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# AUDIT SERVICES MEMORANDUM OF UNDERSTANDING

**The Audit Committee recommends the adoption of the recommendations contained in the following report, October 23, 2007, from the Director, Audit Services:**

## 1. RECOMMENDATION

It is recommended that:

1. The Region extend the Audit Services Memorandum of Understanding for an additional year with an option to renew for a second year.

2. The Chief Administrative Officer and the Director, Audit Services be authorized to sign the Audit Services Memorandum of Understanding.

## 2. PURPOSE

This report seeks authority for the Region to extend the current Audit Services Memorandum of Understanding for a year with an option to renew the MOU for a second year, subject to the Local Municipalities who are members of the MOU renewing for the second year.

## 3. BACKGROUND

The Audit Services Branch began providing audit services to four of the local municipalities in November, 2005. The services are provided on a cost recovery basis, based on time allocated to each municipality. The Current MOU expires November 1, 2007.

## 4. ANALYSIS AND OPTIONS

### 4.1 Extension of MOU

The original MOU was executed November 1, 2005. In the fall of 2007, two additional Local Municipalities joined the MOU. The Local Municipalities have indicated they would like to extend the current MOU for an additional year, with an option to extend the MOU by a second year in 2008. The updated MOU, is essentially unchanged from the original MOU, with the exception that the charge out rate for the Senior Auditor has been increased by six percent to cover increased wages.

## 5. FINANCIAL IMPLICATIONS

The cost of the Audit Services MOU is fully recoverable from the local municipalities. The feedback from the Local Municipalities has been positive during the current MOU.

## 6. LOCAL MUNICIPAL IMPACT

Audit Services Branch will continue to provide audit services to the six local municipalities who have signed the memorandum of understanding.

## 7. CONCLUSION

Audit Services Branch is continuing to make its presence known throughout the organization through involvement in various projects, steering committees and execution of the approved Audit Plan.