

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF OCTOBER 30, 2012

Item 4, Report No. 10, of the Finance and Administration Committee, which was adopted without amendment by the Council of the City of Vaughan on October 30, 2012.

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INTERNAL AUDIT CHARTER

The Finance and Administration Committee recommends:

- 1) That the Internal Audit Charter be approved subject to deleting under the section “Accountability” the words “Management and” where it appears in the first sentence and replacing the word “Region’s” with “City’s” where it appears in the first bullet so that it now reads:**

ACCOUNTABILITY

The Director of Internal Audit will be accountable to Council.

- Provide, at least annually based on the scope of work performed, an assessment of the effectiveness of the City’s risk management practices. Thematic based reporting will support the assessment.**
- 2) That the following report of the Director of Internal Audit, dated October 15, 2012, be received.**

Recommendation

The Director of Internal Audit recommends that the revised Internal Audit Charter 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.

An effective Internal Audit Charter outlines the responsibilities and accountabilities of both management and the Internal Audit Department.

Economic Impact

There are no direct economic impacts associated with this charter.

Communications Plan

Not applicable.

Purpose

To present to the Finance and Administration Committee the revised Internal Audit Charter for approval.

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Background - Analysis and Options

Better practice recommends that the Charter be reviewed annually either with the Audit Committee or an equivalent oversight governing body. For the City of Vaughan, the Finance and Administration Committee, consisting of the Mayor and all City Councilors is the oversight governing body.

The Internal Audit Charter has been updated to reflect better practice standards that are compliant with the International Professional Practice Framework (IPPF) and better clarify internal audit roles and responsibilities.

The revised Charter is significantly different from the previous version. It adopts the Institute of Internal Auditors (IIA) model charter format and is more principle based. The Director of Internal Audit's accountability and authority is more clearly defined. The newly added "Principles" section emphasizes a new partnership approach to promote stronger governance, accountability and risk management.

Relationship to Vaughan Vision 2020/Strategic Plan

This new Internal Audit Charter is consistent with the priorities previously set by Council and the necessary resources have been allocated and approved.

Regional Implications

Not applicable.

Conclusion

The Internal Audit Charter represents better practice and supports good public sector governance. The recommended revised Charter keeps it current and reflects the important assurance and advisory roles and responsibilities of the Internal Audit function.

Attachment

Internal Audit Charter

Report prepared by:

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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.)