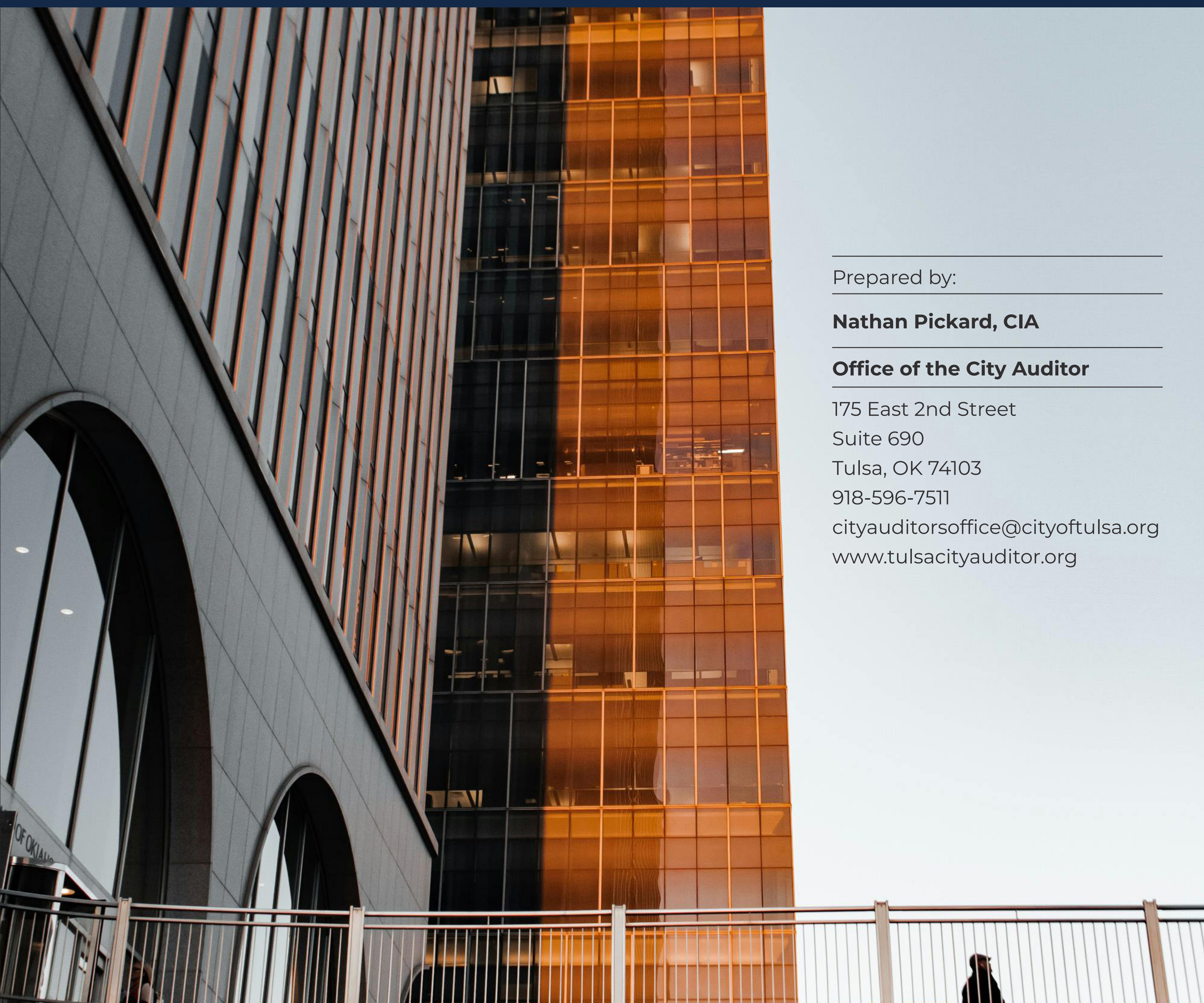
TULSA CITY AUDITOR

2026 AUDIT PLAN

tulsacityauditor.org



Prepared by:

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A LETTER FROM YOUR TULSA CITY AUDITOR

I am excited to present the Tulsa City Auditor's FY2026 (July 1, 2025 - June 30, 2026) Audit Plan for the City of Tulsa.

