POLA Process Audit High Level Timeline
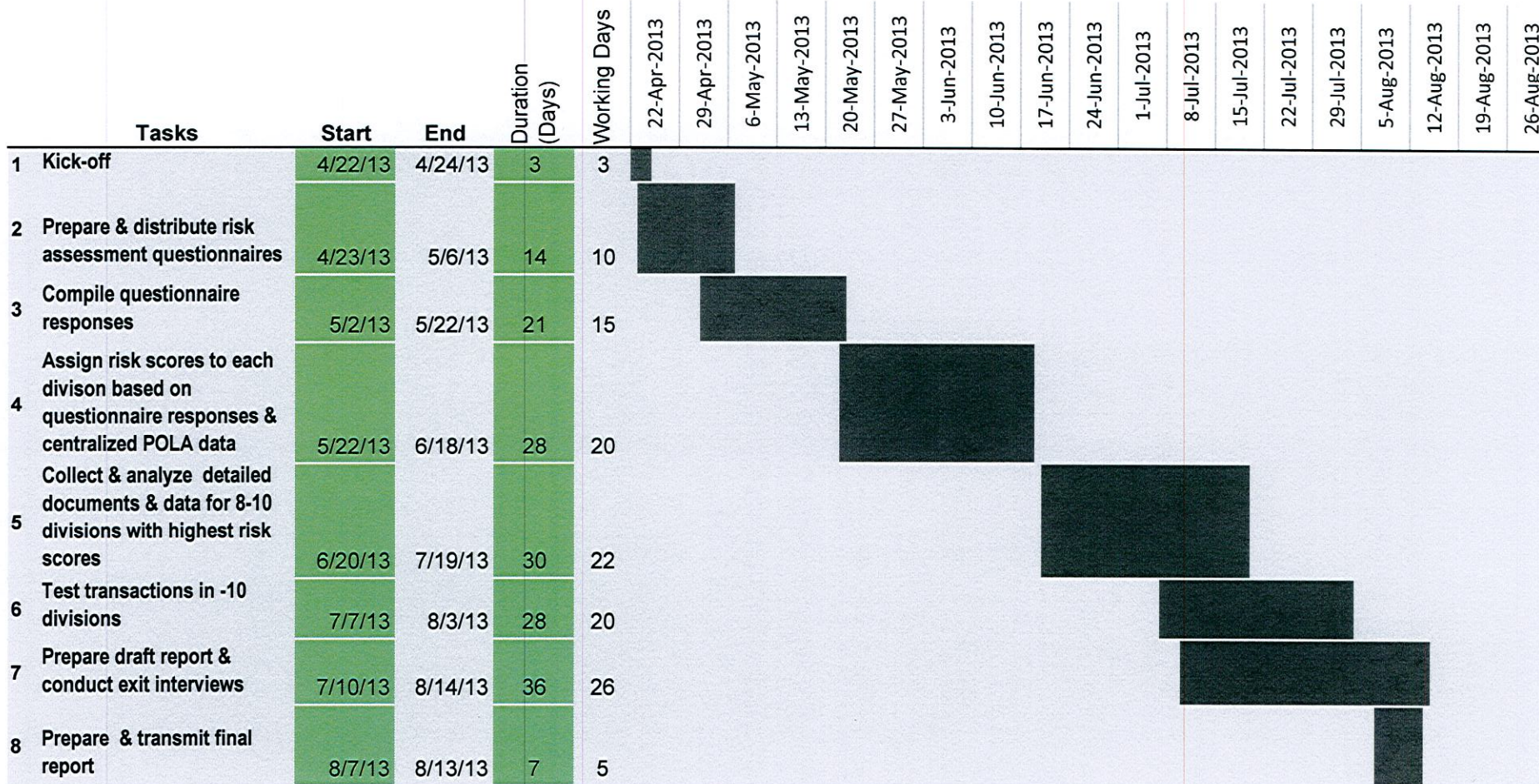**Harvey M. Rose Associates, LLC**

