) Auditor	Principal Internal Auditor Hours	Internal Auditor Hours	Internal Auditor Hours	Total Hours
Total Annual Hours Available	2,080	2,080	2,080	6,240
Less Non-Audit Hours:				
Annual Leave*	160	120	120	400
Supplemental Sick	40	40	40	120
FMLA/Other Leave			300	300
Holidays	96	96	96	288
Administrative Leave	60	60	60	180
Continuing Professional Education	40	40	40	120
Administrative Duties**	120	80	80	280
Other Assigned Projects***	120	120	120	360
Total Non-Audit Hours	636	556	856	2,048
Total Annual Audit Hours Available	1,444	1,524	1,224	4,192

*"Annual Leave" - Maximum hours available- 13.3 hours * 12 months = 159.6 hours (rounded to 160).

Note - In most cases, auditors will take approximately 120 hours annual leave/year. If additional leave is requested, it will need to be discussed and approved by Management.

**"Administrative Duties" include completing timecards/leave approval; Performance Self-Evaluations; organization of office projects/tasks, etc.; research for training opportunities; and any time not attributed to a specific project or task assigned by management

***"Other Assigned Projects" include tasks such as developing IA department (updating annual risk assessment and audit plan, etc.), responding to Council and other stakeholder requests, internal research projects, presentation preparation, stakeholder outreach meetings, and research & development for future audit issues, etc.



Citywide Risk Assessment – Fiscal Year 2022

A risk assessment includes scoring based on a variety of risk factors. A risk factor is an indicator of a condition that could negatively affect the organization. They can measure inherent risk or organizational vulnerability. The risk assessment was used as a measurement tool for audits within the departments of the City of Fresno.

The first step in creating the City's risk assessment model was to define the audit universe. The audit universe is a listing of all the City's significant Auditable Units (all the City's potential audits that could be performed). We created a list of all the City's departments and their divisions as the Auditable Units.

A questionnaire was developed and sent to all department directors, with the request of responses per each division of their department. Responses to the questionnaires were submitted and scored into the risk assessment. Additional risk factors scored by department were the number of full time employees (FTEs), revenues, and expenditures. The last risk factor taken into account was based on when the last audit for that division was conducted.

The final step to completing the risk assessment was calculating the total risk score for each of the submitted divisions of each department. The risk assessment was listed in order based on highest risk score to lowest risk score. In addition, the divisions are rated in descending order by tenths, identifying the top 30 percent (or those ranking 10, 9, or 8) as High Risk. The next 40 percent (ranking 7, 6, 5, or 4) were identified as Medium Risk, and the bottom 30 percent (score of 3, 2 or 1) of risk scores were ranked as Low Risk (See Attachment B – Citywide Risk Assessment).

Interpreting Risk Assessment Results

If a division has a high risk score, this indicates that the services they provide, or functions they are responsible for, are high in risk due to factors such as having a large amount of expenditures or revenues. A high risk score does not mean that a division is being managed ineffectively or that it is not functioning properly. High risk areas may indicate opportunities to address activities which are mission critical, provide substantial support for other internal City operations, reflect high public need, or consume significant financial resources. The overall risk scores identify activities with the highest risk factors that may warrant additional audit services.



Audit Work Plan – Fiscal Year 2022

While the annual risk assessment plays a major role in shaping the audit plan, it is not the sole factor defining that plan. Factors like scope limitations, an improvement of internal controls, input from stakeholders, and notification of possible internal control violations can also guide the audit plan’s development. In the end, the Principal Internal Auditor uses all pertinent factors in conjunction with their professional judgment to develop the audit plan.

In the Audit Work plan for FY 2022, we have included the carryover of an audit from FY 2021 for the Transportation Department. The audits following that are those proposed for FY 2022 and are based on the FY 2022 Citywide Risk Assessment results.

