

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF JUNE 25, 2013

Item 2, Report No. 8, of the Finance and Administration Committee, which was adopted without amendment by the Council of the City of Vaughan on June 25, 2013.

2 2012-2014 INTERNAL AUDIT RISK BASED WORK PLAN – CURRENT STATUS AND REVISIONS

The Finance and Administration Committee recommends:

- 1) That the recommendation contained in the following report of the Director of Internal Audit, dated June 10, 2013, be approved; and**
- 2) That Communication C3, Presentation Material, entitled, *“Internal Audit Risk Based Work Plan Current Status and Revisions”*, be received.**

Recommendation

The Director of Internal Audit recommends that the 2012-2014 Internal Audit Risk Based Work Plan – Current Status and Revisions be approved.

Contribution to Sustainability

Internal Audit activities and subsequent reports contribute to the sustainability of the City by providing advice and assurance that controls supporting the effective 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.

A Risk Based Work Plan focuses priority on audit engagements that can provide the greatest value to the City.

Economic Impact

There are no direct economic impacts associated with this Work Plan.

Communications Plan

Not applicable.

Purpose

To present to the Finance and Administration Committee 2012-2014 Internal Audit Risk Based Work Plan – Current Status and Revisions for approval.

Background - Analysis and Options

The 2012-2014 Internal Audit Risk Based Work Plan was developed based on a combination of factors including using an audit risk ranking tool, reviewing the tool and the results with senior management and analyzing emerging risks prevalent in the public sector.

Internal Audit has a professional responsibility to develop audit plans that focus on risk in the City. In addition, the plan should be dynamic and flexible. Changes to the work plan may be required to reflect emerging risks and issues as they unfold. To accommodate this flexibility, the previously approved plan was revised to recognize a combination of a changing risk profile and the need to do more city-wide or enterprise audits. The plan continues to be based on more projects than can be done with current staff and resources. This will allow Internal Audit to schedule projects based on client availability and priority risks. As of the end of April 2013, four audit projects have been

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completed. It is expected that with current resources, a total of ten to twelve audit projects or engagements will be completed by the end of 2014.

Internal Audit will keep the Finance and Administration Committee updated should further changes to the plan be required.

Relationship to Vaughan Vision 2020/Strategic Plan

This 2012-2014 Internal Audit Risk Based Work Plan – Current Status and Revisions is consistent with the priorities previously set by Council and the resources have been allocated and approved.

Regional Implications

Not applicable.

Conclusion

Internal Audit provides more value when the planning processes are flexible and linked to changing risk conditions. This enables Internal Audit to focus on the “right controls to manage the right risks”. To support this approach, the plan will continue to focus on both program and service delivery risk, as well as those corporate or enterprise processes that support the delivery of City-wide services.

Attachment

2012-2014 Internal Audit Risk Based Work Plan – Current Status and Revisions

Report prepared by:

Paul Wallis CMA, CIA, CISA
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.)