



Office of the Chief Administrative Officer
Audit Services
Memorandum
FOR INFORMATION

To: Audit Committee
Meeting Date: January 25, 2024
From: Michelle Morris
Director, Audit Services
Re: **Audit Services Branch Report**

This memo provides an update on the activities of the Audit Services Branch since the last Audit Committee held on June 8, 2023. The Audit Services Branch provides independent, objective assurance and advisory services designed to add value and improve York Region's operations. Audit Committee meets twice yearly and receives the Audit Services Branch activities in fulfilling their oversight responsibilities on the Region's systems of internal control and the audit process.

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 Attachment 1.

Audit projects completed since June 2023 are noted below:

- Court Services Revenue Management (Attachment 2)
- Payroll (Phase I) (Attachment 3)
- Contaminated Recyclables (Attachment 4)
- Cyber Security (physical) (Attachment 5 In Private)
- September 2023 Status of Management Action Plans (Attachment 6)

Observation 4.5 of the Payroll Audit is presented in Private Attachment 7 pursuant to the *Municipal Act, 2001* Section 239(2)(d) as it involves labour relations. The Cyber Security (physical) Audit is presented in Private Attachment 5 pursuant to the *Municipal Act, 2001* Section 239(2)(a) as it involves the security of the Region's property and finally the Status of Management Actions Plans – Payment Card Industry Data Security Standards Audit is presented in Private Attachment 8 pursuant to the *Municipal Act, 2001* Section 239(2)(a) as it involves security of the Region's property.

Quality Assurance and Improvement Program

The Institute of Internal Auditors (IIA) International Standards (the Standards) for the Professional Practice of Internal Auditing Standard 1320 Reporting on the Quality Assurance and Improvement Program requires that the *chief audit executive must communicate the results of the quality assurance and improvement program to senior management and the board*; additionally 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 and on conformance with the Code of Ethics and the Standards*. To ensure compliance with the Standards, Audit Services has developed an inaugural Audit Services Dashboard outlining four core metrics – Client Services, People Development, Work Plan Status, and Innovation and Technology. The Audit Services Dashboard is presented for information under a separate memo.

Audit Services Risk Based Work Plan

The Standards require that an annual risk assessment is conducted with management's input to inform development of the Annual Risk-Based Work Plan. The proposed 2024 Annual Risk-Based Work Plan is presented for approval under a separate report.

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

Original signed

Michelle Morris
Director, Audit Services

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Attachments:

Attachment 1 – Status of Audit Services Risk Based Work Plan

Attachment 2 – Court Services Revenue Management Audit

Attachment 3 – Payroll (Phase I) Audit

Attachment 4 – Contaminated Recyclables Audit
Attachment 6 – Status of Management Action Plans

Private Attachments:

Private Attachment 5 - Private Cyber Security (Physical) Audit
Private Attachment 7 – Payroll (Phase I) Audit Observation 4.5
Private Attachment 8 – Status of Management Action Plans – PCI DSS