

Sensitive Payment Review FY 16 Final Report September 2017

Subject: Sensitive Payments Review for fiscal year 2016

Responsible Officers: All executive-level management

Audit Team: Vicki Peters, Internal Audit Manager; Jan Fields, Staff Auditor II

Scope:

Sensitive payments are transactions with a possibility for city officials, executive management, and certain employees to receive inappropriate benefit due to their position of influence. Internal Auditing performs an annual review of sensitive payments, as recommended by the United States Government Accountability Office (GAO).

Overall Risk Exposure: (Low, Moderate or High):
HIGH


Conclusion: (Satisfactory, Satisfactory-needs improvement or Unsatisfactory)
SATISFACTORY

Significant Results:

1. Internal Auditing noted no conflict of interest situations, no inappropriate payments of compensation, and no indication of misuse or misappropriation of public funds.
2. An Ethics Survey was conducted as part of our review. For responses indicating a potential conflict of interest, Internal Auditing reviewed the disclosed organizations and activity, as well as the nature of any disclosed gifts, expenses or payments which were received and/or presented. No instances in which influence or additional privilege appeared to be involved were noted.
3. Policies and procedures do not adequately include guidelines on giving of gifts on behalf of the City of Tulsa. See the detailed status of recommended improvements on the following page.



Mary Ann Vassar, CPA, CRMA
Chief Internal Auditor



Cathy Criswell, CIA, CPA
City Auditor

STATUS OF PRIOR-YEAR AUDIT FINDINGS

Finding No	Summary	Recommendation	Response	Status
1	P-Card Policies and Procedures have not been updated to reflect current practice.	Management should revise the P-Card policy related to gift card purchases.	2015 – Review delayed response until Mayor releases an executive order on a gift-giving policy.	PENDING Current administration plans to develop response in 2018.
2	Policies and procedures do not definitively provide guidelines on giving of gifts on behalf of the City.	Policies and procedures on giving of gifts on City’s behalf should be implemented. An executive order would have the broadest coverage and would apply to all individuals appointed by the Mayor. City council and the Office of the City Auditor should also adopt policies for guidance of individuals appointed by them. A further recommendation is to request a legal opinion interpreting Oklahoma Constitution Article 10 Section 17 ensuring new policies meet constitutional requirements.	2016 – City Auditor discussed with Chief of Staff Jared Brejcha. He agreed with the recommendations, and indicated Mayor Bartlett would write an executive order.	PENDING An executive order was not written in the previous administration. These same recommendations are being presented to the current administration for development of such a response and/or policy, planned for 2018.