



**Program: Internal Audit
Program Based Budget
2013 – 2015**

Program: Internal Audit
<p>Vision Statement: Internal Audit is an independent, objective assurance and advisory service, which is established to add value and improve the town's operations.</p>
<p>Mission Statement: Internal Audit's mission is to assist the town in accomplishing its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.</p>

Program Description

The Internal Audit department serves Council and management, assesses the ethical climate, effectiveness and efficiency of operations and provides a safety net for the town's compliance with rules, regulations and overall best business practices. Responsibilities include:

- Independent and objective assurance of the efficiency and effectiveness of town operations.
- Reasonable assurance that the activities of the town are in compliance with the applicable federal and provincial statutes and regulations, with town goals and objectives, policies, plans, procedures, standards, regulations, by-laws and other Council directives.
- Assess the town's risk management control and governance processes, as designed and represented by management to determine whether these processes are adequate and appropriate.
- Issue reports to the Administrative Services Committee and management summarizing results of internal audit activities.

Program Services

The Internal Audit department provides the Internal Audit program.

Staffing Overview

Program: Internal Audit	2011 Approved FTE	2012 Approved FTE	2013 Capital Impact	2013 Base FTE Change	2013 Reallocation of Staff	2013 Total FTE	Net Change 2013 vs 2012
Internal Audit	1.0	1.0				1.0	0.0
Total Internal Audit	1.0	1.0	0.0	0.0	0.0	1.0	0.0

Program Services Budget Overview

Program: Internal Audit	2012 Restated		2013 Requested		Net Change 2013 vs 2012	Net Change 2013 vs 2012 (%)
	Gross Budget	Net Budget	Gross Budget	Net Budget		
Services/Activities:						
Internal Audit	177,800	147,800	181,300	146,300	(1,500)	(1.0%)
Total Internal Audit	177,800	147,800	181,300	146,300	(1,500)	(1.0%)

Note: 2013 economic increases for all employee groups with the exception of Fire and Transit unionized employees have been included in the Corporate Revenue and Expenses budget pending contract negotiations.

Overall the Internal Audit program has been decreased by \$1,500 or 1.0%. This is a result of additional revenue received from Oakville Hydro for internal audit services, which is partially offset by increases in benefit requirements.

Level of Services Offered

- Services provided by Oakville are consistent with standard municipal practice.
- The effectiveness and efficiency of these services is reviewed through the towns performance-based, program based budgeting process; and the Internal Audit Annual Report.

Key Objectives (Initiatives) for 2013 - 2015

- The 2013 – 2015 Internal Audit annual work plans include a wide range of audits and consulting services which are consistent with the Internal Audit mandate.
- The Internal Audit department promotes effective risk management, control and governance throughout the town while maintaining its independence and objectivity.
- The Internal Audit department reports to Council and management to provide assurance regarding the current operations and to promote organizational change that results in continuous improvement.
- In the upcoming years, the Internal Audit department will utilize continuous auditing to provide more frequent, timelier analysis to better manage control deficiencies and risks.
- The Internal Audit department will continue to provide internal audit services to Oakville Hydro as per the service agreement.

Key Outcomes

- Assist Council and management in its oversight and accountability activities for the Town of Oakville by reporting to Administrative Services Committee and management on adequacy and effectiveness issues relating to the town's processes for controlling activities and managing risks along with recommendations for improvements. The 2012 target of 90% was met and the 2013 target has again been set at 90%.

2013 Program Budget Drivers

	2012 Restated Budget	2013 Base Budget	2013 Capital Impact	2013 Budget Efficiencies	2013 Requested Budget	\$ Change From 2012	% Change From 2012
EXPENSES:							
Personnel Services & Benefits	177,800	181,300	0	0	181,300	3,500	2.0%
Total EXPENSES	177,800	181,300	0	0	181,300	3,500	2.0%
REVENUES:							
External Revenues	30,000	30,000	0	5,000	35,000	5,000	16.7%
Total REVENUES	30,000	30,000	0	5,000	35,000	5,000	16.7%
TAX LEVY	147,800	151,300	0	(5,000)	146,300	(1,500)	(1.0%)

Note: 2013 economic increases for all employee groups with the exception of Fire and Transit unionized employees have been included in the Corporate Revenue and Expenses budget pending contract negotiations.

The Internal Audit program has decreased by \$1,500 or 1.0%. The main drivers for this increase are the following:

- Personnel Service & Benefits have increased by \$3,500 as a result of changes to benefits for new OMERS requirements.
- External Revenues have increased by \$5,000 or 16.7% due to increased recoveries from Oakville Hydro.

2014 - 2015 Expenditure Summary

	2013 Requested Budget	2014 Forecast Base Budget	2013-2014 Change (%)	2015 Forecast Base Budget	2014-2015 Change (%)
GROSS EXPENDITURES					
Internal Audit	181,300	183,400	1.2%	185,600	1.2%
Total GROSS EXPENDITURES	181,300	183,400	1.2%	185,600	1.2%
TAX LEVY					
Internal Audit	146,300	146,400	0.1%	146,600	0.1%
Total TAX LEVY	146,300	146,400	0.1%	146,600	0.1%
GROSS EXPENDITURES by Type					
Personnel Services & Benefits	181,300	183,400	1.2%	185,600	1.2%
Materials & Supplies	0	0	0.0%	0	0.0%
Purchased Services	0	0	0.0%	0	0.0%
Internal Charges	0	0	0.0%	0	0.0%
Other Expenditures	0	0	0.0%	0	0.0%
Minor Capital & Transfer to Reserves	0	0	0.0%	0	0.0%
Total EXPENDITURES	181,300	183,400	1.2%	185,600	1.2%
REVENUES by Type					
Activity Revenue	35,000	37,000	5.7%	39,000	5.4%
Internal Recoveries	0	0	0.0%	0	0.0%
Grants	0	0	0.0%	0	0.0%
Other Revenue	0	0	0.0%	0	0.0%
Total REVENUES	35,000	37,000	5.7%	39,000	5.4%
TAX LEVY	146,300	146,400	0.1%	146,600	0.1%

Note: 2014 and 2015 economic increases for all employee groups with the exception of Fire and Transit unionized employees have been included in the Corporate Revenue and Expenses budget pending contract negotiations.

2014 - 2015 Budget Forecast Highlights

- Inflationary increases have been incorporated in the 2014 - 2015 forecast, as well as increases to Oakville Hydro recoveries.

