

EXTERNAL QUALITY ASSESSMENT OF INTERNAL AUDIT DEPARTMENT
SAWS Solicitation No. R-11-015-DG

Addendum No. 1
Questions and Responses; Attachments “A-D”

July 1, 2011

PROPOSAL DUE DATE: July 15 @ 2:00 PM Central Time

The Vendor/Consultant of Record:

This information, applicable to the project above, is a response to the proposal documents and as such shall be a part of and included in the Contract. The original contract documents and any prior addenda remain in full force except as modified by the following which shall take precedence over any contrary provisions in prior documents.

Questions and Responses:

Q1. Is this a first year report? If not, may we have a copy of the prior year report?

R1. Deloitte Touche performed a QAR in 2006 as commissioned by a prior CEO. The report resulted in a qualified opinion and contained numerous recommendations. The recommendations were implemented under the direction of the current Chief of Internal Audit whose tenure at SAWS commenced May 2008. The report will be made available to the selected firm.

The current Chief performed a Self Assessment of the IA department in 2010 for 2009 activities using the IIA Quality Assurance Manual. An outside consultant reviewed the Self Assessment to make the determination that the SAWS Internal Audit department was adequately prepared for an External Quality Assessment in 2011.

Q2. What were the prior year fees for the External Quality Assessment? (if this is not a first year report)?

R2. There was no prior year fee for an External QAR. The fee for the 2006 fee is not considered relevant to this external QAR.

Q3. Can we also request copies of your Audit Committee and Internal Audit Department Charters?

R3. See attached - Attachments “A & B”.

Q4. Can we also request copies of your FY 2010 and FY 2011 Internal Audit Plan?

R4. See attached – Attachments “C & D”.

Q5. Can we also request copies of your Current Audit Universe?

R5. Internal Audit identified 149 auditable areas for 2010 and 164 for 2011. The audit universe and resulting risk assessment will be provided to the selected firm.

Q6. What is the size of the IA department staff? Please provide the breakdown by level, skill set and responsibility.

R6. As indicated in the RFP, the Internal Audit department is comprised of three Senior Auditors and an Administrative Assistant that report to the Chief of Internal Audit. All three Senior auditors and the Chief of Internal Audit are CPAs and CIAs. In addition, one Senior Auditor is a CISA and another auditor has passed the CISA but does not yet have the requisite years of IT experience.

Q7. What scope of business functions, compliance and jurisdiction is the IA department charge?

R7. See attached (Attachment "B") Internal Audit Charter.

Q8. What is the scope of activities performed by the IA department? Please provide details about the IA plan, number of audits classified as financial, operational or compliance, number of IA audit hours per audit and annual total, number of IA reports issued.

R8. See attached (Attachment "C") FY 2010 Internal Audit Plan which denotes the estimated auditor hours per audit. All audits for 2010 were operational audits.

Nineteen (19) Audits were Performed with Fifteen (15) Adequate (Highest Rating) and Four (4) Requires Improvement and Forty-four (44) Recommendations. Two (2) Follow Up Audits on 2007 and 2008 Recommendations were also performed.

Q9. Is all internal audit work completed by IA staff or is there work outsourced?

R9. See attached (Attachment "C") FY 2010 Internal Audit Plan which denotes that other than one IT audit all work is performed internally. The outsourced IT audit denoted in the 2010 Plan was delayed until 2011.

Q10. Are all audit work papers located in one central location in the headquarter office?

R10. All workpapers are maintained electronically in Audit Leverage and are available in the Internal Audit department.

Q11. Would you please provide a copy of the Internal Audit Charter and the FY 2011 Internal Audit Plan?

R11. See attached (Attachment "D") FY 2011 Internal Audit Plan.

Q12. Has a QAR self assessment or external validation examination previously been performed?

R12. A QAR self assessment was performed of the 2009 IA activities using the IIA Quality Assurance Manual.

Q13. For the QAR with independent verification, is the IA department currently working on a self assessment using the QRM tools?

