

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF MAY 23, 2018

Item 1, 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 23, 2018.

1 INTERNAL AUDIT REPORT – 2017 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 7, be approved; and**
- 2) That Communication C3, presentation material entitled, *"Internal Audit Annual Report"*, dated May 7, 2018, be received.**

Recommendations

- 1. That the attached report, Internal Audit Department 2017 Annual Report be received.**

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

Item:



Finance, Administration and Audit Committee Report

DATE: Monday, May 07, 2018

WARD(S): ALL

TITLE: INTERNAL AUDIT REPORT – 2017 ANNUAL REPORT

FROM:

Kevin Shapiro, Director of Internal Audit

ACTION: FOR INFORMATION

Purpose

This report outlines the activities of the Internal Audit Department for the period January 1 through December 31, 2017. It is not a report on the results of the audits conducted, as this information is presented separately throughout the year.

Recommendations

1. That the attached report, Internal Audit Department 2017 Annual Report be received.

Report Highlights

- The Internal Audit Department continues to be able to carry out its activities free from interference and remains organizationally independent.
- Based on existing resources, Internal Audit will be able to execute the remaining engagements on the Council approved 2015-2018 Internal Audit Risk Based Work Plan.

Background

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.

Previous Reports/Authority

Not applicable.

Analysis and Options

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 completing the projects on the 2015 – 2018 Internal Audit Risk Based Work Plan, staffing, meeting deliverables and performance management.
- An analysis of common themes and issues from prior audit reports.
- The annual update on the status of completed and outstanding management action plans to address audit report recommendations.
- The Anonymous Reporting System annual update, including a summary of the issues raised, trend analysis and performance comparison against the NAVEX Global Benchmark.

Financial Impact

There are no direct economic impacts associated with this report.

Broader Regional Impacts/Considerations

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 2018, Internal Audit 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.

For more information, please contact: Kevin Shapiro, Director of Internal Audit, ext. 8293

Attachments

1. Internal Audit Report – 2017 Annual Report

Prepared by

Kevin Shapiro, Director of Internal Audit, ext. 8293