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# GENERAL AUDITOR DEPARTMENT

The Audit Department provides independent, professional, and objective assurance and consulting services designed to add value to and improve Metropolitan’s operations.

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## PROGRAMS

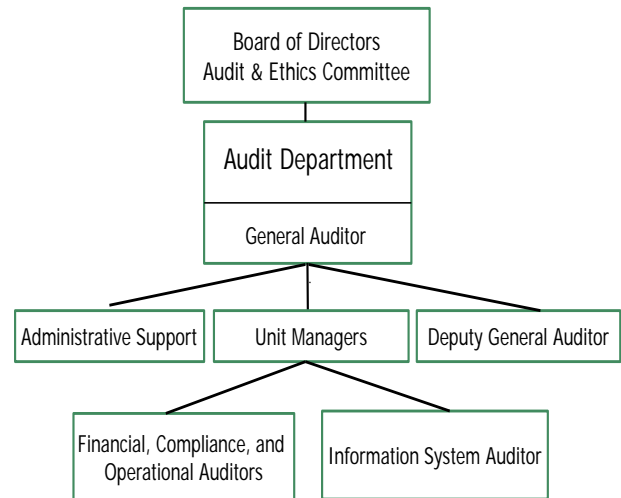
The Audit Department helps the organization accomplish its objectives by using a proactive, systematic approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

The scope of work of the Audit Department is to determine whether Metropolitan’s network of risk management, internal control, and governance processes, as designed and represented by management, is adequate and functioning in a manner to ensure:

- Risks are appropriately identified, managed, and monitored
- Significant financial, managerial, and operating information is accurate, reliable, and timely
- Employees’ actions are in compliance with policies, standards, procedures, and applicable laws and regulations
- Resources are acquired economically, used efficiently, and protected adequately
- Programs, plans, and objectives are achieved
- Quality and continuous improvement are fostered in the organization’s control processes
- Significant legislative or regulatory issues impacting the organization are recognized and addressed appropriately

Opportunities for strengthening internal controls, improving efficiency, and protecting the organization’s image may be identified during

audits. They will be communicated to the appropriate level of management.



## GOALS AND OBJECTIVES

In FY 2014/15 and FY 2015/16, the Audit Department will focus on the following key issues:

### Risk Analysis, Risk Mitigation and Internal Controls

Provide risk perspective and auditing advice and counsel to the Board and management in operational and financial activities.

Publish risk-focused audit reports designed to clearly communicate the General Auditor's opinion regarding the internal control structure, significant control issues, and recommendations to mitigate noted risk.

Improve the completion time for audits and evaluate the adequacy and timeliness of management's responses to, and corrective actions taken on, all significant control issues noted in audit reports.

Emphasize test work of significant projects.

### Workforce Development

Encourage training opportunities for Audit Department staff to enhance competencies in risk assessment and broaden knowledge of Metropolitan operations. Utilize this knowledge in fine-tuning the Annual Audit Risk Assessment and Audit Plan.

### Management and Leadership

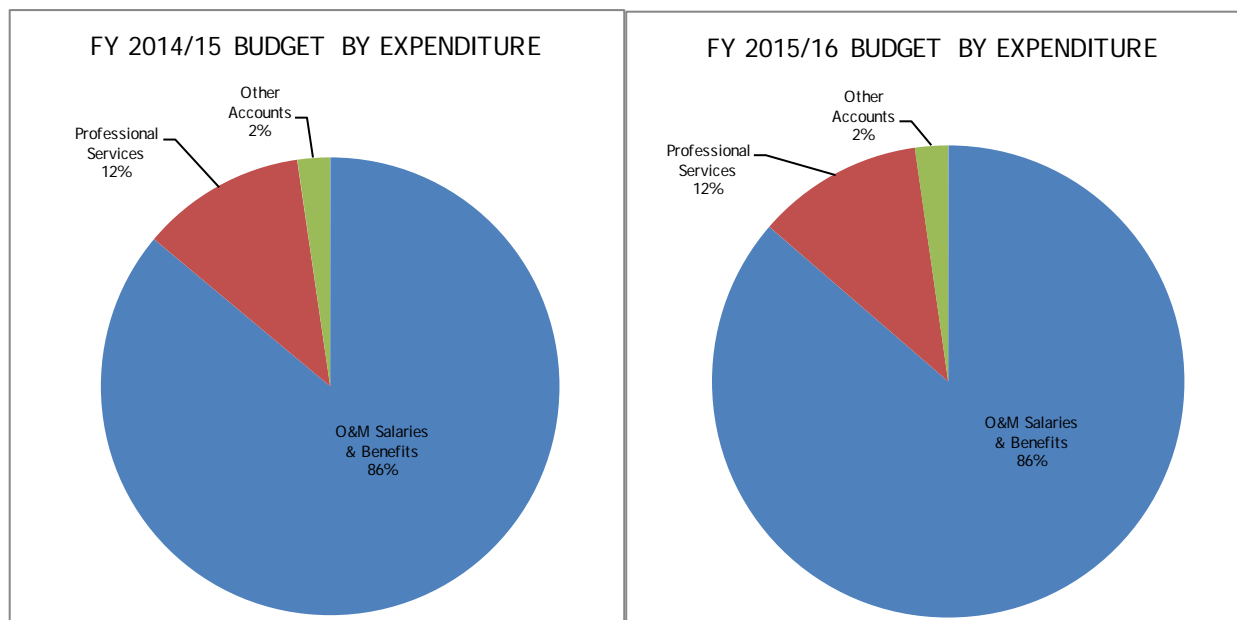
Efficiently manage the department's budget for maximum effectiveness of state budgetary objectives.

