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**Subject:** Accounts Payable Audit Report

**Report to:** Audit Committee

**Report date:** Monday, March 18, 2019

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## Recommendations

1. That report AC-C 10-2019 **BE RECEIVED** for information; and
2. That staff **BE DIRECTED** to implement the recommendations in Appendix 1 of Report AC-C 10-2019, respecting Accounts Payable Audit Report.

## Key Facts

- The purpose of this report is to provide Audit Committee with a summary of findings noted during the Accounts Payable Audit which focused on the control framework in place to ensure appropriate, accurate, timely and efficient processing of Niagara Region's vendor payables in accordance with its policy and legislative requirements.
- This report contains the findings, implications and recommendations for the observations discovered during the Audit in addition to a Management Action Plan (MAP) from program staff for each of the recommendations.
- Two low risk observations with three total recommendations have been detailed in the audit report.

## Financial Considerations

There are no immediate budgetary considerations associated with this report.

## Analysis

This audit project was identified in the 2018 Audit Plan approved by Audit Committee (see **AC-C 6-2017**). The accounts payable function is a critical element of the procure-to-pay process and is managed within the PeopleSoft system. Thus far, Internal Control & Organizational Performance has audited: procurement cards (P-Cards), Procurement bidding and tendering (for formal and informal purchases) and finally Accounts Payable (which includes vendor data maintenance). In the 2019 Audit Plan, ICOP staff will conclude our review of the procure-to-pay process by reviewing Single & Sole-Sourced Procurements.

This audit report is intended to provide Audit Committee with information regarding the accuracy and completeness of the accounts payable process at Niagara Region. While there are minor areas for improvement, the overall internal control environment is effective.

## **Alternatives Reviewed**

No other alternatives were reviewed at this time.

## **Relationship to Council Strategic Priorities**

Value-for-money (VFM) audits were identified and approved as the previous term of Council's Strategic Priority – Advancing Organizational Excellence. The goal of this Strategic Priority was to “Build a strong internal foundation for Niagara Region to enable a more prosperous Niagara.”

Following the completion of the 2015 and 2016 audits, Council approved a permanent Internal Audit function. The permanent internal audit function was named Internal Control and Organizational Performance division.

## **Other Pertinent Reports**

AC-C 6-2017 - 2018 Internal Audit Plan

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### **Recommended by:**

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Commissioner/Treasurer  
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### **Submitted by:**

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Acting Chief Administrative Officer

*This report was prepared in consultation with Frank Marcella, Internal Auditor and Andrea Wheaton, Supervisor, Corporate Reporting.*

## **Appendices**

Appendix 1                      Accounts Payable Audit Report