NATHAN PICKARD, CIA

Tulsa City Auditor since December 2, 2024

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Dear Tulsans,

In December 2024, I was elected as your City Auditor in the middle of the City's Fiscal Year and our previous City Auditor's Audit Plan. At that inauguration ceremony, I stated I had four main goals for this office:

1. Ensure the work of the City Auditor directly reflects the needs and concerns of our community.
2. Ensure integrity and objectivity within city government by performing our duty to investigate ethics complaints against our City officials with independence, objectivity and professionalism.
3. Commit to quality and productivity when reviewing the efficiency and effectiveness of our city's operations and recommend ways to constantly improve.
4. Operate with accountability and transparency by giving our residents the data, information, and reports about our city's performance in the media, languages, and contexts that our diverse public uses every day.

Voter turnout data trends speak to a declining trust in the government's ability to deliver on its promises. I believe restoring public trust is imperative and the Tulsa City Auditor's Office is a crucial part of this, as it holds the government accountable and makes it transparent to its public.

A local government that delivers on it's promises is possible, as it can be less bureaucratic, and more efficient. It can reach lofty goals that change its residents' lives. Audit work can help make this possible by understanding what residents need, and helping the City in using its limited resources more efficiently, effectively, and equitably to address those needs.

For the very first time, our Office sought input from the community. We sought feedback and listened to more residents than ever before, from both the public at large and internally within the City of Tulsa government. This aligns with my first goal of ensuring that the Office of the City Auditor's work truly reflects the needs of the residents and makes Tulsans feel heard and empowered. This process included:

- Reviewing community indicators
- Surveying the community
- Speaking and listening at town halls and the Mayor's Community Conversations
- Reviewing news articles
- Engaging on social media
- Reviewing lawsuits against the City
- Surveying the employees
- Meeting with department heads
- Meeting with elected officials

Using community engagement to source audit topic ideas in this way is a relatively new and uncommon method in the city auditing space. It's an essential component of the process, and our methodology has even become a model for other cities' auditing departments.

This plan was developed based on a thorough risk-assessment process following the standards of the Institute of Internal Auditing. It is a flexible plan that can be adjusted throughout the year based on new risks that may arise.

I am looking forward to working with all of you as we make Tulsa everything that we want it to be for ourselves, our neighbors and our children.

Sincerely,

Tulsa City Auditor, Nathan Pickard, CIA

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ABOUT THE OFFICE OF THE AUDITOR

MISSION

Our mission is to provide accountability and build trust by listening to residents and employees, evaluating city systems and performance, and informing stakeholders through transparent reporting. We adhere to the Global Internal Audit Standards and uphold values of independence, accountability, trust, and access.

CITY AUDITOR AUTHORITY

The Office of the City Auditor is an independent body established by the City Charter to provide objective, risk-based, and trusted oversight of city operations. Elected by the public and supported through a protected budget, the City Auditor is empowered to access all city records and conduct audits, reviews, and investigations across departments and agencies.

According to the City Charter, Article IV, Section 5, "All officers, employees, divisions, departments, boards, authorities, commissions, and agencies of the City of Tulsa shall produce and make available to the City Auditor any records, accounts, personnel, facilities, and inventories which the City Auditor may request or require."

CORE FUNCTIONS

The core functions of this office include conducting an annual audit plan, responding to ethics complaints, and fulfilling special requests from the Mayor and City Council. The audit work is structured and evidence-based: we understand city objectives, assess risks, test controls, and issue findings and recommendations to drive improvement. Reports are issued with clear criteria, causes, effects, and recommendations.

Listening is central to our process. We engage with residents through surveys, the 311 system, social media, and public forums. Internally, we hold interviews and surveys with staff and leadership. We plan to expand outreach through community engagement to better understand and evaluate resident outcomes.

Ultimately, we aim to strengthen city governance, risk management, and operational effectiveness by offering insight, foresight, and independent assurance. Trusted by both employees and residents, the Office of the City Auditor serves as a vital resource to ensure the City of Tulsa exceeds expectations and upholds public trust.

ABOUT THE AUDIT SELECTION PROCESS

The audit selection process varies from institution to institution, and is ultimately decided by the City Auditor. The Office of the City Auditor follows Institute of Internal Auditors standards in its audit selection process.

The Office of the City Auditor conducted a comprehensive risk assessment aligned with internal audit standards and best practices. This multi-phase process ensures that audit resources are directed toward the most impactful areas of city operations while remaining responsive to evolving needs.