Work Plan Item No.	Risk Score	Activity Group Audit	Audit Objectives	Status
1	82*	Transportation Department – Administration*	Grant management process and close out review	Fieldwork
2	55	Information Services Department - Administration	Wireless devices audit	Planning
3	47	Airports - Administration	Transitional review	Not started
4	73	Finance Department – Financial Services	Accounts Payable audit	Not started
5	N/A**	PARCS - Administration	TBD	Not started

*Note 1 - The audit was carried over into the current fiscal year because it was not completed by the end of FY 2021. The audit risk score is based on the FY 2020 Risk Assessment.

**Note 2 - The Risk Score is unable to be determined for this department due to Internal Audit not receiving a completed risk assessment questionnaire.

Attachment A



Internal Audits Annual Risk Assessment Management Questionnaire

Name: _____ Title: _____

Department: _____ Division: _____

1. To what extent does your department/division interface with the external public?

Description / Purpose: Assess how frequently your department/division works/interacts directly with the public or City residents. Little to no interaction is not a negative indicator, but rather an indicator that your department/division serves internal customers – internal customer interaction is addressed in question 3.

- a. None.
- b. Rarely or infrequently.
- c. Monthly to quarterly level of interface.
- d. Weekly level of interface.
- e. Continual interface with the external public several times daily or more.

2. To what extent is your department considered to be “mission critical” for the City to achieve its goals and objectives?

Description / Purpose: Mayor Dyer’s FY 22 Budget includes the following priorities: We work for you (improve customer service), public trust and safety, inclusive economic development, youth leadership development, downtown pride, and homelessness and housing. Ascertain the significance that your department/division plays in these priorities. Little to no contribution is not a negative indicator, but rather an indicator that your department may provide services that support other internal customers.

- a. No contribution towards the City’s goals / objectives.
- b. Minimal contribution towards attaining the City’s goals and objectives.
- c. Moderate contribution towards attaining the City’s goals and objectives.
- d. Significant contribution towards attaining the City’s goals and
- e. The success of the city’s goals and objectives is fully dependent on this department.

3. To what extent does your department/division support internal operations or are considered critical to achieving the objectives of other operation’s missions/goals?

Description / Purpose: Determine the level of support and role your department/division plays in helping other departments/divisions achieve their overall mission. This question identifies the interconnectedness that one department/division has with other internal operations.

- a. No support provided to other operations.
- b. Infrequent (i.e. annual) support provided to other operations.
- c. Periodic (i.e. monthly) support provided to other operations.



Internal Audits Annual Risk Assessment Management Questionnaire

- d. Regular (i.e. weekly) support provided to other operations.
- e. Ongoing support provided to other operations every day.

4. To what extent would failure to achieve your department's/division's mission or goals lead to public displeasure or negative media coverage?

Description / Purpose: Assess how the department's/division's level of visibility to the public, public interest in the department/division, interest of the media, or other public relations factors would lead to an increased potential loss or embarrassment if the department/division did not perform its critical mission or goals. This could also be called the newspaper test – how much negative press or public disapproval would a failure cause?

- a. No risk of loss or embarrassment.
- b. Low risk of loss or embarrassment.
- c. Moderate risk of loss or embarrassment.
- d. Significant risk of loss or embarrassment.
- e. Very high risk of loss or embarrassment.

5. To what extent is there potential loss due to the cash or cash-convertible nature of your department's/division's transactions?

Description / Purpose: Assess the risk associated with cash or cash-convertible assets. Be sure to factor in the amount of cash collected as compared to business transacted by other means (credit card, electronic funds transfer, invoice, journal entry, etc.), as well as risks associated with the volume, type, and nature of existing assets that are susceptible to theft such as equipment, supplies, and inventories.

- a. None.
- b. Minimal amount of cash transactions or assets are difficult to convert to cash.
- c. Moderate amount of cash transactions or assets can be converted to cash with some difficulty.
- d. Nature of operations is primarily cash or assets are easily converted to cash.
- e. Fully cash or equivalent operations.

6. To what extent does your department/division track activity performance metrics?

Description / Purpose: Determine the extent to which your department/division captures, assesses, and responds to performance measurement data.

- a. We continuously capture performance metrics on key operations, assess achievement of goals and trends in the information, and adjust operations to improve upon our performance in all key areas.