Project Lead: Fred Brousseau
Start Date: 4/22/13   Monday
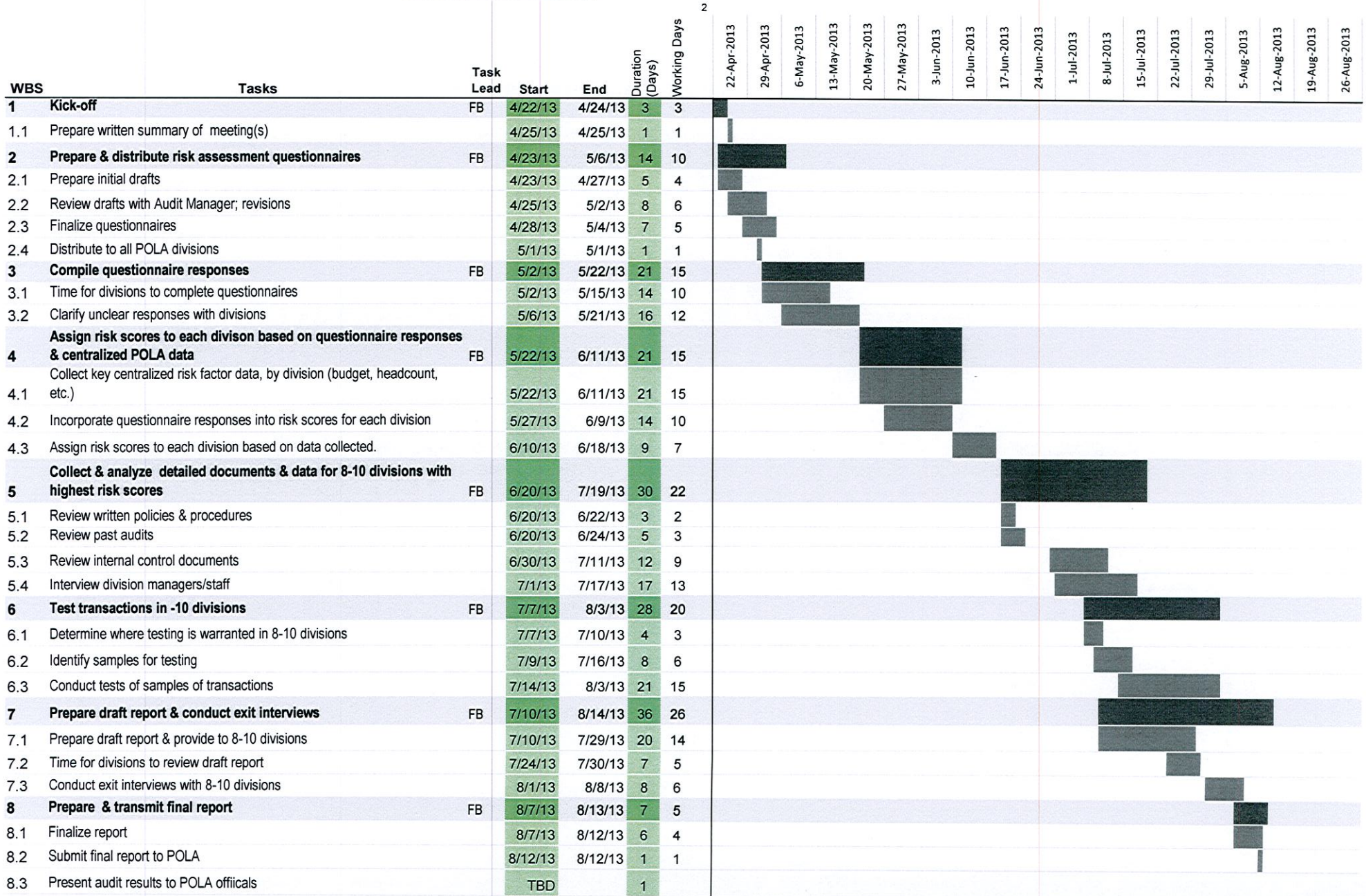
#	Tasks	Start	End	Duration (Days)	Working Days
1	Kick-off	4/22/13	4/24/13	3	3
2	Prepare & distribute risk assessment questionnaires	4/23/13	5/6/13	14	10
3	Compile questionnaire responses	5/2/13	5/22/13	21	15
4	Assign risk scores to each divison based on questionnaire responses & centralized POLA data	5/22/13	6/18/13	28	20
5	Collect & analyze detailed documents & data for 8-10 divisions with highest risk scores	6/20/13	7/19/13	30	22
6	Test transactions in -10 divisions	7/7/13	8/3/13	28	20
7	Prepare draft report & conduct exit interviews	7/10/13	8/14/13	36	26
8	Prepare & transmit final report	8/7/13	8/13/13	7	5

