

The Regional Municipality of York

Audit Committee
January 14, 2021

Report of the Director, Audit Services

Audit Services Branch Charter

1. Recommendations

Regional Council approve the Audit Services Branch Charter (Attachment 1).

2. Summary

An Audit Services Charter is a governance document that establishes the Audit Services Branch's position within the Region and defines its overall purpose, authority and responsibility. The adoption of an Audit Services Charter explicitly sets out the standards under which the Audit Services Branch will perform its responsibilities.

As required by the *International Standards for the Professional Practice of Internal Auditing (Standards)*, the Audit Services Charter must be approved by the Audit Committee. The Audit Committee has an existing Audit Committee Charter which defines its authority, roles, and responsibilities. It was last updated at the June 7, 2017 Audit Committee meeting and approved by Regional Council on June 29, 2017.

3. Background

Audit Committee Charter and the Audit Services Branch Charter

The Audit Committee Charter sets out the purpose, authority, roles and responsibilities in regard to the Audit Committee's fulfilment of its oversight role over the financial reporting process, the system of internal controls of the Region, the internal audit process, and the Region's process for monitoring compliance with laws and regulations and the Code of Conduct. The Audit Committee Charter is attached for reference as Attachment 2.

The Audit Services Branch's authority and responsibilities are included in section 5.3 of the Audit Committee Charter; however, an Audit Services Branch Charter has not been developed and approved by the Audit Committee outlining the Audit Services Branch position within the Region and its scope, authority, roles, responsibilities and its conformance with the *Standards*. Both charters are important components of organizational governance.

4. Analysis

The Audit Services Branch Charter provides the details on how the Audit Services Branch will conform to the International Standards for the Professional Practice of Internal Auditing

The Audit Committee is responsible to review the effectiveness of the Audit Services Branch, including its compliance to the *International Standards for the Professional Practice of Internal Auditing (Standards)*. The Audit Services Branch Charter formally establishes this compliance in detail by:

- Setting the purpose and mission of the Audit Services Branch
- Identifying and describing for Regional Council and staff the detailed standards under which the Audit Services Branch is expected to perform their responsibilities
- Helping to ensure the Audit Services Branch has authority and access to fulfill its duties
- More clearly defining the Audit Services Branch's independence, objectivity and scope of activities and responsibilities
- Formally recognizing a quality assurance and improvement program that helps Regional Council maintain confidence in the effectiveness of the work performed by the Audit Services Branch

Audit Services initiative supports the Strategic Plan

The Audit Services Branch, through both audit and consulting engagements, assists the Region in achieving operational excellence and fiscal responsibility, which are two of the action areas in Vision 2051 under Open and Responsive Governance. The audit and consulting assignments assist management in ensuring processes are efficient, effective and economical.

5. Financial

Audit Services Branch will manage its workload within the Audit Services budget.

6. Local Impact

In addition to providing audit and consulting services to the Region, the Audit Services Branch also provides services to seven of the local municipalities through a Memorandum of Understanding, on a cost recovery basis.

7. Conclusion

The Audit Services Branch Charter is a governance document that improves and strengthens the Audit Services Branch position within the Region and defines its scope, authority, roles, responsibilities and conformance with the *Standards*. The Charter supports the Strategic Plan priority of Good Government to deliver trusted and efficient services.

For more information on this report, please contact Michelle Morris, Director, Audit Services at 1-877-464-9675 ext. 71205. Accessible formats or communication supports are available upon request.

Recommended by: **Michelle Morris**
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Attachments (2)
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