R13. A QAR self assessment was performed of the 2009 IA activities using the IIA Quality Assurance Manual. The same model is being compiled for 2010 IA activity and will be provided to the selected firm to maximize the use of the SAWS internal audit department.

Q14. What is the period of internal audit activity (plan years) that is intended to be covered?

R14. As indicated in the RFP, the QAR should be for the calendar year 2010 activity.

Attachments

Attachment “A” – Audit Committee Charter

Attachment “B” – Internal Audit Charter

Attachment “C” – 2010 Annual Audit Plan

Attachment “D” – 2011 Annual Audit Plan

Each vendor/consultant is requested to acknowledge receipt of these Questions and Responses; Attachments “A-D” by his/her signature affixed hereto and to file the same with attached to his/her proposal.

The Undersigned acknowledges receipt of this Question & Response; Attachments “A-D”, and the proposal submitted herewith is in accordance with the information and stipulation set forth.

Date

Signature of Vendor/Consultant

**END OF ADDENDUM 1
QUESTIONS AND RESPONSES; ATTACHMENTS “A-D”**



**SAN ANTONIO WATER SYSTEM
BOARD OF TRUSTEES**

AUDIT COMMITTEE CHARTER

Role of the Committee

The primary responsibility for financial and other reporting, internal controls and compliance with laws and regulations and ethics rests with executive management of the San Antonio Water System (SAWS).

The Audit Committee is appointed by the Board of Trustees of the San Antonio Water System (the Board). The role of the Committee is to assist executive management and the Board to oversee the integrity of SAWS financial reporting, internal controls and external and internal audit functions. The Committee's role includes a particular focus on the qualitative aspects of financial reporting policies and practices and the management of business and financial risk.

The role includes coordination with the Board and other committees as the Board may appoint, and maintenance of strong positive working relationships with management, external and internal auditors, internal and external counsel, current Bond counsel and Financial Advisors, and other Committee advisors.

Authority of the Committee

The authority of the Committee is to exercise their business judgment, report to the Board of Trustees and recommend action in what they reasonably believe to be the best interests of SAWS. It is empowered to:

- Oversee the appointment, compensation and work of the public accounting firm employed by SAWS to conduct the annual audit. This firm will report directly to the Committee.
- Have unrestricted access to all relevant financial information as requested by the Committee.
- Retain, with Board approval, as applicable, and at SAWS expense, persons having special competencies (including, legal, accounting or other consultants and experts) to assist the Committee in fulfilling its responsibilities.

Audit Committee Charter

- Authorize creation of subcommittees, for special studies or tasks as necessary, provided that such final recommendations are presented to the Committee at its next scheduled meeting.

Committee Membership

The Committee shall consist of three (3) Board members and one non-SAWS Board member who has specialized expertise in finance but has no direct or indirect interest in SAWS financial transactions. Committee appointments shall be approved annually by the Board. Committee members shall have the ability to understand SAWS business and risk profile and to apply their business expertise and judgment to the issues with an independent and critical eye.

Meeting Frequency

The Committee shall meet at least quarterly. All Committee members are expected to attend each meeting. Additional meetings shall be scheduled as considered necessary by the Committee or Committee Chair. Meeting agendas will be prepared and provided in advance to members along with appropriate briefing materials. Meeting minutes will be prepared for each meeting.

Responsibilities

The Committee will carry out the following responsibilities:

Review of Financial Statements

- Review significant accounting and reporting issues, including complex or unusual transactions and highly judgmental areas and recent professional and regulatory pronouncements; and understand their impact on the financial statements.
- Understand how management develops interim financial information and the nature and extent of internal and external auditor involvement.
- Review the financial statements and consider whether they are complete, consistent with information known to Committee members and reflect appropriate accounting principles.
- Review with management and the external auditors major issues regarding accounting principles and financial statements presentations, including any significant changes in SAWS selection or application of accounting principles. Review with management and the external auditors the results of the audit, including any difficulties encountered.
- Review with management and the external auditors the results of the audit, including any difficulties encountered.
- Review and report any fraud or potential fraud that involves management or other employees who have a significant role in SAWS internal controls.

