



Internal Audit Office

Date: March 20, 2015

To: Andrew Ching, City Manager

Cc: Don Bessler, Public Works Director
Andy H.Y. Goh, Deputy Public Works Director - Engineering
Steven Methvin, Deputy City Manager - Chief Operations Officer

From: Barbara Blue, City Auditor

Subject: Engineering Procurement Follow-up Audit

Background

An audit of Engineering Procurement was completed in December 2013. The Engineering Division is responsible for all the administration, planning, construction management, and technical engineering of the City's infrastructure. The audit focused on Engineering's procurement process for CIP projects.

As part of our approved Internal Audit Plan for fiscal year 2014/15, an audit follow-up was conducted in December 2014 to review the progress made by staff to implement the sixteen (16) audit recommendations included in the audit report.

Audit Objective, Scope, and Methodology

Objective

The objective of this follow-up was to determine whether the action plans established by the Engineering Division management in response to our recommendations were implemented.

Scope

Recommendations made by Internal Audit, and agreed upon by the Engineering Division were reviewed. Testing was completed, where appropriate. Our work did not provide any guarantee or absolute assurance against material errors, loss or fraud.

Methodology

We reviewed and analyzed management's evidence of implementation by interviewing staff responsible for addressing recommendations and reviewing various supporting documentation.

Conclusion

We found that of the sixteen (16) recommendations made, fifteen (15) or 94% have been fully implemented and one (1) or 6% is in the process of implementation.

Significant progress has been made to implement actions to address the majority of Internal Audit's recommendations. We encourage staff to continue working on the remaining recommendation that has not yet been implemented. We will continue to follow up on its status until it has been addressed.

The attached **Appendix I** details the implementation status for each of the sixteen (16) recommendations.