1

COLLECT RISK INFORMATION

The first phase involved collecting information about these risks from a variety of sources. We gathered input from the public through community indicators, surveys, social media, news articles, community events, and lawsuits. Within the organization, we interviewed department heads, surveyed employees, and consulted with boards, commissions, and elected officials. We also leveraged insights from our own audit team, members of the audit committee, and peer audit organizations and used financial and HR data systems to look for negative risk trends.

2

PRIORITIZE RISK

In the second phase, we prioritized risks to formulate audits using several criteria: the availability of evidence, audit cost versus benefit, staff expertise, and organizational capacity. This helped us translate identified risks into potential audits with a clear rationale.

3

DETERMINE AUDITS

Next, we determined which audits to pursue, incorporating input from internal staff, City Councilors, and the Mayor. Ultimately, the elected City Auditor made the final decision. We compiled a list of the top 20 potential audits. The result is a balanced, dynamic plan that considers strategic priorities, resource availability, and emerging risks.

This process, guided by audit standards, ensures that our work supports the city's governance, risk management, and control processes. It also promotes transparency, responsiveness, and accountability. Our goal is to listen, evaluate, and inform—providing valuable insights that improve city operations and serve the public interest.

PLANNED AUDITS

The City Auditor's Office has included the following audits in its plan with a goal of completing at least 10 audits in this upcoming fiscal year. Many changes occur throughout the year due to unexpected circumstances and emerging risks so this plan can change accordingly.

CARRYOVER AUDITS FROM PREVIOUS YEAR PLAN

Segregation of Duties Review within Financial and HR System

Area: All Departments

This audit will answer the question: Does the City effectively enforce segregation of duties in financial and Human Resources systems to prevent fraud and errors, ensure compliance, maintain accountability, and protect organizational integrity?

Purchasing and Maintenance of Assets

Area: All Departments

This audit will answer the question: Are the City of Tulsa's processes for purchasing and maintaining assets efficient, cost-effective, and aligned with best practices to ensure accountability, proper stewardship, and long-term performance of the asset?

Customer Service - 311

Area: All Departments

This audit will answer the question: Does customer service at the City of Tulsa have processes in place to effectively meet the needs of residents by providing timely, consistent, and courteous responses across all departments?

Community Engagement

Area: All Departments

This audit will answer the question: To what extent does the City effectively use community engagement to inform decision-making, ensure diverse input, and foster transparency, accountability, and inclusive outcomes that reflect the needs of its residents?

ONGOING PROJECTS THAT ARE ANNUALLY PERFORMED

Internal Quality Assurance

Area: Internal Auditing

This audit will answer the question: Does the Internal Audit function adhere to professional standards and operate effectively, with processes that ensure quality, credibility, and continuous improvement in the value it provides to the City?

Report of Management Actions

Area: All Departments

This audit will answer the question: Has management made sufficient progress in addressing previous Internal Audit recommendations, effectively resolving identified issues, improving operations, and enhancing accountability across City departments and functions?

Sensitive Payments

Area: All Departments

This audit will answer the question: Are sensitive payments made by the City appropriate, properly authorized, and compliant with policies, ensuring effective oversight, safeguarding of public funds, and accountability in the use of City resource? Sensitive payments are defined as transactions that carry the possibility for city officials, executive management, and certain employees to receive inappropriate benefit due to their position of influence.

Quarterly Risk Review – Financial System

Area: Finance

This audit will answer the question: Do any areas flagged for high risk of fraud, waste or abuse within our Enterprise Resource Planning (ERP) system represent failures of controls?

NEW AUDITS

Revenue

Area: All Departments

This audit will answer the question: Is the City effectively identifying missed fee opportunities and ensuring vendors accurately remit collected taxes to maximize revenue and maintain strong financial accountability?

Based on input from:

City Councilor | **Department Head Interviews** | **Previous Audit Plans** | **Administration**

Homelessness and Housing

Area: All Departments

This audit will answer the question: How effectively does the City address homelessness in coordination with other groups, and how well do housing permitting and development services support community needs, as identified by citizens in the recent survey?

Based on input from:

City Councilor | **Employee Survey** | **Citizen Survey** | **Auditor Survey** | **Audit Committee Survey**

Authorities, Boards, and Commissions

Area: All Departments

This audit will answer the question: How effective are the governance, oversight, and financial management practices of the City's authorities, boards, and commissions in ensuring transparency, accountability, and alignment with City policies and objectives?

