

The Regional Municipality of York

Audit Committee

January 26, 2023

Report of the Director, Audit Services

Audit Services Branch Report

1. Recommendations

1. Council receive this report for information.

2. Summary

This report provides an update on the activities of the Audit Services Branch since the last Audit Committee meeting held on June 9, 2022.

3. Background

The Audit Services Branch provides independent, objective assurance and consulting services designed to add value and improve York Region's operations. Audit Committee meets twice yearly and receives the Audit Services Branch activities in the fulfilment of their oversight responsibilities on the Region's systems of internal control and the audit process.

4. Analysis

Audit Plan Execution

The Audit Services Branch 2022 Risk-Based Work Plan (Work Plan) was approved by Council on February 24, 2022. A status update of the Work Plan is included in Attachment 1. Audit projects completed – Handling of Private Information, Water and Wastewater Billing and Development Charges are included as Attachments 2, 3, and 4 respectively. An update on the Status of Management Action Plans is included in Attachment 5.

As required by the *International Standards for the Professional Practice of Internal Auditing* (Standards), the internal audit activity must complete a quality assessment with external validation every five years. Audit Services completed the quality assessment in November 2022 and the Quality Assessment report is presented for information under a separate report. Additionally, the Standards require that an annual risk assessment is conducted with management's input to inform the development of the Annual Risk-Based Work Plan. The

proposed 2023 Annual Risk-Based Work Plan is presented for approval under a separate report.

Audit Services continues to conduct audits with several projects in progress and has seen an increase in consulting projects. Additionally, Audit Services continues to follow up on outstanding management action plans, maintain the quality assurance and improvement program that covers all aspects of the internal audit activity and advance the Fraud Prevention Program. Core elements that have been advanced as part of the Fraud Prevention Program include the draft Fraud Prevention Policy and the continued development of the Fraud Risk Assessment that will be rolled out through validation with management. Investigation services continue to be completed as required.

Audit Reports Issued

The following audit reports have been issued since June 9, 2022:

- Handling of Private Information Audit (Attachment 2)
- Water and Wastewater Billing Audit (Attachment 3)
- Development Charges Audit (Attachment 4)
- September 2022 Status of Management Action Plans (Attachment 5)

Audit Services Branch supports Vision and the 2019 to 2023 Strategic Plan

The Audit Services Branch, through its service offerings including assurance, consulting and investigation services, assists the Region in achieving its goals and community results areas in Vision and in the 2019 to 2023 Strategic Plan under Good Government. The internal audit activity is designed to add value and improve the organization's operations through a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, controls and processes.

5. Financial

Audit Services continues to manage its workload within the allocated budget.

6. Local Impact

The Audit Services Branch provides auditing, consulting and investigative services to seven of the local municipalities through an Agreement on a cost recovery basis.

7. Conclusion

Audit Services continues to conduct audits, provide consulting and investigative services, advance the Fraud Prevention Program, follow up on management action plans and maintain

the quality assurance and improvement program. An update of Audit Services activities will be brought forward to the next Audit Committee meeting scheduled for June 2023.

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

Recommended by: **Michelle Morris**
Director, Audit Services

Approved for Submission:

Attachments (5)

1. eDocs# 14428312 – Status of the 2022 Audit Services Risk Based Work Plan
2. eDocs# 14428345 – Handling of Private Information Audit
3. eDocs# 14428398 – PW ENV Water Services Billing Audit
4. eDocs# 14428422 – Development Charges Audit
5. eDocs# 14428460 – Status of Management Action Plans

eDOCS # 14428273