



OFFICE OF THE INTERNAL AUDITOR

2020 Budget Summary

December 10, 2019





Summary

The 2020 budget for Citizens' OIA presented is \$3.08 million as compared to \$2.88 million budgeted for 2019. As we continue to develop our staff and hire more business qualified individuals we improve upon the type and quality of audits we complete which has a direct impact upon cost.

OIA Budget Analysis					
2020 Summary Budget Analysis	2019 Budget	2019 Projection	2020 Budget	Variance \$	Variance %
Salaries & Benefits	2,410,738	2,155,184	2,516,322	105,584	4%
Employee Training	41,600	58,278	35,600	(6,000)	-14%
Operating Expenses	19,258	16,449	17,865	(1,393)	-7%
Legal Fees	40,000	-	-	(40,000)	-100%
Travel	43,357	44,105	43,315	(42)	0%
Professional Service	198,000	272,423	230,000	32,000	16%
Software Maintenance & Licensing	121,146	122,898	233,728	112,582	93%
Total Admin Expenses	2,874,099	2,669,337	3,076,830	202,730	7%

- **Staffing** will remain static for Internal Audit (12) and Enterprise Risk (2) with the addition of one resource to Internal Controls (2). For 2019 IC did not fill the Sr Analyst IT role and was supported in its IT process assessments using a contracted resource and one of the IT Audit staff. We plan to fill this vacancy in 2020.
- **Salaries & benefits** growth indicates filling current IA and IC vacancies during the first half of the year.
- **Training** is based on a dollar allocation per staff member to upkeep professional CPE requirements and develop professionally. During 2019 additional training was necessary following the rollout of an upgrade to the IA TeamMate + Audit and IC TeamMate + Controls modules.
- **Operating expenses** reflects a small variance due to an expected reduction in professional subscriptions and dues.



Summary

- **Legal Services** is traditionally a placeholder should the department need to use external legal services. We have opted not to budget this amount for 2020 and will bring any unforeseen legal cost to the Audit Committee for approval prior to its expenditure.
- **Professional Services & Contingent staffing** reflects an amount towards further development of the OIA's data analysis capability. We will work closely with Systems and Operations data analytics initiative and plan to support and leverage systems and technology they develop or procure.
- **Software Maintenance and Licensing** reflects a substantial growth for 2020. The TeamMate application which is also the Internal Audit and Internal Control administration platform is reaching its 5th contract year. Although we have 2 more two-year renewal options for this contract, we opted to consider replacing the TeamMate as well as the Resolver (ERM) platforms with one single GRC application that will bring synergy, reduction in duplication, better reporting and a simpler user interface.