

Appendix A: Purpose, Methodology, Scope, and Objectives of the Audit

Performance Audit Purpose and Overview

Performance audits provide objective analysis to assist management and those charged with governance and oversight to improve program performance and operations, reduce costs, facilitate decision making by parties with responsibility to oversee or initiate corrective action, and contribute to public accountability.

Generally accepted government auditing standards (GAGAS) require that a performance audit be planned and performed so as to obtain sufficient, appropriate evidence to provide a reasonable basis for findings and conclusions based on audit objectives. Objectives are what the audit is intended to accomplish and can be thought of as questions about the program that the auditors seek to answer based on evidence obtained and assessed against criteria.

We conducted this performance audit in accordance with GAGAS. 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 findings and conclusions based on our audit objectives.

Audit Scope and Objectives

In order to provide the City with appropriate, data-driven recommendations, the following questions were assessed within each of the agreed upon scope areas:

Summary of Objectives and Conclusions

Objective	Recommendation
What opportunities exist to improve the efficiency and effectiveness of the city's purchasing processes?	R1
What opportunities exist to improve the efficiency and effectiveness fleet management practices?	R2.1, R2.2, R2.3, R2.4
What opportunities exist to improve the efficiency, effectiveness, and transparency of the provision of IT services?	R3.1, R3.2

Although assessment of internal controls was not specifically an objective of this performance audit, internal controls were considered and evaluated when applicable to scope areas and

objectives. The following internal control components and underlying principles were relevant to our audit objectives¹⁵:

- Control environment
 - We assessed the City’s exercise of oversight responsibilities in regards to detecting improper data entry in the fleet management information system.
 - We assessed the City’s purchasing polices and processes.
- Risk Assessment
 - We considered the City’s activities to assess fraud risks.
- Information and Communication
 - We considered the City’s use of quality information in relation to fleet and IT data.
- Control Activities
 - We considered the City’s compliance with applicable laws and contracts.

There were no internal control deficiencies significant to audit objectives identified during the course of the audit. Additional information relevant to internal controls will be discussed within the text of the recommendations.

Audit Methodology

To complete this performance audit, auditors gathered data, conducted interviews with numerous individuals associated with the areas of City’s operations included in the audit scope, and reviewed and assessed available information. Assessments were performed using criteria from a number of sources, including:

- Peer Cities;
- Industry Standards;
- Leading Practices;
- Statues; and
- Policies and Procedures.

In consultation with the City, we selected cities similar in population and other demographics to form the peer group for comparisons contained in this report. These peers are identified as necessary and appropriate within the section where they were used.

¹⁵ We relied upon standards for internal controls obtained from *Standards for Internal Control in the Federal Government* (2014), the U.S. Government Accountability Office, report GAO-14-704G