

# AGENDA

## Committee on Municipal Audit March 10, 2025 at 4:00 PM



Lansing City Hall, City Council Conference Room  
124 W. Michigan Avenue, 10th Floor

To provide input or ask questions on any item that is listed on the agenda, members of the public may contact the City Council at [city.council@lansingmi.gov](mailto:city.council@lansingmi.gov) or (517) 483-4177 prior to the meeting. To view the meeting live and participate in virtual public comment: <https://www.lansingmi.gov/1212/Council-Committee-Meetings>

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Council Member Spadafore, Chairperson  
Council Member Carter, Vice Chairperson  
Council Member Pehlivanoglu, Member

1. **Call to Order**
2. **Roll Call**
3. **Minutes**
  - A. December 9, 2024
4. **Public Comment on Agenda Items (Up to 3 Minutes)**
5. **Discussion/Action:**
  - B. Continued Discussion on a Defined Annual Audit Plan - Internal Auditor
6. **Other**
7. **Adjourn**

Persons with disabilities who need an accommodation to fully participate in these meetings should contact the City Council Office at 517-483-4177 (TTY 711) 24 hour notice may be needed for certain accommodations. An attempt will be made to grant all reasonable accommodation requests.

DRAFT



**MINUTES**  
**Ad Hoc Audit Committee**  
**Monday, December 9, 2024 @ 4:00 p.m.**  
**City Council Conference Room**

**CALL TO ORDER**

Council Member Spadafore called the meeting to order at 4:00 p.m.

**PRESENT**

Council Member Peter Spadafore, Chair  
Council Member Tamera Carter, Vice Chair  
Council Member Trini Pehlivanoglu, Member

**OTHERS PRESENT**

Sherrie Boak, Council Office Manager  
Charles Randall, Internal Auditor  
Lisa Hagen- Lawrence, OCA

**Minutes**

MOTION BY COUNCIL MEMBER PEHLIVANOGLU TO APPROVE THE MINUTES FROM NOVEMBER 18, 2024 AS AMENDED CHANGING ALL *MR. CHARLES* TO *MR. RANDALL*. MOTION CARRIED 3-0.

**Public Comment**

No public comment at this time.

**Discussion/Action:**

Continued DISCUSSION – Defined Annual Audit Plan – Internal Auditor

Committee consensus to confirm the report for the 2025 Audit Plan as presented by Mr. Randall at the November 18, 2024 Committee meeting.

MOTION BY COUNCIL MEMBER CARTER TO APPROVE THE REPORT AS PRESENTED IN NOVEMBER. MOTION CARRIED 3-0.

DISCUSSION – Proposed Change to Council Rule 16 Standing Committee

Council Member Spadafore stated if approved today, it will get referred on 12/16/2024 Council to the City Operations Committee.

Council Member Pehlivanoglu by omitting the charge of setting budget priorities, if there is a need to have additional audit employees, can that be brought up during budget priorities if this Committee cannot make recommendations. Council Member Spadafore stated that this way the Ad Hoc does not have to but they can. As Council members a priority can be done at Committee

## DRAFT

of the Whole as well. Ms. Hagen -Lawrence stated she would have to look into that. Council Member Spadafore stated if it is required then it can be proposed to the Committee on City Operations.

MOTION BY COUNCIL MEMBER CARTER TO APPROVE THE DRAFT RESOLUTION FOR REFERRAL TO THE COMMITTEE ON CITY OPERATIONS FOR ADDING A COMMITTEE ON MUNICIPAL AUDIT. MOTION CARRIED 3-0.

### DISCUSSION – 2025 Meeting Dates

Council Member Spadafore proposed 4pm, prior to the 2<sup>nd</sup> Council meeting of the month, through the month of June, beginning with the January 27<sup>th</sup> meeting. Due to three (3) meetings in May, that meeting will be May 19<sup>th</sup>.

### OTHER

Council Member Spadafore recapped that the Internal Auditor will report back on the progress of the audits to this Committee at their January meeting, and Mr. Randall acknowledged.

### ADJOURN

Adjourned at 4:08 p.m.

Submitted by, Sherrie Boak,

Recording Secretary,

Lansing City Council

Approved by the Committee on



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**Department Status Report: December 2024 - February 2025**

Date: March 10, 2025  
To: Municipal Audit Committee  
From: Charles H Randall, Internal Auditor

**Planned Audits**

Timekeeping / Payroll: Obtained understanding of process for timesheets (regular, LFD & LPD), payroll calculation and account recording. Identified risks and key internal controls and began testing. Needed assistance from BS&A vendor to understand application controls and obtain sufficient audit access. Monitoring status of implementation for various groups to align scope of testing sample. LFD & LPD recently went live in Jan. LFD & LPD – select March & April timesheets. Testing in progress for all other departments.

Accounts Payable: Obtained understanding of PO / PR and invoice processing. Identified risks and key internal controls. Needed assistance from BS&A vendor to understand application controls and obtain sufficient audit access. Testing in progress.

Additional work: Developed standardized audit document templates – See Audit Process Outline. BS&A application controls testing of approval workflows – Test of Design, Test of access & provisioning.