Timeline columns: 22-Apr-2013, 29-Apr-2013, 6-May-2013, 13-May-2013, 20-May-2013, 27-May-2013, 3-Jun-2013, 10-Jun-2013, 17-Jun-2013, 24-Jun-2013, 1-Jul-2013, 8-Jul-2013, 15-Jul-2013, 22-Jul-2013, 29-Jul-2013, 5-Aug-2013, 12-Aug-2013, 19-Aug-2013, 26-Aug-2013

POLA Process Audit Timeline

Harvey M. Rose Associates, LLC

Project Lead: Fred Brousseau
Start Date: 4/22/2013   Monday

2/27/13 Wednesday
(vertical red line)

WBS	Tasks	Task Lead	Start	End	Duration (Days)	Working Days
1	**Kick-off**	FB	4/22/13	4/24/13	3	3
1.1	Prepare written summary of meeting(s)		4/25/13	4/25/13	1	1
2	**Prepare & distribute risk assessment questionnaires**	FB	4/23/13	5/6/13	14	10
2.1	Prepare initial drafts		4/23/13	4/27/13	5	4
2.2	Review drafts with Audit Manager; revisions		4/25/13	5/2/13	8	6
2.3	Finalize questionnaires		4/28/13	5/4/13	7	5
2.4	Distribute to all POLA divisions		5/1/13	5/1/13	1	1
3	**Compile questionnaire responses**	FB	5/2/13	5/22/13	21	15
3.1	Time for divisions to complete questionnaires		5/2/13	5/15/13	14	10
3.2	Clarify unclear responses with divisions		5/6/13	5/21/13	16	12
4	**Assign risk scores to each divison based on questionnaire responses & centralized POLA data**	FB	5/22/13	6/11/13	21	15
4.1	Collect key centralized risk factor data, by division (budget, headcount, etc.)		5/22/13	6/11/13	21	15
4.2	Incorporate questionnaire responses into risk scores for each division		5/27/13	6/9/13	14	10
4.3	Assign risk scores to each division based on data collected.		6/10/13	6/18/13	9	7
5	**Collect & analyze detailed documents & data for 8-10 divisions with highest risk scores**	FB	6/20/13	7/19/13	30	22
5.1	Review written policies & procedures		6/20/13	6/22/13	3	2
5.2	Review past audits		6/20/13	6/24/13	5	3
5.3	Review internal control documents		6/30/13	7/11/13	12	9
5.4	Interview division managers/staff		7/1/13	7/17/13	17	13
6	**Test transactions in -10 divisions**	FB	7/7/13	8/3/13	28	20
6.1	Determine where testing is warranted in 8-10 divisions		7/7/13	7/10/13	4	3
6.2	Identify samples for testing		7/9/13	7/16/13	8	6
6.3	Conduct tests of samples of transactions		7/14/13	8/3/13	21	15
7	**Prepare draft report & conduct exit interviews**	FB	7/10/13	8/14/13	36	26
7.1	Prepare draft report & provide to 8-10 divisions		7/10/13	7/29/13	20	14
7.2	Time for divisions to review draft report		7/24/13	7/30/13	7	5
7.3	Conduct exit interviews with 8-10 divisions		8/1/13	8/8/13	8	6
8	**Prepare & transmit final report**	FB	8/7/13	8/13/13	7	5
8.1	Finalize report		8/7/13	8/12/13	6	4
8.2	Submit final report to POLA		8/12/13	8/12/13	1	1
8.3	Present audit results to POLA offiicals		TBD		1	

Timeline column headers: 22-Apr-2013, 29-Apr-2013, 6-May-2013, 13-May-2013, 20-May-2013, 27-May-2013, 3-Jun-2013, 10-Jun-2013, 17-Jun-2013, 24-Jun-2013, 1-Jul-2013, 8-Jul-2013, 15-Jul-2013, 22-Jul-2013, 29-Jul-2013, 5-Aug-2013, 12-Aug-2013, 19-Aug-2013, 26-Aug-2013

General Data to be Collected Centrally for Risk Scoring

Purpose: To collect centralized data that will be used to assess risk based on the risk categories shown. These measures are recommended since each represents possible threats to the Port's resources if the division doesn't have sufficient internal controls in place.