Internal Audits Annual Risk Assessment Management Questionnaire

- b. We track performance information in all key operations, assess and use data to improve operations, but we do not engage this process in a continuous, fluid manner.
- c. We track performance information in all our key operations and may assess data to some extent, but we do not use data to improve performance in all key areas.
- d. We collect some performance information, but the information does not account for all our key operations or we do not assess the data.
- e. We do not track performance measures or metrics.

7. To what extent do regulations affect or have impact on operations?

Description / Purpose: Assess how government regulations (federal, state, or local) impact your department's/division's operations and the exposure to sanctions and potential penalties for noncompliance. Please be sure to factor in the complexity, volume, and change in regulations, including ordinances, municipal codes, administrative regulations, MOUs, federal and state laws and regulations, contract conditions, and grant provisions that pertain to your department/division.

- a. None.
- b. Few regulations and little risk of noncompliance.
- c. Risk of either substantial regulations or significant penalties.
- d. Complex, voluminous, or frequently changing regulations with significant penalties.
- e. Heavily regulated with serious consequences for noncompliance.

Attachment B

Department	Division	RAQ	RAQ	RAQ	RAQ	RAQ	RAQ	RAQ	FTEs	Rev	Exp	Risk Score	Adjusted		Rank 10ths
		1	2	3	4	5	6	7					A1	Risk Score	
PARCS*	Administration	N/A	N/A	N/A	N/A	N/A	N/A	N/A	3	3	3	N/A	5	N/A	10
Public Works*	Landscape Maintenance	N/A	N/A	N/A	N/A	N/A	N/A	N/A	7	9	9	N/A	9	N/A	10
Public Works*	Streets/Traffic Signals	N/A	N/A	N/A	N/A	N/A	N/A	N/A	7	9	9	N/A	5	N/A	10
Public Works*	Administration	N/A	N/A	N/A	N/A	N/A	N/A	N/A	7	9	9	N/A	5	N/A	10
Planning & Development	Building & Safety	9	7	5	9	3	5	5	7	7	7	64	9	73	10
Finance	Financial Services	9	7	9	7	7	3	9	5	7	5	68	5	73	10
Planning & Development	Administration	9	9	5	9	5	3	9	7	7	7	63	9	72	10
City Attorney	Code Enforcement	9	9	9	9	3	0	9	5	3	3	59	9	68	10
City Attorney	Administration	9	9	9	9	3	0	9	5	3	3	59	9	68	10
Airports	Public Safety	9	9	7	9	3	7	9	5	7	7	58	9	67	9
Finance	Utilities Billing & Collections	9	5	9	7	9	3	5	5	7	5	64	3	67	9
Fire	Training	7	9	9	9	3	3	9	7	3	5	57	9	66	8
Planning & Development	Current Planning	9	7	5	9	3	5	5	7	7	7	57	9	66	8
Public Works	Construction Management	9	9	9	9	3	0	9	7	9	9	57	9	66	8
Personnel	Organization Development & Training	9	9	9	7	3	3	9	3	5	5	57	9	66	8
Personnel	Operations	9	9	9	7	3	3	9	3	5	5	57	9	66	8
Personnel	Administration	9	9	9	7	3	3	9	3	5	5	57	9	66	8
Fire	Fire Prevention and Technical Services	9	7	9	9	5	3	9	7	3	5	59	5	64	8
Police	Support	9	9	9	9	3	0	9	9	5	9	57	7	64	8
Public Utilities	Solid Waste	9	9	9	9	3	7	9	9	9	9	55	9	64	8
Airports	Properties	9	9	5	9	7	0	9	5	7	7	53	9	62	8
Police	Patrol	9	7	5	7	3	5	7	9	5	9	52	9	61	7
ISD	Systems & Applications	9	9	9	5	3	7	5	3	5	3	52	9	61	7
Personnel	Risk Management	9	9	9	7	3	0	9	3	5	5	54	7	61	7
Planning & Development	Housing & Community Development	5	7	5	9	3	3	9	7	7	7	55	5	60	7
Police	Investigations	9	9	7	9	5	0	7	9	5	9	55	5	60	7
Fire	Personnel & Investigations	9	7	9	9	3	0	5	7	3	5	50	9	59	6
Transportation	Support Services/Customer Experience	9	5	9	9	9	0	9	9	9	7	50	9	59	6
Transportation	Capital Projects/Operations	9	9	5	9	9	0	9	9	9	7	50	9	59	6
Personnel	Labor Relations	3	9	9	9	0	3	9	3	5	5	50	9	59	6
Airports	Capital	7	7	9	7	0	5	9	5	7	7	49	9	58	6
Fire	Suppression	9	7	7	9	3	0	5	7	3	5	48	9	57	5
Public Works	Traffic Operations & Planning	7	5	7	7	3	3	7	7	9	9	48	9	57	5
Transportation	Public Safety	7	9	9	9	5	0	9	9	9	7	48	9	57	5
Public Utilities	Wastewater Management	9	9	5	9	3	3	9	9	9	9	47	9	56	5
ISD	Cyber Security	7	9	9	7	0	5	5	3	5	3	47	9	56	5

