



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

TO: Audit Committee

FROM: City Auditor's Office

Report Number: CA-05-19

Wards Affected: Not Applicable

File Numbers: 430-01

Date to Committee: June 5, 2019

Date to Council: June 17, 2019

Recommendation:

Approve the amended 2019 audit work plan adding Customer Relationship Management (CRM) Phase 1 implementation and operations and deferring Transit – Vehicle and Equipment Maintenance as attached in Appendix B of the City Auditor’s report (CA-05-19).

Receive and file City Auditor’s Office report CA-05-19 providing the status of the 2018 audit work plan (Appendix A), status of the 2019 audit work plan (Appendix C), update of Internal Audit Service Reflection & Assessment Results (Appendix D), budget, and performance metrics (Appendix E) as of April 30, 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

Background and Discussion:

- Performance Metrics revised in CA-04-18
- 2018 Audit Work Plan approved CA-02-18 (February 15, 2018)

- 2019 Audit Work Plan approved CA-01-19 (April 3, 2019)

Strategy/process

2018

Audit work is complete – 4 assurance audits and the External Quality Assurance Review for Internal Audit. Refer Appendix A for details.

2018 Number of Audits in Each Audit Phase				
Planning	Fieldwork	Reporting	Not Started	Complete
0	0	0	0	4

2019

After the approval of the 2019 audit work plan, management requested an audit of phase 1 of the Customer Relationship Management (CRM) implementation and operations. CRM is a foundation for customer service and advances the Service Brilliance Strategy. The implementation of CRM involves entirely new technology, processes, and significant changes for staff involved – warranting a review of the controls put in place to manage the risks involved.

It is recommended the planned audit of Transit – Vehicle and Equipment Maintenance be deferred to 2020 and the CRM Implementation and Operations audit be added to the 2019 audit work plan. The Director ITS and City Clerk, as co-sponsors of the CRM project, agree with this approach. Also, the Director of Transit is supportive of the deferral given the recent recruitment of the Transit Business Services Co-ordinator (Fleet).

Details of the amended 2019 audit work plan are contained in Appendix B.

Audit work is underway with planning in progress for 4 of the planned 6 assurance audits. Refer Appendix C for details.

2019 Number of Audits in Each Audit Phase				
Planning	Fieldwork	Reporting	Not Started	Complete
4	0	0	0	0

Status of Internal Audit Service Reflection & Assessment Results

In March 2018, the City Auditor met with audit clients in small group discussions designed to gain a better understanding of what internal audit’s clients’ value and to identify opportunities for improvement in the service. The result was a clearer understanding that *what matters most to our clients is collaboration, understanding, flexibility, and*

communication. Along these lines, there were 22 opportunities for changing internal audit processes, activities, and outputs to ensure this service meets the needs of its clients.

Throughout 2018 and into 2019, work has progressed on these opportunities with 13 being completed, 4 in progress, and 5 to be explored. Appendix D provides the summary of what our clients told us matters most to them and an update on the opportunities for change.

Performance Metrics

The efficiency performance metric has been re-calibrated to match the audit work plan year; that is, March 1, 2019 to March 31, 2020. In addition, the tracking of administrative hours is now included as these hours are utilized for audit function maintenance, administrative tasks, and in-progress management action plan follow-up. These activities include the work completed for the Internal Audit Service Reflection & Assessment opportunities.

Performance measures indicate work is on target. Refer to Appendix E for details.

Financial Matters:

Office of the City Auditor Audit Budget – as of April 30, 2019

City Auditor’s budget is within normal spending limits.

Cost elements	Includes expenses such as...	ANNUAL PLAN	ACTUALS (YTD)	Variance (\$)	Item Summary
Professional Development	conference (registration/accommodation) & professional memberships	\$ 4,500.00	\$ 234.14	\$ 4,265.86	
Operating/Minor Capital Equipment	subscription, software, printing costs	\$ 600.00	\$ -	\$ 600.00	
Purchased Services	mileage, travel & audit fees	\$ 39,020.00	\$ 146.55	\$ 38,873.45	Committed: \$5,000 for QAR
	TOTAL Non HR EXPENDITURES	\$ 39,620.00	\$ 380.69	\$ 39,239.31	

Connections:

Not applicable.

Public Engagement Matters:

Not applicable.

Conclusion:

The amendment to the 2019 audit work plan provides the opportunity to assess Phase 1 of the CRM implementation and operations as plans continue for the subsequent phases. Work is in progress in planning for audits in the 2019 audit work plan.

Respectfully submitted,

Sheila M. Jones, CIA, CFE, CGAP, CRMA, CCSA

City Auditor

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Appendices: (if none delete section)

- A. CA-05-19 Appendix A – Status of the 2018 Audit Work Plan
- B. CA-05-19 Appendix B – Amended 2019 Audit Work Plan
- C. CA-05-19 Appendix C – Status of the 2019 Audit Work Plan
- D. CA-05-19 Appendix D – Internal Audit Service Reflection & Assessment Summary - Update
- E. CA-05-19 Appendix E – 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.