Risk Category	Data	Tests
Size & Complexity	Budgeted and actual expenditures for current and past two fiscal years, by division	Rank divisions by size for relative risk
Size & Complexity	Authorized FTEs, by division	Rank divisions by staff size for relative risk
Organizational change	Actual expenditures for current and past two fiscal years, by division	Changes in actual revenues and expenditures over past three years
Organizational change	Detailed organization charts for the enterprise for the current and past two fiscal years showing all divisions and any restructurings.	Change in reporting relationships, functions performed, etc.
Overall financial control environment	a) Management reports b) Description of centralized and decentralized administrative functions c) Copies of financial management reports provided to executive management and Port Commissioners	a) Are regular reports showing budget to actual results available to and used by all division heads and other managers? b) Are comparable controls in place for decentralized activities? What are centralized controls over adjustments and reconciliations c) Are reports adequately detailed and interpreted to provide an accurate picture of the current financial position of Port divisions?

Human Resources

Documents to be collected centrally and used in risk scoring for each division:

A) Port and or individual division employee handbook(s) and manual(s) regarding hiring, firing, grievances, disciplinary action, time cards, performance evaluation, training, workers' compensation, etc.	B) Hiring and vacancy data for the current and past two fiscal years, including cycle time to fill positions, by division and including temporary (contract) employees, by division.
C) Total # of staff grievances filed and disciplinary actions taken for the current and past two fiscal years, by division.	D) Workers' compensation claims and payment data for the current and past two fiscal years, by division.

	Questionnaire questions	Comments from Port
1	Are any staff members in your Division required to maintain specific certifications/licenses?	
2	Are any staff members required to obtain ongoing training?	
3	How is adherence to certification and training requirements ensured?	
4	What management processes are in place to ensure that relevant training is provided to all Division staff?	
5	What processes are in place to ensure that staff receive regular and timely performance evaluations?	
6	What support do managers and supervisors receive for performance evaluations?	
7	What processes enable management to track Division turnover rates?	
8	What systems and/or procedures are in place to minimize workplace injuries?	
9	What Division procedures are in place to deal with employee injuries?	
10	Is a system in place that enables management to track staff morale?	
11	What management systems and/or procedures are in place to minimize employee grievances?	
12	What Division procedures are in place to deal with employee grievances filed?	
13	How does Division management ensure that its recruitment efforts are effective?	
14	How does Division management ensure a fair hiring process?	

Contracts

Documents to be collected centrally and used in risk scoring for each division:

A) Inventory of active approved contracts, by dollar value, type and Port division for the current and past two fiscal years.	B) Actual expenditures of contract services, by Port division, for the current and past two fiscal years and current remaining balances for each open contract.
C) Names, positions of staff currently responsible for contracts, by division.	D) Port's written Procurement Policies and Procedures and contact template(s).

	Questionnaire questions	Comments from Port
1	Are written policies and procedures in place detailing the requisition and contracting process for your Division?	
2	How are updates to written requisition and contracting policies and procedures distributed to ensure that all Division staff receive and apply them?	
3	Do Division policies and procedures specify the management levels of approval required (e.g., Division Director, supervisor, Port Commission) for requisitions and contracts based on dollar value?	
4	What documentation is staff required to prepare to back up their estimates of the costs of requisitions and contracts?	
5	Does the Division have written policies regarding when competitive bidding is required, if at all?	
6	Does the Division have written policies specifying when competitive bidding is not required?	
7	Does Division policy require retention of vendor quote/bid solicitation documents for competitive bid RFPs/RFQs (i.e. copies of emails, letters, public advertisements, etc.)?	
8	Is a policy in place requiring retention of copies of all bids/proposals received for every solicitation?	

	Questionnaire questions	Comments from Port
9	Do Division policies specify standard criteria for evaluating proposals and selecting vendors in competitive RFP/RFQ processes?	
10	Does your Division require that staff and/or other stakeholders form committees to evaluate bids/proposals and to interview bidders in completive bidding RFP/RFQ processes?	
11	Are specific requirements in place for documenting bidder evaluation and scoring results?	
12	Is a mechanism in place to ensure contract language is approved and/or reviewed by legal counsel prior to final execution to ensure compliance with all Federal, State, local and Port laws, regulations and policies.	
13	Who ensures that all contracts are signed by appropriate authorities?	
14	Is a procedure in place that ensures that contracts include language protecting the Port from unforeseen costs due to the vendor's negligence, violation of laws and regulations, recklessness, or willful misconduct?	
15	What are Division policies and procedures regarding contract change orders to ensure any proposed cost increases are reviewed for justification, limited only to additional services not covered in the original contract, and that they are approved by the appropriate authority (i.e. Division Head vs. Commission approval)?	
16	Has the Division established a program to monitor contractor compliance with contract terms, including costs, timelines, and deliverables?	
17	What are Division's contract closeout procedures?	
18	How are possible disputes with contractors anticipated in contract language?	
19	What are Division procedures for handling disputes with contractors including wage disputes between prime and subcontractors?	
20	Is a mechanism in place to ensure renewable contracts are renewed or replaced prior to expiration?	
21	Are all pertinent contract records retained for three years?	
22	Do all contracts include termination provisions and procedures?	

