City of
Saskatoon

2025-26 Audit Plan

March 5, 2025

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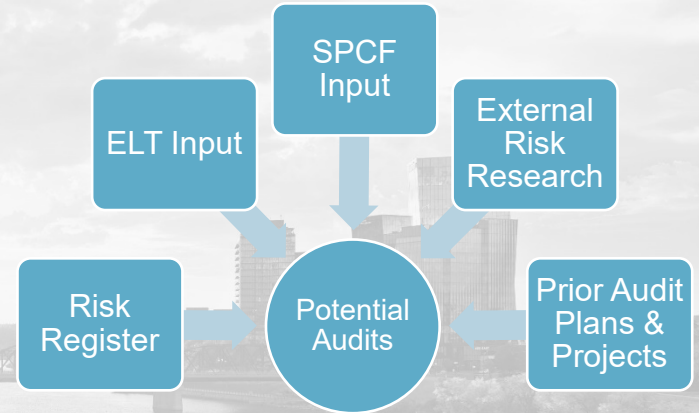- Audit Process

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Introduction

- The Independent Office of the City Auditor (Office) strengthens the City's ability to create, protect, and sustain value by providing the Standing Policy Committee on Finance (SPCF) and the Administration with independent, risk-based, and objective assurance, advice, insight, and foresight.[1]

- In accordance with the Internal Audit Charter, the Office develops a flexible Audit Plan with input from the Administration, and input and approval from the SPCF.

1. Adapted from The IIA Global Internal Audit Standards, Domain I: Purpose of Internal Auditing (page 15)

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Approach

- The Audit Plan was developed based on the review of the City's strategies, objectives, and risks, including these key documents:
  - Multi-Year Budget
  - Strategic Plan
  - Corporate Strategic Risk Register
  - Previous Audit Plans and Reports
- Review of external information:
  - Risk publications by thought leaders
  - Audit Plans from other cities
- Discussions with and input from SPCF and Administration

SPCF Input

ELT Input

External Risk Research

Risk Register

Potential Audits

Prior Audit Plans & Projects

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Resources

- Funding:
  - 2025 approved budget of $444,600
  - Internal Audit Project Reserve balance of $470,300[1]

- Staff Members: City Auditor and Senior Audit Specialist
  - Ongoing professional development includes maintaining designations and/or memberships with organizations such as:
    - The Institute of Internal Auditors (IIA)
    - Association of Certified Fraud Examines (ACFE)
    - Information Systems Audit and Control Association (ISACA)
    - Chartered Professional Accountants (CPA) Saskatchewan

- External Support:
  - Budget allows for engagement of external subject matter expertise to supplement Staff resources (referred to as Co-source projects)

1. As of December 31, 2024

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Audit Plan

- Based on the described Audit Plan development approach and with consideration of the available resources, other Office activities, and our professional judgement, the Audit Plan is summarized as follows (see following slides for details):

Category	2025	2026
Audit Projects	• Risk Management • Cybersecurity • Street Sweeping Program	• Procurement • Saskatoon Water • Payroll
Audit System Implementation[1]	• Audit Management Software • Data Analytic Tool	• Ongoing continuous improvement
Quality Assurance & Improvement Program (QAIP)	• Update Internal Audit Charter • Initial internal assessment	• Ongoing continuous improvement
Ongoing Activities	Follow-up of previous Audit recommendations Whistleblower Program Professional development Ad hoc advisory services	

