



Internal Audit Department Update

December 13, 2017



Agenda

Audit Committee schedule

Internal Audit charter

Internal Audit resources

Audit Plan considerations

Internal Audit Plan 2018 and 2019

Next steps – Approval

Audit Committee Schedule

December 2017

- Current state of Internal Audit Department resources
- Approval of two-year audit plan
- Governance issues/concerns

April 2018

- Summary of Internal Audit purpose, authority, responsibilities
- Audit performance relative to plan
- Internal Audit activity results from prior year, including risk exposure and/or control issues
- Governance issues/concerns

Internal Audit Charter

The Internal Audit Charter outlines:

- Purpose
- Accountability and authority
- Responsibilities
- Scope of work
- Independence
- Reporting process
- Periodic assessments

Internal Audit Resources

Chief of Internal Audit

Internal Audit manager

Internal auditors (two staff auditors)

Independence and Ethics

We confirm that there are no significant facts or matters that impact our independence as auditors that we are required or wish to draw to your attention.



Audit Plan

The following key factors were considered to assess risk and develop the audit plan:

- Potential for impact on agencywide policies and procedures
- Changes in systems, processes, policies or procedures
- Results and time since last audit engagement
- Extent of government regulation
- Information and communication
- Transaction volume
- Staff turnover

Audit Plan

- The 2018 Internal Audit Plan takes into account the resource constraints of the Internal Audit Department and maximizes the skill set mix of the existing Internal Audit staff.
- The Internal Audit risk assessment is an annual and ongoing predictive risk-based exercise established to identify concerns and potential risk areas to be considered for inclusion in the annual audit plan and as a source of risk intelligence gathering.
- Information on risk themes and concerns are gathered from interviews with senior leaders/managers and observations of the audit office over the course of the past year.
- The audit plan is a dynamic document that may change during the year as circumstances change. Requests from management, changes in audit resources, and changes in the agency's organization or operations could result in changes to the plan.

Cycle Audit Schedule

Title	Scheduled Completion	
Agency Organization and Management	2019	-
Purchasing, Contracting and Leasing	2019	-
Expenditure Control	2019	-
Personnel and Payroll	2019	-
Petty Cash (if disbursements exceed \$5,000)	2019	2018
Grant Administration		2018
Administrative Support Services	-	2018
Budget, Accounting and Reporting	-	2018
Property, Equipment and Inventory	-	2018
Revenues and Receivables	-	2018
Electronic Data Processing	-	2018



