

Joint Audit Committee:

Federated City Employees Retirement System Police & Fire Retirement Plan

February 18, 2021

Presentations:

- 1) 2020 Internal Staff Survey
- 2) Assessment of the Internal Audit Division
- 3) Status of Audit Recommendations

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2020 Internal Staff Survey

Purpose & Mandate:

✓ ORS's Internal Auditor Charter & Internal Auditing Standards

- Ethics-related objectives, programs, and activities
- Information technology governance
- System of risk management and internal controls
- Coordination and communication
- Risk management and control processes
- Policies, standards, procedures, and controls

2020 Internal Staff Survey

Background

- ✓ **Anonymous ORS Staff survey in December 2020**

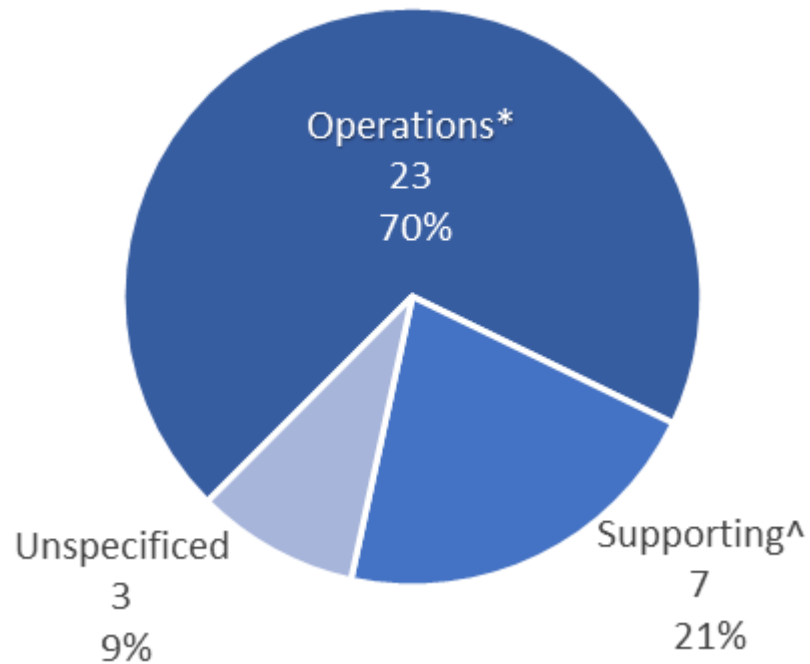
- ❖ Culture
- ❖ Goals and Obstacles
- ❖ Policies, procedures, and other safeguards
- ❖ Information and communication
- ❖ Information technology and security

2020 Internal Staff Survey

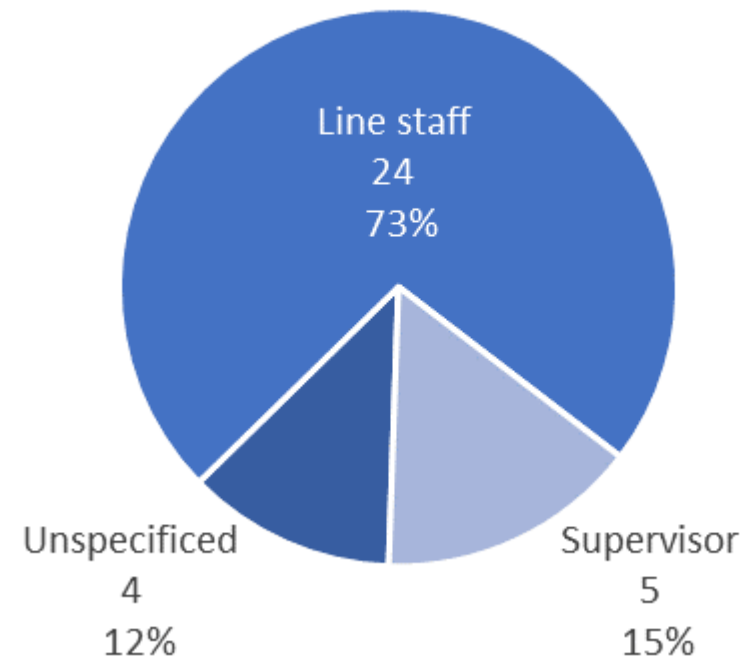
Response Rate

- ✓ 33 survey responses, an 85 percent response rate

Responses by Division



Responses by Staff Level



*Operations: Accounting, Benefits, and Investments Divisions

^Supporting: IT and Administrative Divisions

2020 Internal Staff Survey

Results – Strengths & Concerns

✓ **Strengths:**

- Staff's knowledge, skill, and training to perform jobs adequately
- No need to take unnecessary safety risks to perform jobs

✓ **Concerns:**

- Personnel turnover
- Sufficiency of resources, tools, and time to accomplish objectives
- Communication and process improvement

2020 Internal Staff Survey

Results - Action Plan

- ✓ **Plan and focus 2021 audit work**
- ✓ **Repeat the survey in December 2021 & assess trends**
- ✓ **Communicate concerns to management**

2020 Internal Staff Survey

Final Slide

✓ **Question or Comments**

✓ **Motion to Approve**

Assessment of the Internal Audit Division Background

✓ **Board-approved ORS Internal Audit Charter (2019)**

- ❖ Conform with Auditing Standards
- ❖ Maintain a quality assurance and improvement program
- ❖ Report on internal assessments
- ❖ Report on organizational independence
- ❖ Undergo an external assessment (once every 5 years)

Assessment of the Internal Audit Division Background

✓ **Why use auditing standards?**

- ❖ Mandated by Board-approved Internal Audit Charter
- ❖ A framework to provide risk-based and objective assurance, advice, and insight.

Assessment of the Internal Audit Division Background

✓ **Methodology**

- ❖ Used the Association of Local Government Auditors (ALGA) guide for assessing conformance with Standards
- ❖ Benchmarked against other internal audit functions

Assessment of the Internal Audit Division Corrective Action Plan

- ❑ **ORS Boards may wish to assess enhancements to Internal Audit's independence**

IAD to implement the following:

- ✓ **Process to monitor the status of audit recommendations**
- ✓ **Periodically evaluate ethics and information technology governance at ORS**
- ✓ **Create policies and procedures (Target: 2023)**
- ✓ **Contract for an external review of the IAD (Target: 2024)**

Assessment of the Internal Audit Division

Final Slide

➤ **Questions/Comments**

➤ **Next Steps (Action)**

Status of Audit Recommendations

Background

- ✓ **Internal Audit - implements a system to monitor the disposition of audit results/recommendations**
- ✓ **Management - implements audit recommendations or accepts the risk of not taking action**

Status of Audit Recommendations Summary

✓ 5 ORS Internal Audit Reports with Recommendations

- ❖ 26 audit recommendations:

- ❖ 17 (65 percent) of 26 implemented

- ❖ 6 of 26 in process

- ❖ 3 of 26 closed

Status of Audit Recommendations

Final Slide

➤ **Questions/Comments**

➤ **Approval of Report**