1. Unbudgeted. Anticipate using funds from the Internal Audit Program Reserve.

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2025 Audit Priorities

Engagement *Staffing & Timing*	Preliminary Engagement Objective	Rationale & Impact	Alignment to Strategic Plan Pillars
Risk Management *Internal Q2-Q3 2025*	Maturity assessment of the current Risk Management activities against best practices frameworks.	• Effective risk management helps ensure achievement of objectives. • Strategic Risk register was last updated in 2018. Recent focus has been on Fraud Risk Assessments.	All Pillars
Cybersecurity *Co-source Q2-Q4 2025*	• Maturity assessment of the current cybersecurity program against NIST Framework and other compliance obligations *(in conjunction with IT[1])*. • Assess effectiveness of key controls to prevent/detect cyber security threats, including IT and OT.	• Effective cybersecurity program can help prevent cyber-attacks. • Cyber-attacks continue to pose a significant risk, and methods used are ever evolving.	All Pillars
Street Sweeping *Internal Q3-Q4 2025*	Assess the City's ability to deliver the Street Sweeping Program in an efficient, effective, and economical manner.	• Provides for safer and more aesthetically pleasing streets for pedestrians and vehicles. • 2025 operating budget is $5M.	Deliver excellence in core services and operational priorities – Quality of Life and Public Safety

1. Included in IT's 2025 Budget and roadmap.

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2026 Audit Priorities

Engagement *Staffing & Timing*	Preliminary Engagement Objective	Rationale & Impact	Alignment to Strategic Plan Pillars
Procurement *Internal* *Q1-Q2 2026*	• Assess the efficiency and effectiveness of key controls pertaining to purchasing processes. • Evaluate the possible benefits of SUMA's group purchasing program.	• Efficient and effective procurement controls can help to ensure an open, fair, and transparent procurement process; and mitigate fraud and error. • 2023 Procured Value was $642M.	Deliver excellence in core services and operational priorities – Procurement and Project Management
Saskatoon Water *Co-source* *Q2-Q3 2026*	Assess Saskatoon Water's ability to achieve selected outcomes in an efficient, effective, and economical manner.	• High-risk area impacting quality and safety of drinking water for Saskatoon and surrounding communities. • Highly regulated activity. Review will consider work performed by other assurance providers.	Deliver excellence in core services and operational priorities – Quality of Life and Public Safety
Payroll *Co-source* *Q3-Q4 2026*	Assess the design and operating effectiveness of key controls pertaining to payroll processes, including compliance with selected Collective Bargaining Agreements.	• Strong payroll controls help mitigate risk of fraud and error. • Payroll services ~5,000 employees[1] and ~2,000 pensioners. • 2023 Wages & Benefits was $407M.	Drive Corporate Transformational Change – Efficiency and Effectiveness

1. Including statutory boards and controlled corporations

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Potential Future Audits

Engagement	Potential Engagement Objective (Customer-Facing[1])
Saskatoon Light & Power	Assess Saskatoon Light & Power's ability to achieve selected outcomes in an efficient, effective, and economical manner.
Fire Services	Assess efficiency and effectiveness of the fire rescue operation.
Waste Collection Services	Assess economy, efficiency and effectiveness of waste services (garbage, organics and/or recycling).
Transportation	Assess economy, efficiency and effectiveness of pavement marking, traffic signal maintenance and/or signage programs.

Engagement	Potential Engagement Objective (Strategic Partners[1])
Asset Management	Assess effectiveness of the corporate asset management planning program.
IT Governance	Review the IT governance framework to assess the effectiveness of decision-making processes, risk management, and resource allocation.
Talent Management	Assess performance of HR programs in place to recruit and retain top talent.
Collective Bargaining	Assess accuracy of cost estimates and achievement of savings.
Grants	Assess process and controls to ensure retention of grant funding.

1. Based on primary functional responsibility, per 2025 Organizational Chart

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Audit Process

Approved Audit Plan
- Remains flexible to address emerging risks
- *Changes require SPCF approval*

Planning
- Risk assessment
- Define criteria
- Develop Scope and Objectives
- *Terms of Reference to SPCF for approval*

Execution
- Perform audit procedures to assess activity versus criteria
- Discuss preliminary results with Administration

Reporting
- Draft Report discussed with Administration
- Obtain responses and action plans
- *Final Report to SPCF*

Follow-up
- Action plan status
- Obtain evidence of completion
- *Periodic status reports to SPCF*

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