



May 25, 2010

City of Saskatoon - City Clerk's Office
Attention: Secretary – Audit Committee
222-3rd Avenue North
Saskatoon, Saskatchewan S7K 0J5

Audit Report – Corporate Pension Payment System

In 2009, Robert Prosser & Associates Inc. conducted an audit of Corporate Services – Payroll System Pension Payments, as per the Corporate Audit Plan.

The Corporate Human Resource Information System (CHRIS), implemented in 1999, is used to help manage the information and processing required for administering, calculating and disbursing pension payments for 3 pension plans (General, Saskatoon Fire & Protective Services and Police)

The Human Resources Employment and Total Compensation Branch is responsible for administering the pension payments, including setting up pensioners in the system, calculating payment amounts and removing individuals from the system.

The Corporate Services Payroll Office calculates and remits deductions (i.e. income tax) to the Federal Government, and notifies Treasurer's Office of the gross pension costs that must be transferred from the various pension plans to the payroll account.

In 2007 there were 1,411 pensioners receiving 16,196 payments with a gross value of \$31,419,924.

The objectives of the audit included determining whether adequate controls are in place and applied on a consistent basis to minimize the following risks:

- Overpayment on former employee pension payments,
- Overpayment on spousal pension payments,
- Fraudulent payments to an invalid pensioner, and
- Fraudulent payments of a fraudulent amount.

Management is currently working on implementation of the recommendations.

Respectfully submitted,

Ian E. Weimer, CMA
Garman, Weimer & Associates Ltd.
(306) 652-1852

401 – 333 25th Street East, Saskatoon, SK S7K 0L4