Agenda Item # Page #

TO:	**CHAIR AND MEMBERS AUDIT COMMITTEE MEETING ON SEPTEMBER 26, 2013**
FROM:	**PwC INTERNAL AUDITORS**
SUBJECT:	**Potential Amendments to the 2013 Risk-Based Audit Plan and Scoping for 2014 Risk-Based Audit Plan**

RECOMMENDATION

That on the recommendation of PwC:
(a) this report and attachment **BE RECEIVED** for information; and
(b) the structure of the 2013 and 2014 Risk-Based Audit Plans **BE RECOMMENDED**.

PREVIOUS REPORTS PERTINENT TO THIS MATTER

Risk Assessment and 3-Year Risk-Based Audit Plan from PricewaterhouseCoopers – Audit Committee March 31, 2011.

Risk Assessment and 2013 Risk-Based Audit Plan from PricewaterhouseCoopers – Audit Committee January 31, 2013.

BACKGROUND

The purpose of this report is to communicate the options available for the remaining 2013 Risk-Based Audit Plan and options available regarding scoping of the 2014 Risk-Based Audit Plan.

PwC requests Audit Committee approval of the 2013 Risk-Based Audit Plan developed in collaboration between PwC and City management. Please also refer to the formal presentation document attached in Appendix A.

RECOMMENDED BY:
PwC INTERNAL AUDITORS

Appendix A - Potential Amendments to the 2013 Risk-Based Audit Plan and Scoping for the 2014 Risk-Based Audit Plan

The Corporation of the City of London

Potential Amendments to 2013 Risk-Based Audit Plan and Scoping for 2014 Risk-Based Audit Plan

September 26, 2013

pwc

Approved 2013 Risk-Based Internal Audit Plan

	Project	Key Focus	Status
1	*Corporate Services - Finance:* Property tax assessments and collections	- accuracy and validity of property tax assessments and property tax rates - collection and monitoring of outstanding property tax balances	**Complete**
2	*Corporate Services - Finance:* Facilities and property utilization	- revenue maximization and cost containment associated with owned, leased and rented space - management, prioritization and cost containment of facilities requests	**Complete**
3	*Corporate Services - Finance:* Budgeting process	- consistent creation, review and approval of budgets incorporating all related costs for decision making purposes	**Complete**
4	*Corporate Services - IT:* Project management and system prioritization	- process-based management of IT project requests - prioritization of IT project requests based on rankings and business cases	**In process**
5	*Planning:* Project management and prioritization	- timeliness and efficiency of approval of planning projects	**Complete**
6	*Parks & Recreation:* Revenue strategies	- value-for-money assessment of revenue model in relation to use of public recreational facilities	**In process**

Approved 2013 Risk-Based Internal Audit Plan ...Continued

	Project	Key Focus	Status
7	London Public Library	- revenue base and fee structure	**Complete**
8	London Transit Commission	- time booking, timekeeping management and time-off provisions	**Planning**
9	* *Engineering & Environmental Services:* Revenue and cost model analysis of solid waste management	- value-for-money assessment of landfills and solid waste collection service models	**Not started**
10	* *Engineering & Environmental Services:* Roads and transportation health and safety	- compliance and ongoing monitoring of safety training requirements for staff members with respect to regulatory standards - compliance and ongoing monitoring of safety standards	**Not started**

* Projects could be deferred, if necessary.

2013 Risk-Based Internal Audit Plan - Potential amendments

	Description
Option 1	- 6 regular City projects* and 2 boards and commissions projects (London Public Library & London Transit Commission) - Defer 2 regular City projects to the 2014 audit plan
Option 2	- Option 1 plus one additional project out of the 2 deferred regular City projects or London Convention Centre - Will require additional budget approval

* Regular City projects refer to those in the approved Risk-Based Audit Plan

2014 Risk-Based Internal Audit Plan - Potential scope

	Description
Option 1	- 8 regular City projects - Risk assessment and 3-year internal audit plan*
Option 2	- 5 or 6 regular City projects, 2 boards and commissions projects - Risk assessment and 3-year internal audit plan - May require additional budget approval or reduction in number of regular City projects
Option 3	- Option 2 plus one or two additional regular City projects - Will require additional budget approval

* The risk assessment and 3-year plan for 2011-2013 was performed with no charge to the City as a part of our proposal. For the 2014-2016 risk assessment and 3-year plan, we propose to equally share the cost of these efforts.