

## **Overview of Office of the Comptroller General's Report on the Gaming Policy and Enforcement Branch – Audit and Compliance Division**

In August 2005, the Office of the Comptroller General completed an assessment and review of the Audit and Compliance Division (the Division) in the Gaming Policy and Enforcement Branch (GPEB). The purpose of the review was to assess the Division's audit and compliance framework, including staff resource allocation, audit services delivered, and audit results management. The review also evaluated the Division's performance measures and targets to determine their suitability.

The report focused on three areas:

- The audit and compliance framework and how it delineates the work of the Division;
- The alignment of audit services with the audit and compliance framework; and
- Program results, specifically, how the Division evaluates and monitors performance measures.

The report also made recommendations to improve the Division's audit and compliance program framework, risk-based approach, staff resource allocations, and quality assurance. These recommendations included changes to how the Division conducts audits and monitors performance. All of the recommendations made by the Comptroller General, which were accepted by GPEB, have been fully implemented.

The table on the following page summarizes the recommendations made by the Comptroller General and the completed status for each one.

Completed Status Report for the Comptroller General's Report on the  
Gaming Policy and Enforcement Branch – Audit and Compliance Division

Recommendation	Completed Status
Recommend that the Division further clarify its audit mandate for horse racing and more specifically define its stakeholders in the Framework, to more fully reflect the Division's purpose and direction.	<b>Complete</b>
Recommend that the Division evolve the Framework to become a document of comprehensive policies supported by clear and concise procedures.	<b>Complete</b>
Recommend that the Division establish and incorporate policies and procedures, based on auditing standards, into a new audit manual.	<b>Complete</b>
Recommend that the Division implement plans to review BCLC's audit program, including the appropriateness of BCLC's audit methodology and coverage and the effectiveness of the program in strengthening controls.	<b>Complete</b>
Include in the Framework the Division's two key risks (credibility with stakeholders and reliance on third parties to act within their authority) and the audit plans and processes which address these risks.	<b>Complete</b>
Include in the Framework direction which ensures that audit scopes are based on risk assessments specific to each commercial gaming site or community organization.	<b>Complete</b>
Adjust commercial audit scopes and procedures in areas exhibiting prior exceptions or incident reports.	<b>Complete</b>
Continue to develop comprehensive audit programs that include criteria, standards and the use of relevant client records.	<b>Complete</b>
Reinforce the requirement that auditors routinely use the programs to perform and document their fieldwork.	<b>Complete</b>
Continue to enhance the clarity and conciseness of written reports, include conclusions and take steps to ensure opportunities to educate auditees are consistently taken.	<b>Complete</b>
Recommend the Division to provide an action plan template with each audit report to help ensure complete responses to the reports and support additional follow-up as appropriate.	<b>Complete</b>
Recommend that the Division implement a Reviewer's Checklist, which outlines the quality checks that the auditor is to perform prior to transferring the file to their manager and includes manager sign-off on the quality of the file documentation and evidence.	<b>Complete</b>
Recommend that the quality assurance processes be documented in the audit manual.	<b>Complete</b>
Recommend that the Division consider developing additional performance measures, factoring in qualitative elements to better communicate program successes and progress on achieving program outcomes.	<b>Complete</b>
Standardize audit planning expectations (i.e., risk assessment, timing, budget and resource allocations) for each type of charitable audit engagement.	<b>Under Consideration:</b> A planning checklist for charitable audits has been developed but standardizing processes are unsuitable for charitable audits.
Recommend that the Division consider tracking audit hours by auditor and audit engagement.	<b>Under consideration:</b> No need at present though the recommendation will be reconsidered periodically.