

## **CITY OF VAUGHAN**

### **EXTRACT FROM COUNCIL MEETING MINUTES OF MAY 16, 2017**

Item 9, Report No. 5, of the Finance, Administration and Audit Committee, which was adopted without amendment by the Council of the City of Vaughan on May 16, 2017.

#### **9 INTERNAL AUDIT REPORT – 2016 ANNUAL REPORT**

The Finance, Administration and Audit Committee recommends:

- 1) That the recommendation contained in the following report of the Director of Internal Audit, dated May 1, 2017, be approved;
- 2) That the following be approved in accordance with Communication C2, memorandum from the Director of Internal Audit, dated April 28, 2017:

That the attached update to the 2015 – 2018 Internal Audit Risk Based Work Plan be received; and

- 3) That Communication C3, presentation material titled *“Internal Audit Annual Report”*, dated May 1, 2017, be received.

#### **Recommendation**

The Director of Internal Audit recommends:

1. That the attached report, Internal Audit Department 2016 Annual Report be received.

#### **Contribution to Sustainability**

Internal Audit activities and reports contribute to the sustainability of the City by providing advice and assurance that controls supporting the delivery of services and programs are effective. Longer term sustainability needs the support of good, efficient risk mitigation strategies. Internal Audit can provide support for that sustainability by providing independent advice and assurance.

#### **Economic Impact**

There are no direct economic impacts associated with this report.

#### **Communications Plan**

Not applicable.

#### **Purpose**

This report outlines the activities of the Internal Audit Department for the period January 1 through December 31, 2016. It is not a report on the results of the audits conducted, as this information is presented separately throughout the year.

#### **Background - Analysis and Options**

In accordance with the City's Internal Audit Policy, an annual report shall be submitted to the Finance, Administration and Audit Committee outlining the annual activities of the Internal Audit Department.

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#### **Item 9, Finance Report No. 5 – Page 2**

The report covers several topics, including:

- An overview of the Internal Audit Department's purpose, governance structure and organizational interrelationships.
- An update on the Department's current status as it relates to staffing, meeting deliverables and performance management.
- An analysis of common themes and issues from prior audit reports.
- The Anonymous Reporting System annual update, including a summary of the issues raised, trend analysis and performance comparison against the NAVEX Global Benchmark.

#### **Relationship to Term of Council Service Excellence Strategy Map (2014-2018)**

This report supports the Term of Council Priority: Continue to Advance a Culture of Excellence in Governance, and the Service Excellence Initiative: Corporate Governance and Accountability Framework.

#### **Regional Implications**

Not applicable.

#### **Conclusion**

The Internal Audit Department continues to be able to carry out its activities free from interference and remains organizationally independent.

Any threats to the Internal Audit Department's independence or objectivity, whether perceived or actual, will be managed at the individual auditor, engagement, functional, and organizational levels, and be brought to the attention of the FA&A Committee should it occur.

In 2017, we will continue to conduct the scheduled engagements as per the Council approved 2015-2018 Internal Audit Risk Based Work Plan, which provides a combination of risk and control advice and assurance designed to add value and improve the City's operations.

#### **Attachment**

1. Internal Audit Report – 2016 Annual Report

#### **Report prepared by:**

Kevin Shapiro CIA CFE CRMA  
Director, Internal Audit

(A copy of the attachments referred to in the foregoing have been forwarded to each Member of Council and a copy thereof is also on file in the office of the City Clerk.)