

TO: THE COMMON COUNCIL DATE: July 20, 2007

FROM: THE DEPARTMENT OF
AUDIT & CONTROL

SUBJECT: Annual Audit Plan –
Fiscal Year 2007-2008

Pursuant to the requirements of Section 7-5 of the Charter of the City of Buffalo, I hereby submit the Annual Audit Plan for the fiscal year 2007-2008.

Erie Basin Marina & City Hall cafeteria (Brand-On Services): With a single vendor handling both facilities, we felt it would be useful and efficient to check both operations simultaneously.

Law Department – legal services engagement process: After noticeable increases in legal fees last year, we believe an examination of the need for outside counsel is warranted. We will explore whether there are initiatives to reduce the cost of services being provided. This is an area that has never been looked at before.

Human Resources Department (Division of Compensation and Benefits): We will perform an efficiency and internal control review of the health care billing process.

Economic Development, Permit and Inspection Services Department – performance: There are various aspects in this department that may be outdated and ineffectual. We want to look at the internal processes that take the information from the field and move it through City Hall.

Management Information Systems Department - inventory control policy: As thousands of dollars are spent on new equipment each year, it is reasonable to inspect what goes where and how the replacement schedule is determined.

Electronic Accessories (cellphones, Blackberrys, laptops) and take-home vehicle compliance: City-owned equipment is literally floating around the City on a daily basis. It is time to develop an inventory of who has what and to ensure that safeguards exist to prevent abuse.

Division of the Treasury – cash management: This should be a routine audit of the checks and balances of the City's daily cash intake system.

Council Council Staff – (as required by Charter Section 7-5(5)): This will study the time and attendance policies utilized with this exempt group of employees.

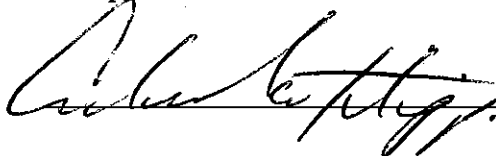
In addition, the Division of Audit will stand ready to conduct timely investigations that may arise in the course of the year as warranted. It is our goal to route out inefficiencies in City

departments and agencies and address gross improper practices as they arise. As always, if you have any questions, please feel free to contact this office.

DEPARTMENT HEAD: Andrew A. SanFilippo

TITLE: Comptroller

SIGNATURE:



A handwritten signature in cursive script, appearing to read "Andrew A. SanFilippo", is written over a horizontal line.