

Estimate of	Potential	Risk Ex	posure
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 \$5.3M spent on Direct 	Purchase Orders	(no requisition)
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• Direct POs were tracked on CEMA's spreadsheet

Audit sample: \$1.3M

	Invoiced Amount (\$ 000s)	% of the sample	Discrepancy Rate (%)
Invoice agrees with spreadsheet	115	9	0
Invoice does not agree with spreadsheet	489	38	26
Unable to match invoice vs. spreadsheet	694	53	0/26
Audit sample	\$1,300	100%	

•Audit Discrepancy: \$126K

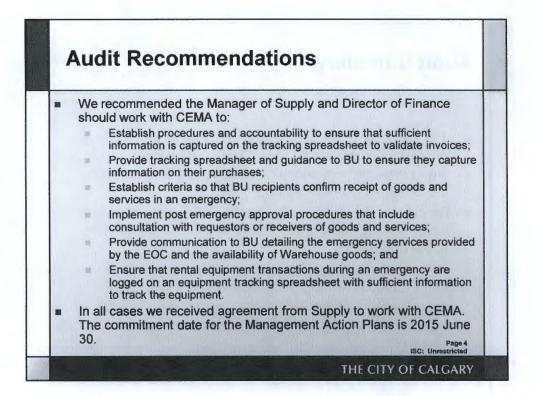
• Discrepancy rate: \$126K/\$489K = 26%

· Calculation of risk exposure:

- Lower limit: Total Direct POs (\$5.3M) * Discrepancy Rate (26%) * % of Noted Discrepancy (38%) = \$524K
- Upper limit: Total Direct POs (\$5.3M) * Discrepancy Rate (26%) * % of Noted Discrepancy (38%) + Unable to Match (53%) = \$1.254M Pag

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THE CITY OF CALGARY



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