



Administrative Regulation No. 047.A001.0300

Internal Auditing Policy and Procedures

I. Purpose

The purpose of this Administrative Regulation is to set forth the City of Sarasota's policy regarding its *Internal Auditing* function and to outline procedures governing the audit process.

II. Definition

Whereas Article VI, Sections 4-5 of the City Charter mandates the City's Internal Audit function, which serves to provide management with information useful in appraising performance and measuring compliance with City policies and procedures; it shall be the policy of the City's Internal Audit program, as administered under the Office of the City Auditor and Clerk, to provide reasonable assurance to management that within economic limitations,

1. Internal accounting controls are adequate and effective in promoting efficiency and protecting the assets of the City.
2. Financial statements and reports comply with all governing agency requirements and generally accepted accounting principles.
3. Operational policies and procedures promoting the integrity of the City are enforced.

III. Procedures

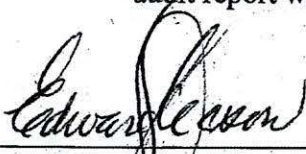
1. The scheduling of departmental audits as well as audits of financial and operating functions will be determined at the discretion of the City Auditor and Clerk. All requests for audits or special reviews by audit staff are to be directed through the City Manager to the City Auditor and Clerk.

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2. Formal management responses to audit findings and recommendations are to be directed to the City Auditor and Clerk. Responses should be limited to a specific outline of corrective measures to be implemented in light of audit findings and/or recommendations in a particular area. Responses should be from the department head to the City Manager or his/her designee. The City Manager or his/her designee should then submit the responses to the City Auditor and Clerk.
3. Formal management responses should be received by the Office of the City Auditor and Clerk no later than 30 days after receipt of the audit report. (Requests for extensions should be directed to the City Auditor and Clerk for approval.)
4. Once a proposed audit has been approved by the City Auditor and Clerk, the appropriate department head(s) will be notified in writing along with the City Manager and an *Audit Entrance Conference* will be scheduled between audit staff and the appropriate department personnel. At this meeting, the scope of the audit will be discussed in order to facilitate audit access to the appropriate records to be reviewed,
5. During the course of the actual audit, clear violations of established City policies and/or procedures will be documented on an interim basis and brought to the attention of the department head in writing. The department head may address the finding on an interim basis at this time. Interim responses will be incorporated into the final audit report. Findings which do not pertain to a current written operating policy, yet are deemed a weakness to internal control will appear in the final report. Any interim discussion with the department head regarding such findings will be considered informal and any corrective action will need to be outlined in the formal management response.
6. Appropriate successive levels of management will be copied on all audit reports in addition to the City Manager, Finance Director and City Commission.
7. Upon completion of the final draft of an audit report, an *Audit Exit Conference* will be held between audit staff, the City Auditor and Clerk, departmental management and other City Administration as may be required in the Office of the City Auditor and Clerk. The purpose of this conference is to formally discuss the report's findings, recommendations and related comments. This will also provide management with a chance to view the report prior to formal issuance to

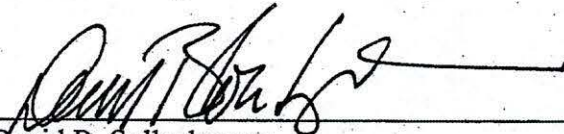
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the appropriate personnel and the City Commission. At the conclusion of the *Audit Exit Conference*, with the approval of the City Auditor and Clerk, the final audit report will be distributed.



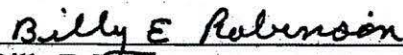
Edward Gleason
Auditing Manager

2/25/2000
Date



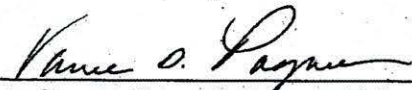
David R. Sollenberger
City Manager

2-28-00
Date



Billy E. Robinson
City Auditor & Clerk

3-1-00
Date



Vance Pagan, Records Program Manager
Disseminated this date

3/7/00
Date