

# Proposed 2012 Audit Workplan

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Auditor General  
On: November 2, 2011  
To: Audit Committee

# Proposed 2012 Audit Workplan

- The proposed 2012 Audit Work Plan provides the Audit Committee with an overview of how resources allocated to the Auditor General's Office may be used during 2012.
- Projects have been identified where audit or review procedures are expected to present the greatest organizational value for the time committed.

# Proposed 2012 Audit Workplan

- At this draft stage, the Auditor General is seeking Audit Committee feedback on the attached proposed audits, any additional potential audits, and their desired order of completion.
- The Auditor General will gather feedback received between today and the first Audit Committee meeting scheduled in 2012 to return with the 2012 Audit Work Plan.

# Proposed 2012 Audit Workplan

Rethink

Refocus

Rebalance

- The Auditor General's proposed work plan is designed not to duplicate commitments and reviews made by management:
  - a review of City owned lands and facilities for possible disposal,
  - an examination of efficiencies with internal processes such as
    - disposal of surplus equipment
    - fleet services,
    - mail delivery and
    - garbage and recycling collection at City facilities, and
    - enhanced efforts to collect on failed tax sale properties.

# Proposed 2012 Audit Workplan

<b>Work Plan Opportunities</b>	<b>Projects identified where audit or review procedures are expected to present the greatest organizational value for the time committed</b>	<b>Proposed Order of Audits</b>
<b>Impact of Changes To Road Design (Asphalt Grindings and Road Cross-fall)</b>	<ul style="list-style-type: none"> <li>• Evaluation of engineering, managerial and financial controls over asphalt grindings assets</li> <li>• Review road and asphalt tendering specifications (identifying highest and best uses of asphalt eg. recycling of the city's asphalt grindings)</li> <li>• Evaluation of the impact of changes to road cross fall in the costs of repair road construction, remediation and replacement</li> </ul>	<b>1</b>
<b>Procurement Card Review</b>	<ul style="list-style-type: none"> <li>• Review of adequacy of managerial and financial controls for corporate procurement cards</li> <li>• Review of compliance with established procurement card policy and procedures</li> </ul>	<b>2</b>
<b>Grants, Contributions Sponsorships, Donations and Support Expenditures</b>	<ul style="list-style-type: none"> <li>• Evaluate expenditure and compliance controls as compared to city policies, bylaws and resolutions</li> <li>• Evaluate transparency in reporting and relationships to municipal purpose and objectives of council</li> </ul>	<b>3</b>

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<i>Work Plan Opportunities</i>	<i>Projects identified where audit or review procedures are expected to present the greatest organizational value for the time committed</i>	<i>Proposed Order of Audits</i>
<b>Procurement Budget and Bid Review</b>	<ul style="list-style-type: none"> <li>• Evaluation of budget information disclosure prior to tender award</li> <li>• Review of bid price variations, unbalanced bids</li> <li>• Review of management price tracking mechanisms driving price analysis and budget estimates</li> </ul>	4
<b>Water and Wastewater, Emergency Construction Activities</b>	<ul style="list-style-type: none"> <li>• Evaluate contractor oversight and management of emergency construction activities supporting the achievement of value for money through operations</li> </ul>	5
<b>Purchase Cost Agreements Review</b>	<ul style="list-style-type: none"> <li>• Review for compliance and value for money</li> <li>• Blanket orders pricing and price increases and price indexing through pre-approved vendors</li> <li>• Sole source contracts</li> </ul>	6

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<i>Work Plan Opportunities</i>	<i>Projects identified where audit or review procedures are expected to present the greatest organizational value for the time committed</i>	<i>Proposed Order of Audits</i>
<b>Falconbridge ISF Roads Project, Value For Money and Control</b>	<ul style="list-style-type: none"><li>• Evaluation of engineering, managerial and financial risks, opportunities and controls experienced in this project</li><li>• Evaluate opportunities for improvement in project management</li><li>• Evaluation of the final outcome (did we get what we paid for?)</li></ul>	7

