

The Regional Municipality of York

Audit Committee

June 8, 2023

Report of the Director, Audit Services

Audit Services Branch Report

1. Recommendations

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 January 26, 2023.

3. Background

The Audit Services Branch provides independent, objective assurance and advisory services designed to add value and help 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 2023 Risk-Based Work Plan (Work Plan) was approved by Council on February 23, 2023. A status update of the Work Plan is included in Appendix A. Audit projects completed – Payment Card Industry Data Security Standards is reported separately and in private pursuant to Section 239(1)(a) of the *Municipal Act, 2001* as it concerns security of Regional Property. An update on the Status of Management Action Plans as at March 31, 2023 is included in Attachment 1.

Audit Services continues to deliver on the 2023 Work Plan with several audits in progress. Additionally, Audit Services continues to follow up on outstanding management action plans, provide advisory services, maintain the quality assurance and improvement program that covers all aspects of the internal audit activity and advance the Fraud Prevention Program. Investigation services continue to be completed as required.

Audit Reports Issued

The following audit reports have been issued since January 26, 2023:

- March 2023 Status of Management Actions Plans (Attachment 1)
- Payment Card Industry Data Security Standards Audit (Private Attachment)

Audit Services Branch supports Vision and the 2023 to 2027 Strategic Plan

The Audit Services Branch, through its service offerings including assurance, advisory, and investigative services, assists the Region in achieving its goals and community results areas in Vision and in the 2023 to 2027 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 governance, risk management, and internal controls.

5. Financial

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

6. Local Impact

The Audit Services Branch provides auditing, advisory, 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 advisory 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 January 2024.

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

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Appendix A – Status of the 2023 Risk Based Work Plan

Attachment 1 – Status of Management Action Plans Report March 31, 2023

Private Attachment 1 - Payment Card Industry Data Security Standards Audit

STATUS OF AUDIT SERVICES BRANCH 2023 RISK-BASED WORK PLAN

Table 1 – Status of Audit Projects

Strategic Plan Area of Focus	Department	Project	Status
Economic Vitality	Transportation	Bus Operations Contracts Audit	Not started
Good Government	Legal Services – Court Services	Revenue Management	In progress
	Finance – Strategy & Transformation	Payroll Audit	In progress
	Finance	Procurement	Not started
	Finance – Controllership Office	PCI Compliance	Complete
	Corporate Services – Information Technology *	Cyber Security	In progress
Healthy Communities	Community and Health Services – Shelter Operations	Shelter Operations	Not started
	Community and Health Services – Long Term Care Homes	Long Term Care Homes	Not started
Sustainable Environment	Environmental Services – Operations Maintenance & Monitoring	Waste Management arrangements between the Region and local municipalities	In progress
	Environmental Services – Infrastructure Asset Management*	SCADA Audit	In progress

STATUS OF AUDIT SERVICES BRANCH 2022 RISK-BASED WORK PLAN

Table 2 – Other Activities

Project Name	Status
1. Forensic Investigation Services	Ongoing
2. Advisory Services <ul style="list-style-type: none"> • Vaccine Review 	Ongoing
3. Control Monitoring Program	Ongoing
4. Quality Assurance and Improvement Initiatives <ul style="list-style-type: none"> • Audit Software implementation • Institute of Internal Auditors Standards Update • Reporting in the Internal Quality Assurance process 	Ongoing
5. Audit Services under the Agreement for seven of the local municipalities	Ongoing
6. Education and Outreach – Internal Audit Awareness May 2023 Campaign	Complete
7. Risk-Based Work Plan 2024	Not started
8. Fraud Prevention Program	In progress

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