

The Regional Municipality of York

Audit Committee
January 26, 2023

Report of the Director, Audit Services

2022 Quality Assessment Results

1. Recommendations

1. Council receive this report for information.

2. Summary

This report provides the Audit Committee the results of the Audit Services Branch 2022 Quality Assessment of the internal audit activity.

Key Points:

- The *International Standards for the Professional Practice of Internal Auditing* (the *Standards*) issued by the Institute of Internal Auditors requires that an external quality assessment of an internal audit activity must be conducted at least once every five years
- The self-assessment results indicate York Region's Audit Services Branch is in conformance with the *Standards* and Code of Ethics
- Independent validation by an external assessor concurred fully with the results of the self-assessment
- Audit Services (internal audit activity) received the top rating achievable which is generally conforms
- The self-assessment process highlights successful internal audit practices and identifies opportunities for improvements

3. Background

The Institute of Internal Auditors (IIA) is the global internal audit profession's leader in standards, certification, education, research and technical guidance. The *International Standards for the Professional Practice of Internal Auditing* (the *Standards*) issued by the IIA require that an external quality assessment of an internal audit activity must be conducted at least once every five years by a qualified, independent assessor of assessment team from outside the organization. The last Quality Assessment was conducted in 2017.

The Quality Assessment (QA) can be accomplished through a full external assessment or a self-assessment with independent validation. York Region Audit Services Branch conducted a self-assessment of its internal audit activity and selected IIA Quality Services, LLC as the qualified, independent external validator to conduct a validation of the self-assessment.

4. Analysis

Based on the self-assessment, it is our overall opinion that Audit Services (internal audit activity) at York Region generally conforms with the *Standards* and the Code of Ethics. Generally conforms is the top rating achievable through the Quality Assessment process. This rating indicates that the internal audit activity has a charter, policies, and processes that are judged to be in conformance with the *Standards* and Code of Ethics. Independent validation by the external validator concurred fully with the results of the self assessment. The full report which includes the results of the Quality Assessment, the overall conclusion and the Independent Validation Statement is included in Attachment 1.

Audit Services Branch supports Vision

Audit Services supports Vision through its service offerings including assurance and consulting engagements and investigative services. A core element of Audit Services is to add value and improve the organization's operations through the evaluating of the effectiveness of the organization's governance, risk management and controls processes.

5. Financial

The Quality Assessment was funded with the Audit Services approved 2022 budget.

6. Local Impact

Audit Services provides audit services to 7 of the 9 municipalities under an Agreement. The Quality Assessment provides assurance to the partner municipalities that the services provided are in compliance with the IIA *Standards* and Code of Ethics.

7. Conclusion

Audit Services has completed the Quality Assessment through a self-assessment with external validation as required by the IIA *Standards*. Audit Services received the top ranking achievable which is generally conforms. The external validator concurred with the results. The next Quality Assessment for Audit Services (internal audit activity) will be due in 2027.

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**
Director, Audit Services

Attachments (1)
eDocs# 14428676 – Audit Services Quality Assessment (Details)

eDOCS # 14428551