Grants Management

Documents to be collected centrally and used in risk scoring for each division:

A) Inventory of active grants, by Port division, grantor, dollar value, purpose and term for the current and past two fiscal years.	B) Actual grant expenditures and number of active grants, by Port division, for the current and past two fiscal years.
C) Single Audit for most recent and prior two years.	D) Names, positions of staff currently responsible for grants, by division.
E) Current remaining balances on active grants.	E) Written grants management policies & procedures

	Questionnaire questions	Comments from Port
1	What written policies and procedures are in place that catalogs requirements for applying for and receiving grants in your Division?	
2	How are updates to written grants management policies and procedures distributed to ensure that all Division staff receive and apply them?	
3	What mechanisms are in place in your Division to ensure grant requirement compliance?	
4	Are grant-funded expenditures captured in Port's financial system at a level consistent with grantor reporting requirements, without additional compilation?	
5	When contractors are used to provide grant-funded services, what procedures are in place to monitor their performance and costs?	
6	What processes are followed to ensure grant milestones and deliverables are achieved and that funds are expended by required dates?	
6	By what means are the Port's allocated overhead, or indirect costs, charged to grant funds awarded to your Division?	
7	What is your Division's process for management approval of grant applications?	
8	What is Division policy and process for determining potential Port one-time and any ongoing costs associated with a grant prior to application?	
9	What is your Division's policy to recover overhead or indirect costs when allowable?	
10	What is Division process for approving receipt of a grant?	

	Questionnaire questions	Comments from Port
11	What is Division process for adding temporary grant-funded positions to ensure their tenure ends when the grant funds are depleted?	
12	Is legal counsel required to approve grant applications prepared by your Division prior to submittal? Prior to acceptance?	
13	Is the CFO or other Finance official required to approve grant applications prepared by your Division prior to submittal? Prior to acceptance?	
14	How are changes and updates to federal and State law pertinent to grants monitored and communicated to all staff?	
15	What procedures prevents commingling of grant and other funds in your Division?	
16	Do sub-recipients financial and accounting systems allow for tracking and reporting allowable costs in sufficient detail to ensure grantor requirements are met?	
17	What is procedure for unexpended grant funds?	
18	Who reviews grant expenditures besides the project director?	
19	What records must Port staff and any grant sub-recipients keep to document costs charged to grants?	
20	What is procedure for recording assets purchased with grant funds?	

Financial Control

Documents to be collected centrally and used in risk scoring for each division:

A) Audited Financial Statement for most recent and prior two years, including dates submitted.	B) Financial policies and procedures manual
C) Contact names: finance/budget managers, by division	D) AR aging reports

➢ **Financial Control: Accounts Payables, Disbursements**

	Questionnaire questions	Comments from Port
1	Does your Division have written policies and procedures in place regarding the initiation, approval, and review of expenditures/purchases?	
2	How are updates to written policies and procedures distributed to ensure that all Division staff receives and adheres to them?	

3	Are policies and procedures in place to ensure that duties for the following tasks are separated between two or more employees:
	   a) authorizing purchases
	   b) receiving goods
	   c) invoice approval
	   d) reimbursement approval
	   e) reconciliation	

4	What is your Division's policy for determining which Division staff are provided with Port credit cards and the purposes for which they can be used?	
5	How does Division management track expenditures against budget?	
6	What happens if Division expenditures exceed budgeted amounts?	
7	Are procedures in place to prevent or detect duplicate payments to vendors and payment for goods or services not received?	
8	What processes are in place to ensure that Division purchase orders and invoices are being coded to the correct expenditure accounts?	

