

# 2023 Audit Plan

Office of the City Auditor



# Overview of the City Auditor role

- Performs financial, operational, regulatory, compliance audits
- Core objective: incrementally improve City's processes
- Report to Audit Committee quarterly



# 2023 Annual Audit Plan – purpose

- To provide assurance to Audit Committee and Management that business processes and internal controls are operating effectively
- To focus audit resources and attention on high-risk areas
- To identify incremental improvements within City operations
- To provide value through meaningful recommendations to staff



# 2023 Annual Audit Plan – inputs

- Inherent Risk Assessment
- Jurisdictional Scan
- Review past audits & major corporate/strategic initiatives
- Consultation with Audit Committee members & Burlington Leadership Team



# 2023 Annual Audit Plan – Inherent Risk Assessment

## Risk Factors & Weightings:

- Complexity of Service Delivery (30%)
- Financial Materiality & Susceptibility to Error/Fraud (25%)
- Degree of Change (20%)
- HR/Staffing Factors (15%)
- Community Trust/Reputation (10%)

*Note: See Appendix-B*



# 2023 Annual Audit Plan – Inherent Risk Assessment

## Audit Universe:

- 134 distinct 'audit units' identified
  - Aligned to service areas used in CMO Performance Measures
  - Examples: Parking By-law Enforcement; Crossing Guard Program
- Each 'audit unit' individually assessed by risk factors & risk attributes
- Risk score identified for each 'audit unit' based on:
  - Risk ranking x Weighting

Note: see *Appendix-C*





# 2023 Annual Audit Plan – Jurisdictional Scan

- Internal Audit Plans from 26 other municipalities reviewed
- Common themes included:
  - Procurement – 19
  - Cyber-Security – 14
  - Transit – 12
  - Public Housing – 9\*
  - Fleet Management – 8
  - HR Recruiting, Retention, Attraction – 8
  - Fraud Risk/Investigations – 8
  - Real Estate / Leases – 7
  - Cash Handling – 7

Note: see *Appendix-E*



# 2023 Annual Audit Plan – Consultation

- Received feedback from Audit Committee regarding:
  - Audit coverage
  - Other potential priorities or risk areas
- Received feedback from Burlington Leadership Team regarding:
  - Audit project scheduling/timing
  - Detailed scoping for each potential project
  - Other potential priorities, risk areas or audit requests
- Received feedback from External Auditor; other staff





# 2023 Annual Audit Plan – proposed shortlist of projects

1. Environmental Strategies Review
2. ERP Project – Phase 2
3. Cyber-Security ('detect' controls)
4. Cash Handling/Revenues

Note: proposed Audit Plan for 2024 & 2025 included

***See CA-03-23 Appendix-A for greater detail***



# 2023 Annual Audit Plan – next steps

- Request Audit Committee approval on March 8, 2022
- Quarterly progress updates to Audit Committee



*Thank you*