Uphold the mission, roles, and responsibilities of the Audit Department.

## O&M Financial Summary

	2012/13 Actual	2013/14 Budget	2014/15 Budget	Change from 2013/14	2015/16 Budget	Change from 2014/15
Total Salaries and Benefits	2,053,500	2,330,600	2,597,300	266,700	2,652,500	55,200
<i>Direct charges to Capital</i>	0	0	0	0	0	0
<b>O&amp;M Salaries &amp; Benefits</b>	2,053,500	2,330,600	2,597,300	266,700	2,652,500	55,200
% Change		13.5%		10.3%		2.1%
Professional Services	340,000	410,600	350,000	(60,600)	350,000	0
Subsidies & Incentives	9,500	16,000	15,000	(1,000)	15,000	0
Materials & Supplies	12,500	14,500	14,500	0	14,500	0
Training & Seminars Costs	1,700	14,500	14,500	0	14,500	0
Memberships & Subscriptions	3,600	5,500	5,500	0	5,500	0
Rents & Leases	1,300	5,500	5,500	0	5,500	0
Travel Expenses	2,800	5,000	5,000	0	5,000	0
Other Accounts	13,300	9,500	9,500	0	9,500	0
<b>Total O&amp;M</b>	<b>2,438,200</b>	<b>2,811,700</b>	<b>3,016,800</b>	<b>205,100</b>	<b>3,072,000</b>	<b>55,200</b>
% Change		15.3%		7.3%		1.8%

Note – Totals may not foot due to rounding.



## Personnel Summary

	2012/13 Actual	2013/14 Budget	2014/15 Budget	Change from 2013/14	2015/16 Budget	Change from 2014/15
Regular	10	12	12	0	12	0
O&M	10	12	12	0	12	0
Capital	0	0	0	0	0	0
Temporary	0	0	0	0	0	0
O&M	0	0	0	(1)	0	0
Capital	0	0	0	0	0	0
<b>Total Personnel</b>	<b>10</b>	<b>12</b>	<b>12</b>	<b>0</b>	<b>12</b>	<b>0</b>
O&M	10	12	12	0	12	0
Capital	0	0	0	0	0	0

Note - Totals may not foot due to rounding.

## SIGNIFICANT BUDGET ISSUES

The Audit Department's biennial budget is \$0.9 million in FY 2014/15 and \$0.9 million in FY 2015/16 or an increase of 22.9% and 0.0% respectively from the prior budget years. The increase is due primarily to two factors:

- In November 2012, the Board of Directors appointed a new Ethics Officer as a full-time regular employee, replacing the previous officer who served as a recurrent part-time employee. Another full-time employee was also added.
- Salaries and Benefits costs were also impacted by merit increases for qualified employees and an increase in retirement-related benefits costs.

The following are the significant changes by budget year.

### FY 2014/15

#### Personnel-related issues

#### Professional Services

#### Other

Subsidies and Incentives budget increased to reflect contracted benefits.

Graphics and Reprographics budget increased for the printing of revised Ethic Office manuals.

Training and Seminars / Travel Expenses budgets increased to provide professional development activities for Ethics Office staff and associated travel costs.

### FY 2015/16

#### Personnel-related issues

#### Professional Services

#### Other