Audit Committee Charter

Risk Management

- Understand SAWS business risk profile, including the adequacy of SAWS overall control environment and controls in selected areas representing significant financial and business risk (operational, legal, reputation, etc.)
- Meet periodically with management to review SAWS major financial risk exposure and steps management has taken to monitor and control such exposures.

Internal Control

- Consider the effectiveness of SAWS internal control over annual and interim financial reporting, including information technology security and control.
- Understand the scope of internal and external auditors' review of internal control over financial reporting and obtain reports on significant findings and recommendations, together with management's responses.

Internal Audit

- Review with management and the Chief of Internal Audit the annual audit plan, staffing and organizational structure of the internal audit function.
- Recommend to the Board approval of the Annual Audit Plan.
- Evaluate the effectiveness of the internal audit function, including compliance with the Professional Practices Framework that includes the *International Standards for the Professional Practice of Internal Auditing* and the *Code of Ethics promulgated by the Internal Auditing* of the Institute of Internal Auditors, Inc. (IIA).
- Review and evaluate Internal Audit's progress on the annual audit plan and report quarterly to the Board.

External Audit

- Review the qualifications of the external auditors; oversee due diligence responsibilities relative to the external audit firm(s) selection, compensation and terms of engagement and recommend final approval to the Board on the appointment or discharge of the auditors.
- Review the external auditors proposed audit scope, planning and staff of the audit, including coordination of their audit effort with SAWS staff.
- Confirm the independence of the external auditors by obtaining statements from them on their relationships between SAWS, including non-audit services.
- Meet separately with the external auditors to discuss any matters that the Committee or external auditors believe should be discussed privately.
- Meet with the external auditors and appropriate SAWS staff at the conclusion of the annual audit to review the audit results and financial statements.

Audit Committee Charter


- At least annually, obtain and review a written report by external auditors describing (a) the firm’s quality-control procedures (b) any material issues raised by the most recent internal quality-control review or peer review, or (c) any inquiry or investigation by governmental or professional authorities.
- Review the external auditors’ work throughout the year including obtaining the opinions of management and SAWS internal auditors. Based upon the foregoing, evaluate the external auditors performance and present the Committee’s conclusions to the Board.

Reporting Responsibilities

- Regularly report to the Board of Trustees about Committee activities, issues and related recommendations.
- Provide an open avenue of communication between internal auditors, external auditors, and Board of Trustees.
- Report annually, describing the Committee’s composition, responsibilities and how they were discharged and any other information required by rule.
- Review other SAWS issues that relate to the Committee’s overall responsibilities.

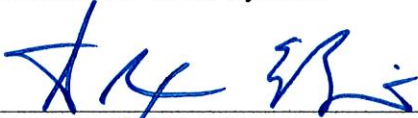
Other Duties

- Oversee special investigations as requested by the Board.
- Review and assess annually the adequacy of the Audit Committee Charter, requesting Board approval for proposed changes.
- Confirm annually that all responsibilities outlined in this Charter have been carried out.
- Perform other activities related to this Charter as requested by the Board.

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Roberto Anguiano
Chair, Audit Committee
San Antonio Water System

12-6-2010
Date



Alexander E. Briseño
Chair, Board of Trustees
San Antonio Water System

12-7-10
Date

ATTACHMENT "B"



SAN ANTONIO WATER SYSTEM INTERNAL AUDIT CHARTER

INTRODUCTION

The Board of Trustees of the San Antonio Water System is committed to serving our communities with sustainable, affordable water services by assuring a strong internal control framework is in place. To assist in achieving that objective, the Board of Trustees hereby affirms full support for a viable Internal Auditing program.

MISSION

The mission of the San Antonio Water System (SAWS) Internal Audit Department is to provide independent and objective assurance and consulting services designed to add value and improve SAWS operations. The Internal Audit Department, in carrying out its duties and responsibilities, will help SAWS accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, internal control, operational, and governance processes.

PURPOSE

The purpose of the Internal Audit Department (Internal Audit) is to assist the Audit Committee of the Board of Trustees and SAWS Management to achieve the SAWS goals and objectives by providing analyses, evaluations, recommendations, counsel, and information concerning the audited activities and by promoting effective accountability.

