

State Compensation Insurance Fund  
**Completed Closed Audits**  
*Audit Committee Open Agenda Item 3*

**Office Supply Ordering Audit**  
**PAO 632**

Internal Audit assessed the 2010 office supply ordering through the Staples' eWay system to evaluate preventive controls for non-business/unessential orders and to evaluate the potential cost savings realized. Corporate policy/guidelines are not fully developed for Program Managers who are accountable for their department's purchases. A corporate contract for toner is being negotiated for economies of scale and evaluation. A small number of purchases that belonged under another budget line were purchased through Staples eWay. Internal Audit recommends a written guideline for Program Managers identifying permitted and non-permitted purchases and implementation of an expense review to advise Programs of purchases not in line with recommendations. The agreed upon remediation plan is expected to be completed in November 2011.

**Corporate Governance – Ethics Audit**  
**PAO 645**

Internal Audit assessed the governance framework for the period from January 2010 to July 2011. The scope of the audit was to determine if the framework has been communicated to the entire organization; review the current status and projected completion of the Corporate Policy Portfolio and Governance Guide; and assess the effectiveness and efficiency of monitoring the implementation of Ethics Training, Incompatible and Unethical Activities and Business Ethics policies, Integrity in Action, and Whistleblower Programs by the responsible Departments.

Internal Audit concluded that the framework is in place. There were some minor findings requiring corrective action. The Corrective Action Plan implementation will be on-going through April 2012.