

DECISION/DIRECTION NOTE

Title: Request for Internal Audit Services

Date Prepared: April 13, 2023

Report To: Audit Committee

Councillor and Role: Jill Bruce, Audit & Accountability Standing Committee

Ward: N/A Choose an item.

Decision/Direction Required:

To approve changes to the 2023 Audit Plan to replace the audit of Fire Protection with an audit of the St. John's Regional Fire Department's (SJRFD) Mechanical Division

Discussion – Background and Current Status:

The 2023 audit plan was developed using a risk-based approach that incorporates information gathered from all levels of management within the City, a jurisdictional scan of audits recently performed by 8 municipalities across Canada, and professional judgement. The 2023 audit plan was approved by Council on January 9, 2023.

Recently, the City's Fire Chief requested an audit be performed on the Mechanical Division of the SJRFD. The Fire Chief indicated that the Mechanical Division's processes are mainly manual in nature which provides her with little visibility into the area. The division also has a small compliment of employees which could lead to segregation of duties issues. Other risk areas of the division would include inventory control and documentation standards and controls.

The approved 2023 audit plan includes a review of Fire Protection under the SJRFD. As the audit plan does not leave adequate resources to complete an additional audit and both Fire Protection and the Mechanical Division were highly ranked in the risk assessment, it is recommended that the Committee consider replacing the audit of Fire Protection with the requested audit of the Mechanical Division. The review of Fire Protection would be considered in the risk assessment process for a future audit.

As per the City's Internal Audit Charter and the Audit Committee Terms of Reference, the Audit Committee's approval is required for any significant change to the approved audit plan.

Key Considerations/Implications:

1. Budget/Financial Implications: N/A

ST. JOHN'S

2. Partners or Other Stakeholders:

- Regional members of the SJRFD including the City of Mount Pearl and the Town of Paradise
- Users of SJRFD services

3. Alignment with Strategic Directions:

An Effective City: Work with our employees to improve organizational performance through effective processes and policies.

A Sustainable City: Be financially responsible and accountable.

4. Alignment with Adopted Plans: N/A

5. Accessibility and Inclusion: N/A

6. Legal or Policy Implications: N/A

7. Privacy Implications: N/A

8. Engagement and Communications Considerations: N/A

9. Human Resource Implications: N/A

10. Procurement Implications: N/A

11. Information Technology Implications: N/A

12. Other Implications: N/A

Recommendation:

That Council approve changes to the 2023 Audit Plan to replace the audit of Fire Protection with an audit of the Mechanical Division.

Prepared by: Sean Janes, City Internal Auditor

Approved by: Sean Janes, City Internal Auditor

Report Approval Details

Document Title:	Request for Internal Audit Services.docx
Attachments:	- Revised 2023 Audit Plan.docx
Final Approval Date:	Apr 17, 2023

This report and all of its attachments were approved and signed as outlined below:

Kevin Breen - Apr 17, 2023 - 3:33 PM