



To: Audit Committee
Meeting Date: January 25, 2024
From: Michelle Morris
Director, Audit Services
Re: **Audit Services 2023 Balanced Scorecard**

This memo is for information purposes to provide Audit Committee with an introduction to the Audit Services branch's internal quality improvement initiative, balanced scorecard performance reporting, and a summary of the 2023 results.

Background

The Institute of Internal Auditors (IIA) International Standards for the Professional Practice of Internal Auditing Standard 2060 – Reporting to Senior Management and the Board requires *the chief audit executive to report periodically to senior management and the board on the internal audit activity's purpose, authority, responsibility and performance relative to its plan.*

In line with IIA Standard 2060, the Audit Services branch has developed and implemented a balanced scorecard reporting process to enhance the effectiveness of reporting to senior management and the Audit Committee on the results of Audit Services' activities.

The balanced scorecard approach is one method used to translate the internal audit strategy and key performance indicators, both qualitative and quantitative, into action with the goal of helping to manage and measure the performance of the internal audit function in line with the corporation's strategy.

Balanced Scorecard Metrics

The balanced scorecard metrics reported for fiscal 2023 were designed to provide Audit Committee with an overview of the Audit Services branch performance results for a specific set of qualitative and quantitative measurements. The measurements reported for fiscal 2023 support IIA Standard 1300 – Quality Assurance and Improvement Program, which is designed to assess the effectiveness and efficiency of the internal audit activity.

The metrics for the 2023 balanced scorecard include a specific set of internal audit performance measurements related to people development, innovation/technology, work plan, and client satisfaction.

Audit Services will continue to refine and update the balanced scorecard performance measurements and reporting process to reflect changes in IIA Standards and to incorporate feedback from key stakeholders within the Region.

2023 Balanced Scorecard Summarized Results

Balance Scorecard Elements	Examples of Internal Audit Function Key Performance Indicators (KPIs)	Actual Results
Client Services / Industries Knowledge	Client Satisfaction Rating - 2022 Survey Result	On a scale of 0 to 4 Audit Governance - 3.76 Audit Staff skillsets - 3.38 Audit Management - 3.56 Audit Process - 3.54
People Development	Continuous Professional Education (CPE) & IIA Code of Ethics Compliance	100% CPE compliance by December 31, 2023 100% IIA Code of Ethics - Achieved for 2023
Audit Services Work Plan	2023 Risk Based Work Plan	60% Audits completed in compliance to IIA Standards
	Quality Review	Audit Services - General Conformance to IIA Standards
Innovation / Technology	Data analytics - OW Fraud detection	No anomaly noted in 2023
	Develop Templates in Audit Software Staff Training recorded in Audit Software	100% template usage and training completion targeted for Q4, 2024

The full Balance Scorecard for Audit Services is included in Attachment 1.

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

Original signed

Michelle Morris
Director, Audit Services

eDocs# 15880129

Appendix 1 – 2023 Balanced Scorecard Results

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Balance Scorecard Elements	Audit Services' Key Performance Indicators (KPIs)	Mechanism	Target	Actual Results																		
Client Services / Industries Knowledge	Client Satisfaction Rating - 2022 Survey Result	IIA Quality conducted satisfaction survey to audit clients and stakeholders. The survey indicated the level of satisfaction with: Internal Audit Governance Internal Audit Staff Internal Audit Management Internal Audit Process	4.00 = Strongly Agree 3.00 = Agree 2.00 = Disagree 1.00 = Strongly Disagree 0.00 = Do Not Know/No Response	<table border="1"> <thead> <tr> <th colspan="3">2022 Survey Results</th> </tr> <tr> <th></th> <th>Client</th> <th>Universe</th> </tr> </thead> <tbody> <tr> <td>Internal Audit Governance</td> <td>3.76</td> <td>3.52</td> </tr> <tr> <td>Internal Audit Staff</td> <td>3.38</td> <td>3.23</td> </tr> <tr> <td>Internal Audit Management</td> <td>3.56</td> <td>3.39</td> </tr> <tr> <td>Internal Audit Process</td> <td>3.54</td> <td>3.33</td> </tr> </tbody> </table> <p>York Audit Services scores exceeded the IIA Universe benchmark, which represents the weighted average of all respondents from all organizations that completed this survey since May 2013</p>	2022 Survey Results				Client	Universe	Internal Audit Governance	3.76	3.52	Internal Audit Staff	3.38	3.23	Internal Audit Management	3.56	3.39	Internal Audit Process	3.54	3.33
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People Development	Continuous Professional Education	% of staff completing the required CPE hours	As at December 31, 2023 100% compliance with CPE Hours	On Target. 100% compliance expected by December 31, 2023.																		
	IIA Code of Ethics Declaration	% of staff completing the IIA Code of Ethics declaration	100% completion of IIA Code of Ethics declaration	100% compliance achieved for 2023.																		
	Completion of required Ethics component required by IIA	% of staff completing the required ethics component required by IIA	100% completion of ethics hours as per IIA requirements	On Target. 100% completion is expected by December 31, 2023.																		
Audit Services Work Plan	2023 Risk Based Work Plan	Status of the 2023 Risk-Based Work Plan: # of Audits in Work Plan # of Audits Completed # of Audits in Progress	Completion of Audit engagements per their scheduled timelines	For 2023 Risk-Based Work Plan: 6/10 (60%) audits completed. 3/10 (30%) audits in progress. 1/10 (10%) audit to start in Q1, 2024.																		
	Quality Assurance Improvement Program (QAIP) – conformance with the Standards	Internal Quality Partner (IQP) Review to IIA Standards	Number of IQP Reviews completed	All 6 (100%) completed audits were IQP reviewed.																		

	Quality Review 2022	Compliance with the IIA QAIP	IIA Quality Compliance	External Validation for IIA's QAIP by an IIA Certified Assessor. General Conformance to IIA Standards.
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Balance Scorecard Element	Examples of Internal Audit Function Key Performance Indicators (KPIs)	Mechanism	Target	Actual Results
Innovation / Technology	Data analytics used for OW fraud-related	Annual Database Analytics for fraud detection at Ontario Works	Identify potential fraud in OW database	100% of matched IDs verified with Eligibility Review Officers in the Community and Health Sciences. No anomalies noted in 2023.
	Implementation of Audit software to gain efficiencies in Audit projects and better reporting	Develop all Audit reporting templates into the cloud-based Audit specific software	All Audit templates developed and functional in the Audit Software including Audit Announcement Emails, Risk Assessments, Engagement Letters, and Audit and Advisory Draft and Final Reports	100% development of all audit templates in the Audit Software by Q4 2024.
		Staff Training and Development documented in Audit software	The timekeeping function record time spent on: Audits, Advisory engagements and Staff training (including ethics and fraud-specific hours)	100% usage and tracking of timekeeping function (including time worked for Audit and Advisory engagements and Staff training) in the Audit Software by Q4 2024