SCOPE

The scope of work of Internal Audit is to determine whether the SAWS network of risk management, control mechanisms, and governance processes, as designed and represented by Management, are adequate and functioning in a manner to ensure:

- Risks are appropriately identified and managed.
- Interaction with the various governance groups occurs as needed.
- Significant financial, managerial, and operating information is accurate, reliable, and timely.
- Employee's actions are in compliance with policies, standards, procedures, and applicable laws and regulations.
- Resources are acquired economically, used efficiently, adequately protected, and properly accounted for.
- Programs, plans, and objectives are achieved.
- Quality and continuous improvement are fostered in the SAWS control processes.
- Significant regulatory issues impacting SAWS are recognized and addressed properly.

Opportunities for improving management control, profitability, and SAWS image may be identified during audits. They will be communicated to the appropriate level of SAWS Management and the Audit Committee.

ACCOUNTABILITY

The SAWS Chief of Internal Audit, in the discharge of his/her duties, shall be accountable to the Board of Trustees through the Audit Committee to:

- Provide assessments on the adequacy and effectiveness of the SAWS processes for controlling its activities and managing its risks.
- Report significant issues related to the processes for controlling the activities of SAWS, including potential improvements to those processes and provide information concerning such issues through resolution.
- Provide information periodically on the status and results of the annual audit plan and the sufficiency of Internal Audit resources.
- Coordinate with SAWS other control and monitoring functions, including risk management, institutional compliance, security, legal, ethics, environmental, and external audits.
- The Chief of Internal Audit is authorized to notify the District Attorney of any potential criminal audit findings after the Audit Committee and SAWS General Counsel have been notified about such pending action.
- Report on other significant issues that materialize outside of planned internal audit initiatives.

INDEPENDENCE

To provide for the independence of the Internal Audit function, all Internal Audit staff must be free of all operational and management responsibilities that would impair their ability to review independently all aspects of SAWS. Internal Audit staff report to the Chief of Internal Audit, who reports administratively to the Chief Executive Officer and functionally to the Board of Trustees through the Audit Committee. Reports to the Audit Committee will periodically include the status of the annual internal audit plan.

The Audit Committee shall review and approve the appointment, replacement, reassignment, or dismissal of the Chief of Internal Audit with Board approval.

The Audit Committee shall review Internal Audit's annual budget. Their recommendation shall be forwarded to the Board for approval.

RESPONSIBILITY

The Chief and Internal Audit staff has responsibility to:

- Develop a flexible annual audit plan using appropriate risk-based methodology, including any risks or control concerns identified by SAWS Trustees, SAWS Management or external auditors, and submit that plan to the Audit Committee for its review and Board approval.
- Implement the approved annual audit plan, including, as appropriate, any special projects requested by the Audit Committee and Management.
- Maintain a professional internal audit staff with sufficient knowledge, skills, experience, and professional certifications, or designations to meet the requirements of this *Charter*.
- Obtain the appropriate continuing professional development necessary to maintain and enhance auditing knowledge, skills and other competencies and to stay abreast of professional standards.
- Establish a quality assurance program to ensure that appropriate quality controls are in place and that reviews are conducted in accordance with accepted auditing standards.

- Undergo an external quality assessment at least every five years by a qualified, independent reviewer or review team from outside SAWS.
- Perform consulting and advisory services as appropriate that will not impair auditor independence.
- Evaluate and assess significant new or changing services, processes, operations, and control processes coincident with their development, implementation, and/or expansion.
- Communicate the results of internal audits and/or projects promptly to the appropriate individuals in management and the Audit Committee summarizing the results of audit activity.
- Issue periodic reports to the Audit Committee and SAWS Management summarizing results of audit activities.
- Inform the Audit Committee of emerging trends and successful practices in internal auditing.
- Assist in the investigation of significant suspected fraudulent activities, within SAWS and notify SAWS Management and the Audit Committee of the results.
- Consider the scope of work of the external auditors, as appropriate, for the purpose of providing optimal audit coverage to SAWS at a reasonable overall cost.
- Guide SAWS in identifying, evaluating and implementing risk management methodologies and control self-assessments.
- Assist the Audit Committee, as appropriate, in complying with provisions stipulated in its *Charter*.
- Review and assess annually the adequacy of the Internal Audit Charter, requesting Board approval for proposed changes

AUTHORITY

SAWS Chief of Internal Audit is authorized to implement a comprehensive internal audit program of SAWS various divisions, departments, functions, programs and activities within the means available and resources allocated to Internal Audit.