Based on input from:

City Councilor | **Employee Survey** | **Citizen Survey** | **Auditor Survey**

Contracts

Area: All Departments

This audit will answer the question: How effective is the City's oversight of contractors, including public partnership contracts, in ensuring proper monitoring, compliance, accountability, and protection of public interests in all contractual relationships?

Based on input from:

City Councilor **Employee Survey** **Citizen Survey** **Department Head Interviews**

Data Governance

Area: All Departments

This audit will answer the question: How effective are the City's data governance practices in ensuring data quality, security, and compliance, while protecting sensitive information and making non-sensitive data accessible to promote transparency and informed decision-making?

Based on input from:

City Councilor **Department Head Interviews** **Citizen Survey** **Town Halls**

Cyber Security Risk

Area: All Departments

This audit will answer the question: Does the City effectively manage cybersecurity risks in the selected area, with adequate controls, threat detection, and response measures to protect systems, data, and infrastructure from cyber threats?

Based on input from:

City Councilor **Department Head Interviews** **Auditor Survey**

Overtime Follow-up

Area: All Departments

This audit will answer the question: Is the City effectively managing overtime since the previous audit in 2022. Are there improved cost controls, employee well-being, and sustainable staffing practices to reduce the $14 million annual overtime burden when previously reviewed?

Based on input from:

City Councilor **Department Head Interviews** **Auditor Survey**

Tax Commitments

Area: All Departments

This audit will answer the question: Are tax commitments from initiatives like Improve Our Tulsa and the Police Fund being managed transparently and effectively, with revenues spent as promised and projects delivered on time and within budget?

Based on input from:

City Councilor **Citizen Survey** **Audit Committee Survey**

Utilities Billing

Area: Finance Department

This audit will answer the question: Is the City's utility billing system accurate, timely, and customer-friendly, ensuring residents are billed correctly, disputes are handled fairly, and operations support financial sustainability and public trust?

Based on input from:

City Councilor **Citizen Survey** **Town Halls** **Auditor Survey** **Employee Survey**

Safety

Area: Human Resources

This audit will answer the question: Is the City effectively protecting employee safety by following regulations, addressing workplace hazards, promoting a safety-first culture, and ensuring incidents are tracked, reported, and used to improve conditions citywide?

Based on input from:

Employee Survey **Department Head Interviews** **Administration**

Records Management

Area: All Departments

This audit will answer the question: Are the records of the systems recorded accurately, timely, and according to legal standards?

Based on input from:

City Councilor **Department Head Interviews** **Previous Audit Plans** **Citizen Survey**

911 Review

Area: Police Department

This audit will answer the question: Is the 911 Center operating efficiently and effectively to meet emergency response needs, while ensuring adequate staffing, resource allocation, and service quality for the safety and well-being of Tulsa residents?

Based on input from:

City Councilor **Citizen Survey** **Department Head Interviews** **Audit Committee Survey**

HR Hiring & Promotion

Area: Human Resources

This audit will answer the question: Does the City's hiring and promotion process ensure fairness, transparency, and equal opportunity while also supporting a timely and efficient approach to building a high-quality and diverse workforce?

Based on input from:

City Councilor | **Employee Survey** | **Department Head Interviews** | **Previous Audit Plans**

DATA SYSTEMS FOR QUARTERLY RISK REVIEWS

311 Quarterly Risk Analytics

Area: Customer Care

The City Auditor's Office will perform a data analytics project to automate quarterly risk assessments using 311 system data. This project aims to identify emerging risks, service trends, and areas needing process reviews.

