

**REVENUE AND FINANCE DEPARTMENT
BUDGET DIVISION
INTER-FUND TRANSFERS
AUDIT 17-19
November 17, 2017**



CITY OF TAMPA

Bob Buckhorn, Mayor

Internal Audit Department

Christine Glover, Internal Audit Director

November 17, 2017

Honorable Bob Buckhorn
Mayor, City of Tampa
1 City Hall Plaza
Tampa, Florida

RE: Inter-fund Transfers, Audit 17-19

Dear Mayor Buckhorn:

Attached is the Internal Audit Department's report on Revenue and Finance's Budget Division, Inter-fund Transfers.

We thank the aforementioned management and staff for their cooperation and assistance during this audit.

Sincerely,

/s/ Christine Glover
Internal Audit Director

cc: Dennis Rogero, Chief of Staff
Sonya Little, Chief Financial Officer
Ernest Mueller, Chief Assistant City Attorney
Michael Perry, Budget Officer
Peggy Curtain, Budget Operations Manager
Giannina Carballa, Lead Fiscal Analyst

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/s/ Anthony D. Tiwari

Auditor

/s/ Christine Glover

Audit Director

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BACKGROUND

The Budget Division (Division), a division of the Revenue and Finance Department is responsible for the coordination of all budget activities for the City of Tampa (City). Specific responsibilities include the preparation of the annual City budget and five year capital improvement program, development of cost plans for City central services, position control, and budget oversight. This is done in conjunction with the City's financial management system, and operational review of and assistance to City Departments.¹ The Division also controls expenditures within approved appropriations and prepares resolutions for amendment to the adopted budget.

Budget resolutions for amendment are completed as inter-fund transfers of monies from one fund to another, which must follow the legislative and administrative approval paths. Inter-fund transfers allow for the flow of assets (such as cash or goods) without equivalent flows of assets in return and without a requirement for repayment.²

STATEMENT OF OBJECTIVES

This audit was conducted in accordance with the Internal Audit Department's FY17 Audit Agenda. The objectives of the audit were to evaluate:

1. Compliance with regulatory requirements for the annual processing of inter-fund transfers.
2. Adequacy of internal controls for inter-fund transfers completed subsequent to the adopted budget.

STATEMENT OF SCOPE

The audit period covered FY16 and FY17. Both qualitative and quantitative assessments were performed to determine whether the management and staff of the Division were fulfilling their stated duties and responsibilities in an effective and efficient manner. Original records as well as copies were used as evidence and verified through observation and physical examination.

STATEMENT OF METHODOLOGY

We achieved our audit objectives by utilizing the following methods:

1. Performed a data reliability assessment over the system generated reports that management uses as part of their controls.
2. Evaluated the design effectiveness of controls over the inter-fund transfer process.
3. Reviewed applicable industry standards, internal policies and procedures for completeness and compliance.

¹About Us-Budget, Vision and Mission. Retrieved from <http://intranet.ads.cot/budget/about-us>

²Statement No.34 of the Governmental Accounting Standards Board

4. Interviewed key personnel to determine whether adequate controls over the internal processes had been established.
5. Analyzed a sample of inter-fund transfers in order to evaluate the operating effectiveness of internal controls.

Using a sampling calculator, a statistical sample was selected based on the criteria of 90% confidence and 10% error rate. Judgmental sampling was then used to improve the overall efficiency of the audit, in order to infer the results of testing to the population generated from Oracle.

STATEMENT OF AUDITING STANDARDS

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our conclusions based on our audit objectives.

NOTEWORTHY ACCOMPLISHMENTS

The Government Finance Officers Association (GFOA) presented the Division with the distinguished Budget Presentation Award for its annual documents being of the very highest quality for fiscal years 2011-2017. This award reflects both the guidelines established by the National Advisory Council on State and Local Budgeting and the GFOA's best practices.

AUDIT CONCLUSIONS

Based upon the audit work performed, our conclusions were as follows:

1. The Division is in compliance with regulatory requirements for the annual processing of inter-fund transfers.
2. An adequate system of internal controls exists for inter-fund transfers completed subsequent to the adopted budget.