

AGENDA

Committee on Municipal Audit April 7, 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 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>

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

- 1. Call to Order**
- 2. Roll Call**
- 3. Minutes**
 - A. March 10, 2025
- 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.



MINUTES
Committee on Municipal Audit
Monday, March 10, 2025 @ 4:00 p.m.
City Council Conference Room

CALL TO ORDER

Council Member Spadafore called the meeting to order at 4:03pm

PRESENT

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

OTHERS PRESENT

Renee Richmond, Council Administrative Assistant
Charles Randall, Internal Auditor
Lisa Hagen-Lawrence, OCA

MINUTES

MOTION BY COUNCIL MEMBER CARTER TO APPROVE THE MINUTES FROM DECEMBER 9, 2024 AS PRESENTED. MOTION CARRIED 3-0.

PUBLIC COMMENT

No public present.

Discussion/Action

Continued Discussion on a Defined Annual Audit Plan – Internal Auditor

Mr. Randall stated that BS&A has been a challenge and requested additional access. He spoke on the payroll and timekeeping aspect learning of the approval process. Invoices and timesheets are different and different approval levels but overall is going well. Explaining that if over a certain dollar amount then it goes to Desiree for approval. He is checking invoice making sure correct amount and accounts which seem to have proper approval. Has started the timekeeping process for police and fire departments but not completely auditable yet, they just started the new system in January.

Councilmember Spadafore asked regarding LPD & LFD they started new timesheet this calendar year. Mr. Randall said they were not in system until January, they have a different process because they rely on scheduling and fall back on that for approvals. LPD could work 100 hours one week and 10 the next, but over a 6-week period they would average 40 hours a week per Chief Backus.

Councilmember Carter inquired about LFD, is he able to audit prior to BS&A. Mr. Randall responded he met with the gentleman who inputs the data, they still can't import to BS&A so has to be manual. Similar to LPD with scheduling.

Councilmember Spadafore asked when he anticipates the timekeeping done, Mr. Randall answered May is expected.

Councilmember Pehlivanoglu said looking at the chart and process outline, what is the approximate of timeline days/months/weeks for the phases process. Mr. Randall mentioned generally an auditor is 1/3 planning, 1/3 field work, and 1/3 reporting.

Councilmember Spadafore asked Mr. Randall to walk through the action items. Mr. Randall stated he received a request from a Councilmember to look at the Ovation and Lansing Public Media Authority. This look more on construction and time specifically material changes in people, processes and systems are looked for to flag an audit. Also had a request for the new Public Service Complex and eventually City Hall. He will audit and monitor their project management, making sure meetings are occurring and discussions about progress are being made.

Mr. Randall added DLI was a request as well, it is complex on what is and isn't public, then there is the shopping district. They've received some grants and there is a tax on areas of the shopping district. He has had meetings with DLI and went to board meetings, currently making sure that compliance is checked. Councilmember Spadafore confirmed he wanted action items 1 and 2 added, Mr. Randall confirmed.

MOTION BY COUNCIL MEMBER CARTER TO ADD ACTION ITEM #2 PERFORMANCE AUDIT OF DOWNTOWN LANSING INC. TO THE PLANNED AUDITS FOR THE INTERNAL AUDITOR. MOTION CARRIED 3-0.

MOTION BY COUNCIL MEMBER CARTER TO ADD ACTION ITEM #1 ONGOING AUDIT OF PROJECT MANAGEMETN/MONITORING PROCEDURES FOR BUILDING OF OVATION, PUBLIC SAFETY COMPLEX AND CITY HALL TO THE PLANNED AUDITS FOR THE INTERNAL AUDITOR. MOTION CARRIED 3-0.

Councilmember Spadafore asked Mr. Randall to talk about action item #3. Mr. Randall stated he wasn't sure whom to speak to about the auditor budget, Councilmember Spadafore indicated Leadership, but the Committee can add input as well. Mr. Randall noted other things he is looking at is IT Systems, and timekeeping is so large that it should be reoccurring maybe every 6 months. Concluding he was asked by the Charter Commission for a presentation on the Internal Auditor section and a councilmember asked that he bring in public for feedback that's out of the scope of an Internal Auditor.

Other

Adjourn

Adjourned at 4:24pm

Submitted by Renee Richmond

Recording Secretary, Lansing City Council

Approved by the Committee on



**CITY OF LANSING
INTERNAL AUDITOR**
124 W MICHIGAN AVE FL 10
LANSING MI 48933-1605
(517) 483-4159

Department Status Report: March 2025

Date: April 7, 2025
To: Committee on Municipal Audit
From: Charles H Randall, Internal Auditor

Overview

Performed fieldwork and follow up testing of DLI. Documenting in workpapers and drafting report.

Budget review has taken significant time. Started March 17th, the week after last meeting by collecting and reviewing old audit reports and budgets.

Presented to Charter Commission observations of current City Charter Internal Audit section and recommendations based upon 29 years of personal experience.

Planned Audits

2025-01 & 2025-02 Implementation Audit BS&A – AP and Timekeeping: Test of Internal Control Design – Application Security (Role based) - Mapped user role assignments, verified process change and administration access rights. Resulted in review of inactive users accounts in administration roles.

2025-03 Internal Controls Audit Downtown Lansing Partnership, Inc. – Performed Field Work (Gate 11 – Workpapers and Draft Issues) to collect and review audit evidence and perform on-site interviews. Tested BS&A AP Invoices. Wrapping up workpapers and drafting report. Currently, no issues noted.

Inherent Duties

Ways & Means – 2 meetings with 5 memos; 3 Grant and 2 Sole Source. Toured WWTP and attended Board of Public Service meeting.

Claims Review Committee - 1 Meeting

LEPFA – 2 Meeting – Continued RFP work

Council Expenses – Rolled Feb activity into workbook for YTD spend monitoring

Budget Review



CITY OF LANSING
INTERNAL AUDITOR
124 W MICHIGAN AVE FL 10
LANSING MI 48933-1605
(517) 483-4159

Ad-Hoc Audit Activity

Charter Commission presentation of Internal Audit section - April 1

Action Items

1. Quarterly Council Member budget to actual reports
2. Ongoing Budget items
3. Wrap-up DLI workpapers and draft report
4. Test BS&A implementation samples
5. Collect understanding of construction project management process.

City of Lansing
Internal Audit Department
Project Status Report
March 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 - AP |
| 2025-02 | BS&A Imp - Timekeeping |
| 2025-03 | Internal Controls - DLI |
| 2025-04 | Proj Mg - Ovation |
| 2025-05 | Proj Mg - Public Safety |
| 2025-06 | Proj Mg - City Hall |