**Planned Other Activity**

Annual review of fiscal year-end financial statements of City of Lansing, Lansing Board of Water and Light, and Lansing Entertainment and Public Facilities Authority FY 2024

Annual review and analysis of City's financial position – FY 2024

Annual budgets for Audit and City Council departments – FY 2026

Quarterly General Fund / Vacancy Report – FY 2025 Q2

Grant Resolution and Sole Source Memo's – 12 for 03/04 Ways & Means Meeting

LEPFA Board of Commissioners – Additional RFP work

Claims Review Committee (Monthly)



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### **Ad-Hoc Audit Activity**

Council request of Ovation / Lansing Public Media Authority: Outlined project status.

Council request of Downtown Lansing, Inc: Reviewed processes / internal controls, laws and regulations. Kicked off performance audit. Drafted formal audit documentation: Notification Letter, Information Request List, Fieldwork Opening Meeting Agenda

Council request of building maintenance vendor contract and spend

Charter Commission presentation of Internal Audit section - April 1

### **Action Items**

1. Approval adding ongoing audit of project management / monitoring procedures for building of: Ovation, Public Safety Complex, City Hall
2. Approve adding performance audit of Downtown Lansing, Inc.
3. Assess department staffing level

City of Lansing  
Internal Audit Department  
Project Status Report  
February 2025

Phase	Planning							Fieldwork / Testing					Reporting				Monitor / Follow-up	
Gate	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18
Deliverable	Audit Planning Document	Audit Notification Letter	Outline Audit Plan	Planning Meeting Agenda	Draft Process Documentation	Draft Audit Program	Fieldwork / Testing Prep	Fieldwork Opening Meeting Agenda	Detailed Process Documentation	Final Audit Program	Testing workpapers / Draft issues	Fieldwork Closing Meeting Agenda	Finalize Workpapers & Issues	Draft Audit Report	Reporting Exit Meeting Agenda	Final Audit Report	Audit Issue Status Report	Audit Issue Closing Report

Project #	Project Name
2025-01	BS&A Imp - Timekeeping
2025-02	BS&A Imp - PO & AP
	Council - DLI



## **Audit Process Outline**

### **1) Planning**

Gate 1 – Audit Planning Document - Draft scope and objectives – Assess material risks, Outline expected procedure / results. Collect prior audit findings & related audit reports. Research organization policies, external compliance & reporting requirements (statutes, grants).

Gate 2 – Audit Notification Letter – Outline timing and resource needs, scope and objectives for planning meeting with client

Gate 3 – Outline Audit Plan – Processes & sub-processes to consider, possible risks & compliance requirements, prior audit workpapers procedures, identify populations for sampling

Gate 4 – Planning Meeting Agenda – Refine timing and resource needs, scope and objectives. Request / obtain detailed background information: policies, procedures, requirements, process documentation, workflow, ect. Obtain sampling populations and identify / schedule key interviews. Communication / Information sharing protocol.

Gate 5 – Draft Process Documentation - Understanding of processes, activities, procedures, management structure, staffing, funding. Identify risks & key controls.

Gate 6 – Audit procedures / program - Identify risk / controls to test. Populations to sample, sampling methodology, control / activity attributes, levels of evidence. Draft workpapers to document testing

Gate 7 – Prepare for fieldwork - Obtain populations and select samples. Send client samples with evidence request. Verify timing and interview needs. Perform test of design.

### **2) Fieldwork**

Gate 8 - Opening / Entrance Meeting Agenda – Invite key stakeholders, process owners, control owners, ect. Detailed scope & objectives, Defined process & controls to test, Review samples selected and evidence requested. Obtain feedback. Verify timing and resources needs.



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Gate 9 – Detailed process documentation – Perform interviews / walkthroughs, obtain sample of 1. Obtain further process / procedures documentation.

Gate 10 – Update Audit Plan / procedures / program with detailed knowledge.

Gate 11 – Workpapers & Draft Issues – Perform interviews & testing of samples, collect evidence. Verify sample errors & draft issues

Gate 12 – Fieldwork Closing Meeting Agenda – Review scope, objectives, testing completed, audit results / findings, obtain feedback, outline next steps of report drafting and corrective action plans

### **3) Reporting**

Gate 13 – Finalized Workpapers & Issues – Complete documentation, verify all controls have been tested and test results support conclusions. Obtain final evidence requests.

Gate 14 - Draft Audit Report – finalized scope & objectives. Process / risks addressed. Testing performed, and results. Recommendations / corrective action plan.

Gate 15 – Reporting Exit Meeting Agenda – Meeting with process owner, ect. Finalize accuracy of report and corrective action plan reviewed for implementation buy-in.

Gate 16 – Final Audit Report – Distribution of Final Audit Report

### **4) Monitor / Follow-up**

Periodic touch-base on CAP status, CAP implementation audit of design and effectiveness.

Gate 17 – Audit Issue Status Report - Periodic status update & report of corrective actions

Gate 18 – Audit Issue Closing Report – Verify implementation of corrective actions