FISCAL YEAR 2026 OPERATING BUDGET

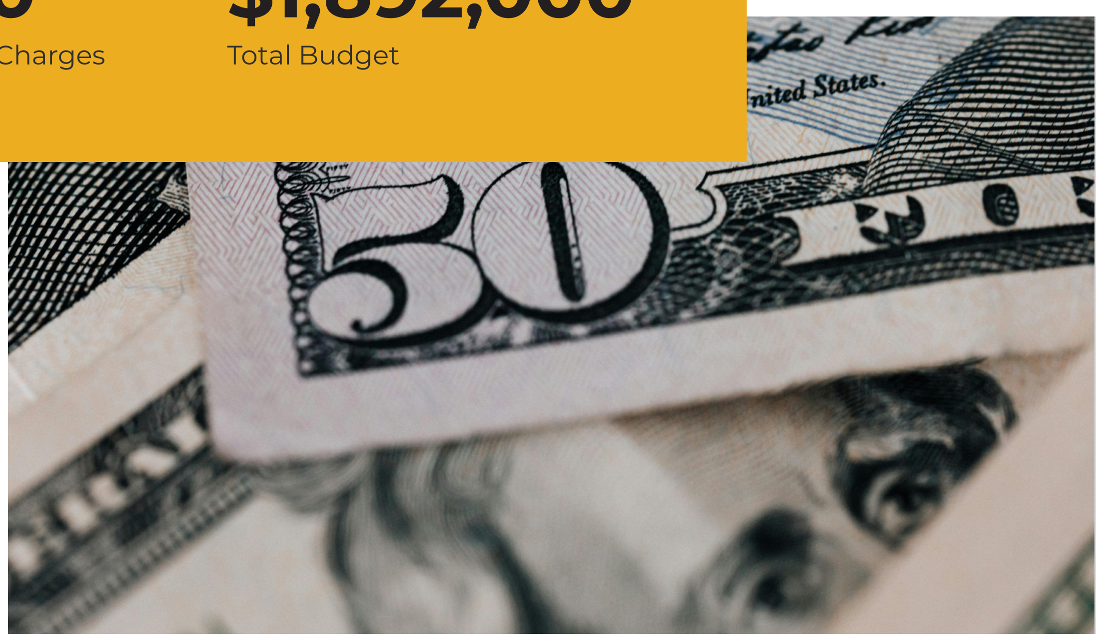
The Office of the City Auditor includes a team of up to 14 full-time employees of auditors, audit managers, data analysts, performance auditors, IT auditors, communications professionals, and administrative professionals. The majority — nearly 94 percent — of the total operating budget goes towards salaries and wages.

