

Our File/N/Réf.
Your File/V/Réf.

DATE 5 June 1996

TO/DEST. Co-ordinator
Corporate Services and Economic Development Committee

FROM/EXP. Regional Internal Auditor

SUBJECT/OBJET **INTERNAL AUDIT'S ANNUAL PROJECT PLAN**

DEPARTMENTAL RECOMMENDATION

That the Corporate Services and Economic Development Committee recommend Council approve the Annual Project Plan of the Internal Audit Department.

BACKGROUND

Last summer Council revised the mandate for Internal Audit to include the approval of an annual project plan. Accordingly, this report constitutes Internal Audit's annual project plan for the coming year. Also included, for information, is a more general and a longer term indication of the direction of Internal Audit's work for the subsequent year.

The Regional Internal Auditor will, through an annual report, report back to Committee and Council in a year's time on the completion of this project plan and will propose at that time another project plan for the ensuing year.

DISCUSSION

Last fall, Council directed the Chief Administrative Officer to review:

- i. levels of service
- ii. organizational structure, and,
- iii. alternate sources of funding.

This "Corporate Review" is the Corporation's number one challenge, requiring the total commitment of Management and staff. Like many other public organizations, the Region is experiencing funding pressures which are expected to continue and to be significant. Accordingly, Internal Audit's focus is to contribute as much as possible to help the Corporation meet these challenges and deliver services effectively with reduced resources. Our project plan reflects this.

Much is uncertain at the moment about the future funding and governance picture for the Region. It is, therefore, particularly important that Audit be prepared to act quickly if required. Accordingly, I have assured the CAO that Audit would respond expeditiously should our assistance or services be required in other areas.

Current Year

Audit's direction for the coming year is 100% supportive of, and complementary to, the CAO's Corporate Review. Audit has seconded one professional staff to the Corporate Review team and projects in the annual project plan have been selected to maximize Audit's contribution to the overall Corporate funding imperatives.

The plan identifies many specific projects (e.g. Health Department, Homes for the Aged, Property and various Follow-ups) as well as some general directions (e.g. Service Delivery Options, Corporate Re-engineering Projects). With respect to the latter, not all of the specific Service Delivery Options that Audit will be assessing nor all the specific Re-engineering projects that Audit will likely be involved with have been identified at this stage. However, these will become clearer later in the year as the Corporate downsizing progresses and priorities and problems surface. As in the past, Audit will notify Councillors at the onset of a major project to keep Councillors apprised of Audit's work and provide opportunity for input.

Audit is regularly involved with other smaller projects of benefit to the Corporation that do not find their way into this plan and do not lend themselves to, or result in, a report to Committee or Council. Examples over the past months are:

- ROPEC - assisting management and Council on two separate occasions with contract operations issues
- Streamlining of administrative functions for the small departments (Audit being one) located in the Heritage Building, the savings from which are already flowing through the Corporation
- An assessment of the Corporation's courier activities; which subsequently resulted in the CAO requesting the Regional Clerk to assume responsibility for all the Corporation's courier services and lead the process of improving service and reducing costs
- Assistance, support and participation in preparing the Corporation's Manager's Handbook, the Corporate HRIS and the implementation of previously completed projects.

This is an ambitious workplan which will spill over into the subsequent year. Audit will, where possible, supplement departmental resources by seconding staff from elsewhere in the Corporation or through other temporary measures.

Subsequent Year

The subsequent year's plan is included for information, not approval. The main purpose of such is to provide Council with a sense of the direction which your Audit Department envisions one year hence. It is much more general than the current year's plan. Each year, Audit will bring forward a current year project plan, for approval, and a subsequent year's plan, for information.

CONSULTATION

In preparing this project plan, public consultation was not considered appropriate. However, all Councillors were consulted, their input was very useful and, to the degree possible, has been reflected in this plan. The general thrust of Councillor input was that the Corporation would continue to face funding pressures and that Internal Audit had to be part of the solution.

FINANCIAL IMPLICATIONS

This project plan will be carried out within the approved budget of the Department.

*Approved by
Richard F. Palmer*

Attach (1)

**INTERNAL AUDIT DEPARTMENT
ANNUAL PROJECT PLAN**

CURRENT YEAR

I. MAJOR PROJECTS

- 1. Health Department (this project is underway)**
 - Assistance with identifying core programs & service levels
 - Opportunities to improve cost-effectiveness
- 2. Homes for the Aged (this project is underway)**
 - Assist with the Department-wide initiatives aimed at reducing costs:
- 3. Property**
 - Opportunities to reduce property management costs:
 - i. 111 Lisgar
 - ii. Environment and Transportation Department Facilities
 - iii. Analyze alternative service delivery options
 - iv. Follow-up of a previous Property Management project
- 4. Service Delivery Options**
 - Analysis of alternative service delivery options for regional services. Three specific services have been identified for analysis at this time (more will be identified later in the year) - Water Environment Protection Division (ROPEC) where Audit will have a significant role in the evaluation phase, property maintenance related to project #3 (above) and the Print Shop as part of a follow-up (below)

II. FOLLOW-UP OF PREVIOUS PROJECTS

- 1. Fleet Management**
- 2. Environmental Services** - Administrative Services and Water Distribution
- 3. Print Shop**

III. AUDIT PARTICIPATION IN CORPORATE PROJECTS

- 1. Corporate Review**
 - Regional Internal Auditor's involvement with Community Services Departments
 - Secondment of one Audit staff to the Corporate Review Team
- 2. Corporate Re-engineering Projects**
 - As Corporate Re-engineering projects get identified and started, Audit will have a role

SUBSEQUENT YEAR

- Analysis of alternative Service Delivery Options
- Water Environment Protection Division - continuation of evaluation phase of private sector involvement
- Corporate Review
- Corporate Re-engineering Projects
- Follow-Ups
 - Purchasing
 - Health Department
 - Homes for the Aged