



2026 INTERNAL AUDIT PLAN

MEMORANDUM

TO: City Commission
FROM: Elena Georgiev, Internal Auditor *EG*
DATE: October 21, 2025
SUBJECT: Fiscal Year 2026 Internal Audit Plan

As the City Auditor for Delray Beach, I am pleased to present the Fiscal Year 2026 Audit Plan. This plan outlines the Office of the Internal Auditor's (Office) priorities, including ongoing audits, new initiatives, and the strategic allocation of resources to promote transparency, accountability, and effective governance.

The plan is risk-based, focusing on areas of greatest importance to the City's operations, financial stewardship, and service delivery. It reflects our commitment to ensure that public funds are managed responsibly and efficiently, in alignment with community values.

During FY 2026, we will initiate the audits identified in this plan and continue follow-up reviews to assess implementation of prior recommendations. Project timing and scope will depend on available resources.

We look forward to collaborating with the City Commission, executive leadership, staff, and the community to provide independent, objective analysis that supports sound decision-making on the issues most important to Delray Beach residents.

AUDIT SELECTION PROCESS AND PLANNED ENGAGEMENTS

Developing an annual audit plan is an iterative process that incorporates input from stakeholders, a review of City operations and initiatives, and an assessment of risks and other considerations. The objective is to ensure that audit coverage addresses the City's most significant challenges and vulnerabilities, including the top risks facing the public sector, while also evaluating whether departments are operating efficiently, effectively, and in compliance with applicable laws and policies.

Planned Engagements

Based on the results of the risk assessment process described above, the Internal Auditor has determined that the following high-risk areas warrant examination in the upcoming year:

- Information Technology
- Purchasing

In addition to the high-risk areas identified through the formal assessment process, the City Commission and City Manager have highlighted areas of interest that are important to leadership and the community. While these areas may not have ranked among the highest risks, they remain valuable for consideration. The Office will evaluate these potential engagements during the fiscal year, taking into account available resources and emerging priorities, to remain responsive to leadership concerns and community needs, while maintaining a risk-focused approach.

- Reserve Funding Review
- Contractor and Vendor Payment Review
- Procurement Card Review
- City-Supported Organizations Review

Finally, the Office will reserve time to:

- Continue work on projects that began in FY 2025, namely Downtown Development Authority and Fire Rescue.
- Follow-up on prior audit recommendations to confirm implementation.
- Provide consulting and advisory services to support management in improving processes, controls, and risk management practices.
- Conduct research and analysis to monitor emerging risks, fiscal challenges, and best practices in local government.
- Assist the External Audit firm, as needed.
- Perform quality assurance and improvement initiatives to ensure that the Office's work remains aligned with professional standards and delivers value to the City and its residents.

- Obtain Continuing Professional Education for audit staff to maintain skills, stay current with professional standards, and enhance the quality and effectiveness of the Office's work.

It is important to note that the audit plan is a living document, evolving throughout the fiscal year in response to emerging risks, operational changes, and other priorities identified by City leadership or the community.

Professional Standards

The work of the Office is conducted in accordance with the Generally Accepted Government Auditing Standards (GAGAS) and the Global Internal Audit Standards. These standards require that the Internal Auditor establish a risk-based plan, consistent with the City's goals, strategies, and risks, and that the plan is reviewed and approved by the City Commission.