	Questionnaire questions	Comments from Port
9	What procedures ensure that vendor invoices are checked for accuracy and agreement with purchase orders, contract terms, receiving reports, etc. to ensure proper payment?	
10	What documentation does your Division maintain to support approved invoice and purchase order payments (e.g., receiving report, invoice, etc.)	
11	How does your Division ensure prompt payment of vendors?	
12	For capital projects, how does your Division guarantee that all project costs are properly recorded at time of closeout?	
13	What Division policies are in place to ensure accurate encumbering and unencumbering of funds for projects and vendors?	
14	Does your Division reconcile its payments with bank accounts, general ledgers, warrant registries, etc.?	
15	Which positions in the Division are authorized check and/or wire transfer signators?	
16	What controls are in place to ensure that the bank is notified of any changes in authorized signators?	
17	Are staff authorized as check signators independent of fund custodianship, handling of incoming cash or providing input to accounting records?	
18	What documentation and timetables are required for advance travel authorization and post-travel reimbursement?	
19	How is the assignment of credit cards and their use monitored and by which Division staff?	
20	What are Division policies and controls regarding petty cash funds?	
21	Is Division financial information routinely backed up?	
22	Are financial system passwords centrally assigned and monitored?	
23	Is the identity of all financial system users internally maintained?	
24	Does all data that passes through the system identify the originator and recipient?	
25	Are there formal procedures for revoking or modifying terminated or active accounts?	

	Questionnaire questions	Comments from Port
26	What procedures are in place to ensure expense claims are appropriate and in compliance with all City and Port regulations?	
27	What procedures are in place to provide physical security for cash? Blank checks?	
28.	What is Division policy regarding number of signators on checks?	
29	Are payment cut-off dates established to ensure accurate monthly financial reporting?	

DRAFT

➢ Financial Control: Accounts Receivable, Revenues

	Questionnaire questions	Comments from Port
1	Are written cash management policies and procedures in place for your Division?	
2	How are updates to written cash management policies and procedures distributed to ensure that all Division staff receive and adhere to them?	
3	What mechanisms are in place in your Division to ensure timely receipt of all revenue and payments, including penalties, fees, and other collections?	
4	Does Division have policies and procedures covering delinquent payments and write-offs?	
5	What Division procedures ensure that collections (cash, checks, money orders, credit cards) are recorded as soon as received through the use of a cash register, pre-numbered receipts, or other medium of specific entry?	
6	What are Division policies for entering adjustments to collections records?	
7	How are NSF checks handled?	
8	How does your Division ensure that collections are deposited into appropriate bank accounts as soon as possible?	
9	Does an individual independent of the cash receipting/depositing function reconcile receipts/collections to deposits in bank statements or Port financial system to verify that all collections are properly accounted for and deposited?	
10	Are all overages and shortages separately accounted for and reported, with controls in place to ensure they do not offset each other?	
11	How does your Division ensure that any fees charged are consistent with Port's most recently approved fee schedule?	
12	Does your Division have one or more of its own bank accounts (depositories)?	
13	What are reconciliation policies and procedures for Division bank accounts?	

➢ Financial Control: Capital Assets

	Questionnaire questions	Comments from Port
1	Does your Division have written policies and procedures in place regarding capital asset inventory and capital asset acquisition and disposition approvals?	
2	Does your Division maintain and regularly update a capital asset inventory indicating the current location, value, depreciation, acquisition, transfer and disposition dates of Division assets, consistent with Port capitalization policies?	
3	Is the responsibility for verifying receipt and maintaining a record of your Division's capital assets assigned to someone independent of the purchasing function?	
4	How frequently are Division asset inventories reconciled with enterprise-wide records to reflect new asset purchases and leases and disposition/deletion of old assets?	
5	Are Division's high value equipment and supplies kept in secured areas with limited/authorized access?	
6	Does your Division conduct a complete physical inventory of all capital assets for which you are responsible to verify the correctness of the inventory records?	
7	When was the last physical inventory conducted by your Division?	
8	Upon completion of the physical inventory, are all changes/discrepancies annotated in the listing and reported to management for review and corrective actions?	
9	What procedures are in place governing lost or stolen capital assets in your Division?	
10	Do your Division's reported capital asset costs include direct and indirect costs attributable to the construction or acquisition of capital assets?	
11	What depreciation method is used by your Division for all depreciable capital assets?	
12	What are Division procedures for dealing with lost or stolen Port assets?	