

Administrative Response – Fraud Risk Program Assessment

ISSUE

As the internal audit for the Fraud Risk Program Assessment is complete, the Administration's response to the internal auditor's report is required.

BACKGROUND

An audit of the City of Saskatoon's (City) fraud risk management program was conducted by the internal auditor as part of the 2019 Internal Audit Plan, which was approved by City Council in February 2019. This audit was not in response to the fraud incident that occurred in August 2019, but rather was a request by the Administration to have this assessment added to the Internal Audit Plan.

The audit assessed the City's maturity in designing and implementing an effective fraud risk management program, including consideration of the City's exposure to fraud risk, by assessing fraud management policies, culture and awareness, risk assessment and response, investigation and remediation, and reporting and monitoring.

CURRENT STATUS

The internal auditor's Fraud Risk Program Assessment report is complete and contains several recommendations for the Administration that remains In Camera due to the security-related information.

DISCUSSION/ANALYSIS

The Administration agrees with all of the recommendations contained in the report. Approximately 50% of the recommendations will be addressed through the implementation of Fusion over the next three years. The remaining recommendations will be addressed through additional and/or enhanced internal controls, policy amendments, and implementation of best practice processes.

IMPLICATIONS

The financial implications of implementing additional fraud risk management controls will be incorporated into existing as well as future business plan and budget submissions of each responsible department as required.

There are no privacy, legal, social or environmental implications.

NEXT STEPS

Developing and executing a process to track, follow up and report on the audit recommendations will be a responsibility of the Administration through the Internal Audit Office.

REPORT APPROVAL

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