Fire	Business & Fiscal Services	7	9	9	9	5	3	5	7	3	5	55	0	55	4
Fire	Operations	9	7	7	9	3	0	5	7	3	5	48	7	55	4
Planning & Development	Long Range Planning	5	5	5	5	0	7	5	7	7	7	46	9	55	4
Planning & Development	Parking	9	5	5	5	5	7	5	7	7	7	55	0	55	4
Transportation	Municipal Fleet Management	9	9	9	7	5	0	7	9	9	7	46	9	55	4
ISD	Administration	3	9	9	9	3	5	5	3	5	3	48	7	55	4
Public Utilities	Water	9	9	3	9	3	3	9	9	9	9	45	9	54	4
Public Utilities	Utilities Planning & Engineering	9	9	9	7	3	0	7	9	9	9	44	9	53	3
City Clerk	Administration	9	7	9	7	0	5	5	0	0	0	42	9	51	3
Police	Administration	7	7	7	9	0	5	7	9	5	9	51	0	51	3
Transportation	FAX Maintenance	3	7	9	7	5	3	9	9	9	7	43	7	50	3
ISD	Geographic Information Systems	5	7	9	7	0	5	3	3	5	3	41	9	50	3
ISD	Computer Services	3	9	9	7	0	5	3	3	5	3	41	9	50	3
Office of the Mayor and City Manager	Administration	9	9	9	9	3	3	7	0	0	0	49	0	49	2
Airports	Finance	3	9	3	7	5	0	9	5	7	7	41	7	48	2
Public Works	Engineering/Design/Project Management	9	5	7	5	3	5	5	7	9	9	48	0	48	2
ISD	Regional Communications	3	7	9	5	0	5	5	3	5	3	39	9	48	2
Airports	Administration	7	7	0	7	5	0	9	5	7	7	40	7	47	2
Airports	Fresno Chandler Airport	9	3	0	9	0	0	9	5	7	7	35	9	44	1
Airports	Operations	9	3	0	9	0	0	9	5	7	7	35	7	42	1
Public Works	Facilities Management	3	3	9	5	0	3	3	7	9	9	35	7	42	1
Retirement	Administration	9	7	0	5	0	3	7	0	0	0	31	9	40	1
Transportation	Administration	5	7	9	7	3	0	9	9	9	7	40	0	40	1
City Clerk	Copy Center	0	7	9	5	7	0	0	0	0	0	28	9	37	1

Key
RA# - Risk Assessment Questionnaire question number
FTEs - Full time employees (according to FY 21 budget)
Rev - Budgeted revenues (according to FY 21 budget)
Exp - Budgeted expenses (according to FY 21 budget)
A1 - Adjustment 1, years since division was audited
Rank - 1-3, Low risk; 4-7, Medium risk; 8-10, High risk
*Risk Assessment Survey responses were not received from these divisions

Scoring System

Response	Score
A	0
B	3
C	5
D	7
E	9