The Chief of Internal Audit and Internal Audit staff will exercise discretion in the review of records to ensure necessary confidentiality of all matters that come to their attention. This confidentiality requirement extends to former Internal Auditor staff who have transferred to other positions within SAWS.

The Chief and Internal Audit Staff are authorized to:

- Have unrestricted access to all functions, activities, records, property, information systems, and personnel.
- Have full and free access to the Audit Committee.
- Allocate resources, set frequencies, select subjects, determine scopes of work, and apply the techniques required to accomplish audit objectives.
- Obtain the necessary assistance of personnel in units of SAWS where they perform audits, as well as other specialized services from within or outside SAWS.
- Brief the Audit Committee periodically, in executive session, on internal and external audit matters.

The Chief and Internal Audit Staff are not authorized to:

- Perform any operational duties for SAWS.
- Initiate or approve accounting transactions external to Internal Audit's operations.

- Direct the activities of any SAWS employee not employed by Internal Audit, except to the extent such employees have been appropriately assigned to auditing teams or to otherwise assist the internal auditors.
- Engage in any activities that Internal Audit would normally be expected to review or appraise, such as writing policies and procedures for SAWS use.


STANDARDS OF AUDIT PRACTICE

Internal Audit will follow the Professional Practices Framework that includes the *International Standards for the Professional Practice of Internal Auditing* and the *Code of Ethics promulgated by the Internal Auditing* of the Institute of Internal Auditors, Inc. (IIA).




 Chief of Internal Audit
 San Antonio Water System

Date 12/7/2010



 Chief Executive Officer
 San Antonio Water System

Date 12-7-10

x 

 Chair
 San Antonio Water System
 Audit Committee

Date 12-7-2010



 Chair
 San Antonio Water System
 Board of Trustees

Date 12-7-10

ATTACHMENT "C" - 2010 ANNUAL AUDIT PLAN

No.	Audit No.	Auditable Area	Vice President/ Process Owner	Potential Audit Scope	Detailed Audit Scope	Calculated Risk Rating	Last Reviewed	Estimated Hours
1	2010-1	System Operations	Clouse Evanson	Disaster Recovery	Evaluation of Disaster Recovery and Business Continuity Procedures	4.7	NPA	200
2	2010-2	Water Supply Projects	Ahrens	Cost Estimates and Methodology	Evaluation of water cost estimates and methodology used to justify water supply projects	4.1	NPA	200
3	2010-3	Customer Revenues and Related Receivables	Evanson	Entity Water Supply Contracts	Review operational and financial controls over third-party Wholesale Water billings and related receivables	3.9	2006	160
4	2010-4	Customer Revenues and Related Receivables	Isenberg	Undocumented Connections	Testing of Revenue Protection Process - to identify undocumented water and/or wastewater connections	3.9	NPA	180
5	2010-5	Purchasing	Neumann	Professional Services Contracts	Review of Professional Services Contracting procedures used in the Selection of Engineering Consultants	3.8	NPA	200
6	2010-6	Regulatory Compliance	Clouse	Regulatory Compliance	Review of SAWS compliance with regulations such as EPA, TCEQ, DHS etc.	3.7	NPA	200
7	2010-7	Customer Revenues and Related Receivables	Evanson Isenberg	Cash Receipts Reporting	Testing of processes and controls for recording cash receipts	3.7	NPA	180
8	2010-8	Safety	Bailey	Safety Program	Status and effectiveness of the SAWS Safety Programs including compliance with safety objectives	3.7	NPA	160
9	2010-9	Customer Revenues and Related Receivables	Isenberg	Customer Payments	Testing of processes and controls over customer payments - especially remote Customer Service Centers	3.7	2005	200
10	2010-10	Customer Revenues and Related Receivables	Isenberg	Sewer Billing for SAWS Customers	Procedures for Billings on behalf of SARA & CCMA for sewer service	3.5	NPA	200

