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## MEMORANDUM

**AC-C 2-2020**

**Subject:** Procurement Audit Report

**Report to:** Audit Committee

**Report date:** Monday, January 20, 2020

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### Recommendations

1. That report AC-C 2-2020 **BE RECEIVED** for information; and
2. That staff **BE DIRECTED** to implement the recommendations in Appendix 1 of Report AC-C 2-2020, respecting Procurement Audit Report.

### Key Facts

- The purpose of this report is to provide Audit Committee with a summary of findings noted during the Procurement Audit which focused on the control framework in place to support contracting and procurement activities.
- 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.
- Four observations with eleven total recommendations have been detailed in the audit report.

### Financial Considerations

There are no immediate budgetary considerations associated with this report. It is anticipated that some of the recommendations may have an implementation cost associated to them. If management chooses to pursue the recommendations then all costs will be funded through the regular annual budget process.

### Analysis

This audit project was identified in the 2018 Audit Plan approved by Audit Committee (see **AC-C 6-2017**). The purpose of the audit was to provide assurance to Management and Niagara Region's Audit Committee on the effectiveness of the management control framework to support contracting and procurement activities. The audit also tested whether all purchasing activities are processed in a manner that is compliant with current Regional purchasing and procurement by-laws. Finally, the audit attempted to determine the effectiveness of current procedures to ensure consistency, compliance, competitiveness and fairness/transparency.

## **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.

The 2018 Annual Audit Plan, which included an audit of procurement was approved by Audit Committee on October 31, 2017.

## **Other Pertinent Reports**

AC-C 6-2017 - 2018 Internal Audit Plan

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### **Recommended by:**

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Commissioner/Treasurer  
Enterprise Resource Management  
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### **Submitted by:**

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## **Appendices**

Appendix 1                      Procurement Audit Report