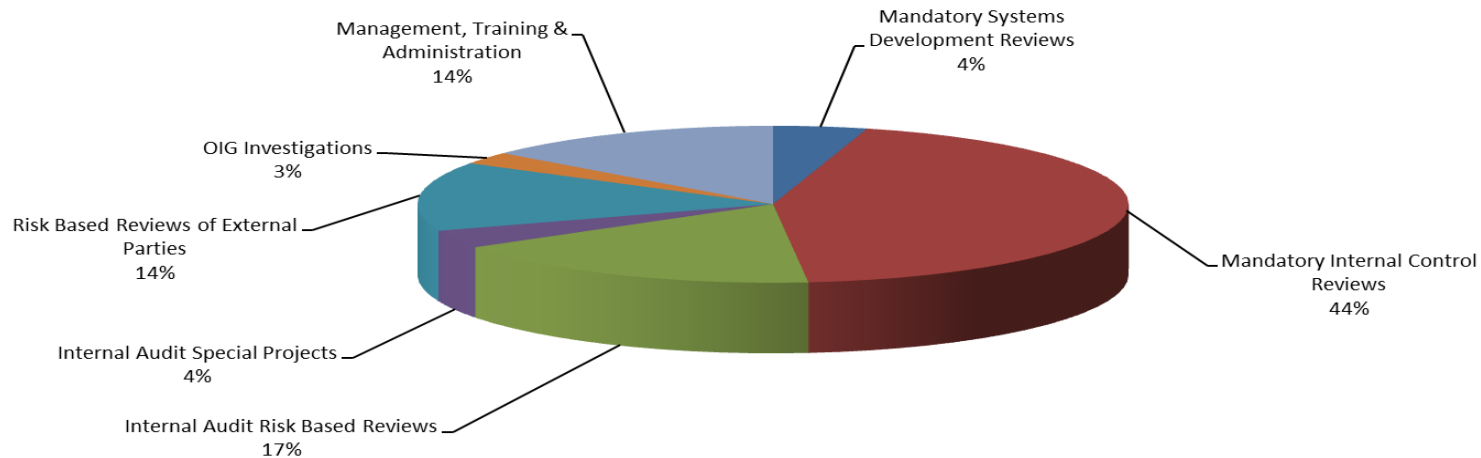
2018 Internal Audit Plan

Internal Audit resource availability – 2018

Allocation of available hours		
Mandatory internal control reviews	2,788	44 percent
Management, training and administration	868	14 percent
Risk-based reviews of external parties	900	14 percent
Internal Audit risk-based reviews	1095	17 percent
Internal Audit special projects	235	4 percent
Mandatory systems development reviews	270	4 percent
OIG investigations	160	3 percent
Total hours 2018	6,316	100 percent

2018 Audit Plan

FY 2018 Audit Plan Allocation



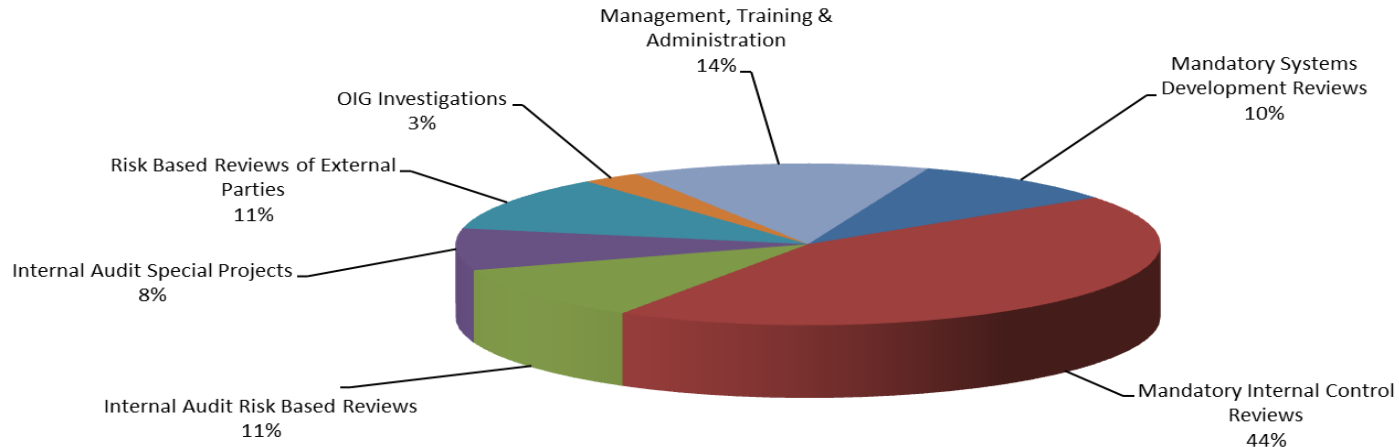
2019 Internal Audit Plan

Internal Audit resource availability – 2019

Allocation of available hours		
Mandatory internal control reviews	2,768	44 percent
Management, training and administration	871	14 percent
Risk-based reviews of external parties	700	11 percent
Internal Audit risk-based reviews	697	11 percent
Internal Audit special projects	530	8 percent
Mandatory systems development reviews	610	10 percent
OIG investigations	168	3 percent
Total hours 2018	6,344	100 percent

2019 Audit Plan

FY 2019 Audit Plan Allocation



Next Steps

Audit Committee approval

Internal Audit 2018-2019 two-year audit plan