11	2010-11	Contract Administration	Evanson	Enterprise Resource Software System	Review of ERSS costs and cost allocation	3.4	NPA	200
12	2010-12	Fleet Management	Brinkmann	Retirement and Disposition of Vehicles	Testing the procedures and controls over the retirement and disposition of vehicles.	3.2	2005	180
13	2010-13	Public Affairs	Flores	Public Outreach - Regional Carrizo Project	Review of the community outreach efforts and opinion surveys for evaluating the public response to the Regional Carrizo Project	3.2	NPA	180
14	2010-14	Public Affairs	Flores	Contract Compliance	Review compliance with terms of advertising services contract	3.2	NPA	160
15	2010-15	Information Services	Evanson	Client Services	Evaluation of effectiveness of information services client support function	3.1	NPA	180
16	2010-16	Sewer Cleaning Contract	Ruiz	Contract Compliance	Review compliance with terms of the service contract for cleaning Small Sewer Lines (<24")	3.1	NPA	160
17	2010-17	Disbursements	Stenger-Castro	Legal Billing	Review billing practices of law firms and appropriateness of legal billings	3.1	2002	180
18	2010-18	SMWBE Participation	Stenger-Castro	SMWBE Compliance Reporting	Review the process for reporting compliance with SMWBE participation	3.0	NPA	200
19	2010-19	Programs and Rebates	Ahrens	Free Toilet Program	Review compliance with free toilet program procedures	2.6	2006	180

Follow Up Audit

20	2010-20	Follow Up on 2007 Audit Reports	All	Audit Follow-up	Follow up on actions taken to implement Management's Responses	3.7	2007	120
21	2010-21	Follow Up on 2008 Audit Reports	All	Audit Follow-up	Follow up on actions taken to implement Management's Responses	3.7	2008	260

Contingency Audits

22	2010-22	Post Retirement Medical Benefits	Bailey Evanson	Actuarial Assumptions	Review financial appropriateness of assumptions and data used in accrual calculations	3.1	NPA	180
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23	2010-23	Work Order System	Ruiz	Hansen Work Order Process	Evaluate the process and controls for the Hansen work order system	3.0	NPA	200
24	2010-24	Information Services	Evanson	E-mail and Internet Access	Evaluation of controls and procedures and compliance over electronic communications	2.9	NPA	160

Outsourced Audit

25	2010-25	SCADA Security	Clouse	Audit Follow-up	Follow up on actions taken to implement Management's Responses	3.9	2008	Outsourced
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Other Internal Audit Projects

		Risk Assessment and Annual Audit Plan	Verde	All SAWS Departments, Functions and Activities	Determine potential auditable areas to perform a risk based assessment and develop an annual audit plan	N/A	2009	200
		Internal Quality Assessment	Verde	Internal Audit Project	Evaluation of Internal Audit's compliance with professional standards and established procedures	N/A	NPA	150