$1,772,000
Personnel Costs

$9,000
Technology, Materials & Supplies

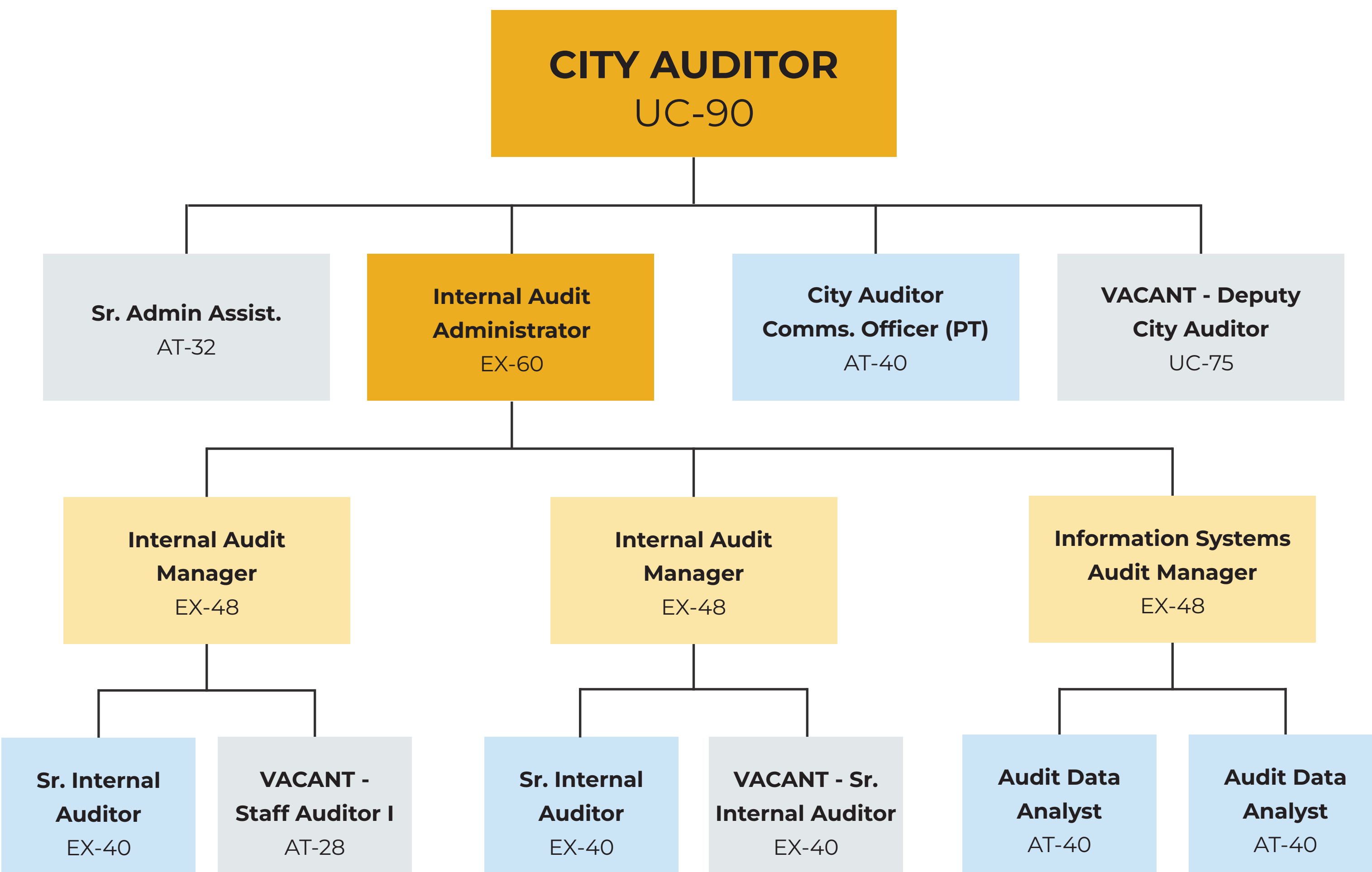
$111,000
Contract Services & Charges

$1,892,000
Total Budget



FISCAL YEAR 2026 ORGANIZATIONAL CHART

Once all proposed roles are filled, the Office of the City Auditor will have increased its personnel by 27 percent. Previously, the Office conducted an average of ten audits per year. The following FY 2026 Audit Plan for the City of Tulsa includes 21 potential audits, with a goal of expanding community engagement and communication with the public. The Office of the City Auditor will need more capacity in order to execute the expanded audit plan.



HOW AUDITS ARE CONDUCTED

This year's audit plan incorporates performance, financial, information technology audits and community engagement to ensure we are focusing on the right risks and processes that affect the community the most.

As a team of internal audit professionals, the Office of the City Auditor adheres to the highest professional standards and utilizes diverse approaches, including:

PERFORMANCE AUDITING

Identifies opportunities to improve the efficiency and effectiveness of city activities, and assesses the viability or strength of the internal control environment of the city's agencies and programs.

FINANCIAL AUDITING

Assesses the financial internal control environment, compliance with city policies, financial governance, accounting and reporting practices, and high-risk financial transactions.

INFORMATION TECHNOLOGY AUDITING

Focuses on the effectiveness of the city's cybersecurity defenses, data protection, data privacy, and management of critical systems and applications.

AUDIT ANALYTICS

Uses quantitative and qualitative risk-finding analytics of audit-related data and applies survey and sampling methodologies to support audit teams working with many different topics and sources of information. Audit analytics can be used to ensure data is accurate, consistent, and complete; to identify, analyze, and create visual representations of anomalies and patterns; to build statistical models; and to synthesize analytical results in audit reports.

CONTINUOUS AUDITING

Allows auditors to directly connect with city data systems, use an entire data population rather than samples, and automate ongoing analyses of that data. These ongoing analyses of data systems are used to identify high-risk areas and test controls in the city's financial and operational systems in a timely fashion. The information gained from continuous auditing helps inform audits and the annual risk assessment. It also helps audit teams improve efficiencies in planning and fieldwork by identifying trends and exceptions earlier than through traditional audit methods.

AFTER THE AUDIT

Audit Findings and Recommendations

Following an audit, findings are shared with the Mayor, City Council, City management, and the public to promote transparency and drive meaningful change. Audits identify inefficiencies, risks, and areas for improvement, as well as provide data-driven recommendations that help City departments enhance service delivery, optimize financial practices, and strengthen public trust. These recommendations are shared with appropriate department heads.

Monitoring Implementation Progress

After an audit report is issued, the Office of the City Auditor follows up with department managers to track their progress in implementing corrective actions. Each year, departments are required to report on their efforts, detailing whether recommended changes have been completed, are in progress, or will not be pursued due to changing conditions. This ongoing monitoring process helps maintain accountability and ensures that audit findings are not just documented but acted upon.

Audit findings, recommendations and implementation progress are also shared with the public through the Office of the City Auditor website, www.tulsacityauditor.org.

QUESTIONS AND COMMENTS

Please contact the Office of the City Auditor with any questions, concerns, or feedback about the Audit Plan at cityauditorsoffice@cityoftulsa.org.

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