



**SUBJECT: Status of audit work plan, budget and performance metrics**

**TO: Audit Committee**

**FROM: City Auditor's Office**

Report Number: CA-13-19

Wards Affected: Not applicable

File Numbers: 430-01

Date to Committee: November 6, 2019

Date to Council: November 18, 2019

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### **Recommendation:**

Receive and file City Auditor's Office report CA-13-19 providing the status of the 2019 audit work plan (Appendix A), performance metrics (Appendix B), and budget as of October 11, 2019.

### **Purpose:**

Monitoring the achievement of the approved audit plan through the provision of status reports on progress against plan, budget and other operational matters identified by the City Auditor.

An Engaging City

- Good Governance

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### **Background and Discussion:**

- Performance Metrics revised in CA-04-18 (February 15, 2018)
- Amended 2019 Audit Work Plan approved CA-05-19 (June 5, 2019)

### **Strategy/process**

One audit is complete, and the audit work is underway for all of the remaining 5 assurance audits. Refer to Appendix A for details.

2019 Number of Audits in Each Audit Phase				
Planning	Fieldwork	Reporting	Not Started	Complete
2	2	1	0	1

### Performance Metrics

The efficiency measure, indicating 29% of audit hours utilized, is in addition to hours used for consulting (7%), ad hoc (92%), and administrative hours (78%). Audit assurance work was paused while time was allocated to the fraudulent vendor payment incident. The assurance work resumed in July and audits are expected to be completed within the audit plan year (March 1, 2019 to March 31, 2020).

Remaining performance measures indicate work is on target. Refer to Appendix B for details.

### Financial Matters:

#### Office of the City Auditor Audit Budget – as of October 11, 2019

Professional Development is overstated by \$896.58 and Purchased Services are understated by \$966 due to incorrect postings to this cost center. Adjusting entries are being made to correct the error. Notwithstanding, the City Auditor's budget is within normal spending limits.

		Internal Audit		
Cost elements	Includes expenses such as...	ANNUAL PLAN	ACTUALS (YTD)	Variance (\$)
Professional Development	conference (registration/accommodation) & professional memberships	\$ 4,500.00	\$ 4,132.77	\$ 367.23
Operating/Minor Capital Equipment	subscription, software, printing costs	\$ 600.00	\$ 192.55	\$ 407.45
Purchased Services	mileage, travel & audit fees	\$ 39,020.00	\$ 17,260.07	\$ 21,759.93

### Connections:

Internal Audit assesses risk management processes and practices in operations and strategy, including internal controls, to help management and staff achieve their objectives. The objectives are linked to the achievement of the 2018-2022 Vision to Focus and ultimately, the 25-year strategic plan.

### Public Engagement Matters:

Not applicable.

**Conclusion:**

Audit work is progressing. Expectation of all assurance audits to be complete by end of March 2020.

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Respectfully submitted,

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City Auditor

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**Appendices:**

- A. CA-13-19 Appendix A - 2019 Internal Audit Work Plan – Status
- B. CA-13-19 Appendix B - 2019 Key Performance Measures

**Report Approval:**

All reports are reviewed and/or approved by Department Director, Director of Finance and Director of Legal. Final approval is by the City Manager.