ATTACHMENT "D" - 2011 ANNUAL AUDIT PLAN

No.	Audit No.	Auditable Area	Vice President/ Process Owner	Potential Audit Scope	Detailed Audit Scope	Weighted Average Calculated Risk Rating	Last Reviewed	Estimated Hours
1	2011-01	Security Service Contract	Brinkmann	Contract Compliance	Test compliance with terms of outside Security Service Contract	4.5	NPA	240
2	2011-02	Inventory	Evanson	Inventory Procedures and Controls	Review internal controls and processes for Supply inventories	4.4	NPA	200
3	2011-03	Safety	Bailey	Accident Investigation	Evaluation of procedures for reporting and monitoring work related personal injury accidents	4.1	NPA	200
4	2011-04	Water Supply	Ahrens	Unaccounted for Consumption	Evaluation of process and procedures to identify unaccounted for water	4.1	NPA	180
5	2011-05	Maintenance Program	Clouse	Preventative Maintenance Program	Review the Process and Effectiveness of the On-going Preventative Maintenance	4.0	NPA	180
6	2011-06	Sewer Cleaning Contract	Ruiz	Contract Compliance	Review compliance with terms of the service contract for cleaning Small Sewer Lines (<24")	3.9	NPA	200
7	2011-07	Construction Administration	Neumann	Construction Inspection	Evaluation of the Construction Inspection Process and the effectiveness of Contractor	3.8	NPA	240
8	2011-08	Groundwater Testing	Clouse	Water Quality	Evaluation of procedures to respond to downstream contamination	3.8	NPA	180
9	2011-09	Environmental Laboratory	Brinkmann	Laboratory Process	Review of the controls and procedures over the administration of the Environmental Laboratory	3.8	NPA	220

10	2011-10	Payroll	Evanson	KRONOS	KRONOS accountability and effectiveness	3.7	2005	200
11	2011-11	Customer Revenues and Related Receivables	Flores	Affordability and Discount Program Qualification	Testing of procedures and controls over the qualification for customer affordability and discount programs	3.6	NPA	180
12	2011-12	Contract Administration	Evanson	Professional Services Contracts	Review of contracting procedures used to determine "Best Qualified" contractor	3.5	NPA	180
13	2011-13	Contractor Compliance Testing - SMWBE	Evanson	SMWBE Actual Participation	Follow-up/audit contractors' SMWBE participation - verify invoices or other participation vs. participation listed in bid package	3.4	NPA	220
14	2011-14	Accounts Payable	Evanson	Payment Process	Review procedures and control for Accounts Payable payments	3.4	NPA	180
15	2011-15	GIS and Mapping	Neumann	Mapping Information	Evaluation of process and procedures to update information in the GIS System	3.4	NPA	200
16	2011-16	Customer Revenues and Related Receivables	Isenberg	Meter Replacement	Evaluation of the Procedures and Controls for testing and replacing	3.2	NPA	200
17	2011-17	Conservation	Ahrens	Commercial Conservation Programs	Review the effectiveness and compliance with commercial water saver programs	3.2	NPA	180
18	2011-18	Open Records Compliance	Stenger-Castro	Response to Open Records Requests	Review of Processes and Controls over Responses to Freedom of Information and	3.1	NPA	200

Follow Up Audit

19	2011-19	Follow Up on 2009 Audit Reports	All	Audit Follow Up	Follow up on actions taken to implement Management's Responses		2009	280
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Outsourced Audit

20	2011-20	SCADA Security	Clouse	SCADA Controls	Follow up on implementation of Management's Responses to 2008 Audit Report	4.8	2008	80 (A)
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Contingency Audits								
21	2011-21	Water Supply Brackish Groundwater Desalination	Ahrens	Construction Costs	Evaluation of Project Expenditures to Date	3.9	NPA	200
22	2011-22	Post Retirement Medical Benefits	Bailey	Actuarial Assumptions	Review financial appropriateness of assumptions and data used in accrual calculations	3.1	NPA	180
23	2011-23	Contract Administration	Evanson	Safety Records of our Contractors	Testing to identify what are our contractors doing to prevent injuries and promote workforce safety	2.9	NPA	200

Consulting Engagements								
24	2011-01C	System Operations	Puente	Policies & Procedures	Review of SAWS Policies and Procedures		NPA	240
25	2011-02C	Consulting Project #2			To Be Determined		NPA	180
26	2011-02C	Consulting Project #3			To Be Determined		NPA	160

Other Internal Audit Projects								
27		Risk Assessment and Annual Audit Plan	Verde	All SAWS Departments, Functions and Activities	Determine potential auditable areas to perform a risk based assessment and develop the annual audit plan		Annually	200
28		External Quality Assessment	Verde	Internal Audit	Assist with the external evaluation of the Internal Audit Department's compliance with professional standards and established procedures		2006	200

(A) Denotes Internal Audit Hours in support of Outsourced Audit and not the Consultant's estimated hours.