

CITY OF HAMILTON

**CITY MANAGER'S OFFICE
Audit Services Division**

TO: Chair and Members Audit, Finance and Administration Committee	WARD(S) AFFECTED: CITY WIDE
COMMITTEE DATE: June 11, 2012	
SUBJECT/REPORT NO: Amendment - 2012 Internal Audit Work Plan (AUD11037(a)) (City Wide)	
SUBMITTED BY: Ann Pekaruk Director, Audit Services City Manager's Office	PREPARED BY: Ann Pekaruk 905-546-2424 x4469
SIGNATURE:	

RECOMMENDATION

- (a) That Report AUD11037(a), respecting the amendment to the 2012 Internal Audit Work Plan, be received; and,
- (b) That the deferral of the Information Systems (IS) - Asset Management (Hardware) audit until 2013 and its replacement with an audit of the Use of City Vehicles and Vehicle Allowances and Mileage Claims, be approved.

EXECUTIVE SUMMARY

Audit Report AUD11037, 2012 Internal Audit Work Plan, was originally approved in December, 2011. The work plan included an audit of Information Services (IS) – Asset Management (Hardware). A new contract for desktop and mobile computers and servers was recently approved by Council. IS is currently in the process of co-ordinating the deployment of these new assets to users across the City throughout 2012. As new processes are still being tested and deployment has not progressed to the extent where effective sampling and audit tests could be conducted, it is recommended to defer this review until 2013 and replace it with an audit of the use of City vehicles, vehicle allowances and mileage claims.

Alternatives for Consideration – See Page 3.

FINANCIAL / STAFFING / LEGAL IMPLICATIONS (for Recommendation(s) only)

Financial: None.

Staffing: None.

Legal: None.

HISTORICAL BACKGROUND (Chronology of events)

According to the current Council approved Internal Audit Charter, the Director of Audit Services is required to prepare an annual work plan for Council approval. The plan describes audit projects and related work proposed for the year. It also provides City Council with an overview of how resources in the Audit Services division will be used during 2012.

The 2012 Internal Audit Work Plan was originally approved in December 2011. The work plan outlined the scope of work the Audit Services division intended on conducting during the year. Any amendments to the approved plan is brought forward and presented to Council for approval.

POLICY IMPLICATIONS

None.

RELEVANT CONSULTATION

None.

ANALYSIS / RATIONALE FOR RECOMMENDATION

(include Performance Measurement/Benchmarking Data, if applicable)

A new contract has been awarded for desktop and mobile computers and servers. Information Services is co-ordinating the deployment of the new hardware to users across the City throughout 2012. It would be appropriate and more effective for Audit Services to perform the audit of asset management (hardware) approximately six months after all users on the current list for replacement have received a new computer. This would allow Audit Services the opportunity to review updated procedures, the recording and managing of the new inventory, licence agreements and access rights and disposal of surplus desktop assets.

In its place, staff is recommending an audit of the use of City vehicles, the provision of vehicle allowances and mileage claims.

ALTERNATIVES FOR CONSIDERATION

(include Financial, Staffing, Legal and Policy Implications and pros and cons for each alternative)

The Committee can decide not to defer the audit of IS - Asset Management (Hardware) until 2013. Performing the audit during 2012 will highlight issues during the early stages of deployment of hardware assets but will not capture any processes performed after the deployment or correction of any issues identified during deployment. Such processes include updating the procedures, managing asset inventory, licensing and granting of access rights and recouping and disposal of desktop assets.

CORPORATE STRATEGIC PLAN (Linkage to Desired End Results)

Focus Areas: 1. Skilled, Innovative and Respectful Organization, 2. Financial Sustainability, 3. Intergovernmental Relationships, 4. Growing Our Economy, 5. Social Development, 6. Environmental Stewardship, 7. Healthy Community

Financial Sustainability

- ◆ Delivery of municipal services and management of capital assets/liabilities in a sustainable, innovative and cost effective manner.

APPENDICES / SCHEDULES

None.

ap:tk