

PORTLAND DEVELOPMENT COMMISSION
Portland, Oregon

RESOLUTION NO. 6642

**ADOPTION OF PDC INTERNAL AUDIT WORK PLAN FOR FISCAL
YEAR 2008-09**

WHEREAS, On March 17, 2004, the PDC Board of Commissioners (the "Board") established an Audit Committee (Resolution No. 6112) with the responsibility to, among other things, "direct the undertaking of internal audits or reviews";

WHEREAS, On June 9, 2004, the PDC Board adopted an Audit Committee Charter (Resolution No. 6150) that among other things, directed the Chair of the Board Audit Committee to review the Internal Audit Manager's annual work plan;

WHEREAS, On December 9, 2004, the PDC Board adopted a Policy on Internal Controls (Resolution No. 6213) that among other things directed management to establish "an ongoing internal audit program to monitor and evaluate the effectiveness of risk management, control and governance processes";

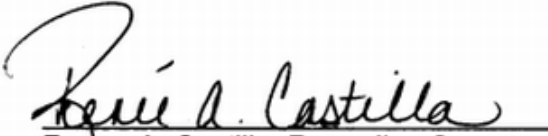
WHEREAS, the internal audit function is an essential element of a sound internal control framework for PDC management to use in assessing business plans, processes and outcomes – and to continuously improve activities to achieve higher quality customer service and outcomes; and

WHEREAS, an Audit Subcommittee of the Board serves to more closely monitor PDC's financial and internal audit activities.

NOW, THEREFORE, BE IT RESOLVED that PDC Board of Commissioners, acting as the Board Audit Committee, hereby adopt the PDC Internal Audit Work Plan for Fiscal Year 2008-09 attached hereto as Exhibit A;

BE IT FURTHER RESOLVED that the Board Audit Subcommittee supervise the implementation of the Internal Audit Work Plan and keep the Board Audit Committee informed on the progress and findings of related audit activities; and

BE IT FURTHER RESOLVED that this resolution shall become effective immediately upon its adoption.


Renee A. Castilla, Recording Secretary

FY 2008-09 PDC Internal Audit Work Plan - Summary

Item	Performed By
1. PDC Risk Assessment	PDC Audit Services
2. Audit: Procurement/Contracting	City Audit Services
3. Review: Travel Expenses	PDC Audit Services
4. Review: Food & Meals	PDC Audit Services
5. Other Reviews as determined necessary by the Executive Director, after consultation with the Board Audit Subcommittee	

FY 2008-09 Internal Audit Work Plan and Schedule

1. PDC Risk Assessment

Scope: The Institute of Internal Auditors standards (2010.A1) states, "*The internal audit activity's plan of engagements should be based on a risk assessment, undertaken at least annually. The input of senior management and the board should be considered in this process.*"

Work Program: This activity will be undertaken using a methodology that is developed and implemented in collaboration with the PDC Audit Subcommittee, Executive Team and Operations Steering Committee.

Performed By: PDC Audit Services

Schedule: Third - Fourth Quarters

2. Audit: Procurement/Contracting

Scope: Follow up to "Performance Audit of PDC Contracting Activities" undertaken by Talbot, Korvola & Warwick in September 2005; and focus on review of centralized purchasing processes implemented since that audit.

Performed By: City Audit Services

Schedule: Second - Fourth Quarters

3. Review: Travel Expenses

Scope: Review travel related expenses for compliance with PDC administrative policies and procedures.

Work Program: Review sampling of recently processed travel expense documentation.

Performed By: PDC Audit Services

Schedule: Second Quarter

4. **Review: *Food and Meals***

Scope: Review food and meal expenses for compliance with PDC administrative policies and procedures.

Work Program: Review sampling of recently processed food and meal expense documentation.

Performed By: PDC

Schedule: Third Quarter

5. Other Reviews as determined necessary by the Executive Director, after consultation with the Board Audit Subcommittee.

Explanation of Work Plan elements (Source: *PDC Internal Audit Administrative Policy*)

1. **Audit** – A comprehensive performance or compliance audit undertaken according to government auditing standards
2. **Review** - A cursory review and analysis of either internal controls or performance that provides a general sense of how things are working and whether or not an audit may be warranted.

PDC

PORTLAND DEVELOPMENT COMMISSION

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Title: ADOPTION OF PDC INTERNAL AUDIT WORK PLAN FOR
FISCAL YEAR 2008-09


Adopted by the Portland Development Commission on October 8, 2008.

PRESENT FOR VOTE	COMMISSIONERS	VOTE		
		Yea	Nay	Abstain
<input checked="" type="checkbox"/>	Charles Wilhoite, Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Scott Andrews	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	Bertha Ferrán	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/>	John Mohlis	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input type="checkbox"/>	Vacant	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<input checked="" type="checkbox"/> Consent Agenda		<input type="checkbox"/> Regular Agenda		

Certification

The undersigned hereby certifies that:

The attached resolution is a true and correct copy of the resolution as finally adopted at a Board Meeting of the Portland Development Commission and duly recorded in the official minutes of the meeting.


Renee A. Castilla, Recording Secretary

Date: December 9, 2008