# Potential Future Audits

<i>Work Plan Opportunities</i>	<i>Projects identified where audit or review procedures are expected to present the greatest organizational value for the time committed</i>	<i>Proposed Order of Audits</i>
<b>Stewardship Transparency Review</b>	<ul style="list-style-type: none"> <li>• Review of various reporting relationships</li> <li>• Review of information required or requested by Council</li> <li>• Review of best practice meeting protocols</li> </ul>	
<b>Tender Process review</b>	<ul style="list-style-type: none"> <li>• Review tender award complaint history and resolution</li> </ul>	
<b>Construction Management, Warranty and Acceptance</b>	<ul style="list-style-type: none"> <li>• A review of construction quality issues, deficiencies identified, and policy and procedures related to the acceptance of work or final resolution of warranties</li> <li>• Review of concrete sidewalk deficiencies in various projects across the city</li> </ul>	
<b>Transit and Arena Advertising Contract(s)</b>	<ul style="list-style-type: none"> <li>• Review delay between tender award and contract signing</li> <li>• Evaluate contract administration and the recovery of advertising revenues</li> </ul>	
<b>Travel Expense Review</b>	<ul style="list-style-type: none"> <li>• Review of compliance with established policy and procedures</li> </ul>	
<b>Salaries and Benefits Expenditures</b>	<ul style="list-style-type: none"> <li>• Evaluate management, reporting and financial control of elements contributing to increased Salaries and Benefits expense over past years</li> </ul>	



# Potential Future Audits

<i>Work Plan Opportunities</i>	<i>Projects identified where audit or review procedures are expected to present the greatest organizational value for the time committed</i>	<i>Proposed Order of Audits</i>
<b>Property Sales Process Review</b>	<ul style="list-style-type: none"> <li>• Review policies and practices around property purchases and sales</li> <li>• Review policies around appraisals</li> <li>• Determine how various risks are being identified and managed</li> <li>• Ensure there is full transparency and accountability</li> </ul>	
<b>Municipal Tax Write-offs, Refunds, Credits</b>	<ul style="list-style-type: none"> <li>• Review of compliance with the Municipal Act, and established policy and procedures</li> </ul>	
<b>Cash Handling Audit</b>	<ul style="list-style-type: none"> <li>• Review of compliance with established cash handling policy and procedures</li> <li>• Location TBD</li> </ul>	
<b>User Fee – Shift In Funding Sources</b>	<ul style="list-style-type: none"> <li>• User fees are generally increasing by 3% per bylaw, while current operating costs are increasing by ___ %</li> <li>• Review of shifts in the balance between user (rate) funding and general (tax) funding for various programs</li> <li>• Review of the full operating and capital cost and sustainability of programs.</li> </ul>	
<b>Hiring Process Review</b>	<ul style="list-style-type: none"> <li>• Review of compliance with established hiring policies and procedures</li> </ul>	

# **2010 TO 2011 AUDITS COMPLETED**

<b>2010</b>	<b>Emerging Issue Audit - Miscellaneous Roads Maintenance</b>
<b>2010</b>	<b>Cash Handling Audit - Transit Cash Office, (Parking/Citizen Service Ctres)</b>
<b>2011</b>	<b>Payroll and Timesheet Audit - Shift Trading</b>
<b>2011</b>	<b>Program Audit - Transit Services / Conventional Transit</b>
<b>2011</b>	<b>Program Audit - Transit Services / Handi Transit</b>
<b>2011</b>	<b>Accounts Payable Audit – Recoveries</b>
<b>2011</b>	<b>Audit Follow Up - Miscellaneous Roads Maintenance</b>
<b>2011</b>	<b>Audit Follow Up - Transit Cash Office</b>
<b>2011</b>	<b>Audit Follow Up - Shift Trading</b>
<b>2011</b>	<b>Contract Management Audit - Kiosk and Café Contracts &amp; Receivables</b>

# **2010 TO 2011 AUDIT BACKGROUND WORK**

<b>2010</b>	<b>User Fee – Shift In Funding Sources</b>
<b>2010</b>	<b>Construction Services - Impact of Changes To Road Design (Asphalt Grindings and Road Cross-fall)</b>
<b>2010</b>	<b>Infrastructure Services – Falconbridge ISF Roads Project, Value For Money and Control</b>
<b>2010</b>	<b>Construction Services – Construction Management, Warranty and Acceptance</b>
<b>2010</b>	<b>Codes of Conduct</b>
<b>2010</b>	<b>Program Audit - Fire Services</b>

# ***2010 TO 2011 AUDITS TO BE CANCELLED***

2010	Program Audit - Fire Services	Independence
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# ***2010 TO 2011 OTHER AUDIT ACTIVITIES***

<b>Audit Manual Development – Policy and Procedures (GAGAS 2007)</b>	<b>Developed 2010</b>
<b>Audit Manual Development – Policy and Procedures (GAGAS 2011)</b>	<b>Updated 2011</b>
<b>Audit Independence Challenges - Access To Information, Solicitor Client Privilege etc</b>	<b>2011</b>
<b>Training, Coordination and Preparation For ALGA Peer Review</b>	<b>Planned Jan. 2012</b>