

Agenda

Audit Committee

4th Meeting of the Audit Committee

November 4, 2020, 12:00 PM

Virtual Meeting - during the COVID-19 Emergency

City Hall is open to the public, with reduced capacity and physical distancing requirements.

Meetings can be viewed via live-streaming on YouTube and the City website.

Members

Deputy Mayor J. Helmer (Chair), M. van Holst, J. Morgan, S. Turner, L. Higgs

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Pages

1. **Disclosures of Pecuniary Interest**
2. **Consent**
3. **Scheduled Items**
4. **Items for Direction**
 - 4.1. Internal Audit Summary Update 2
 - 4.2. Internal Audit Dashboard as at October 20, 2020 3
 - 4.3. Observation Summary as at October 20, 2020 4
5. **Deferred Matters/Additional Business**
6. **Adjournment**

October 20, 2020

Members of The Corporation of the City of London Audit Committee

Subject: Internal Audit Summary Update

Internal Audit has included a summary memo with our material to highlight major accomplishments since our last update to the Audit Committee and to draw your attention to the matters of greatest importance. We will cover these documents in more detail at the meeting and respond to all questions you may have.

1. Revised Internal Audit Plan Dashboard

- a. Scoping, and fieldwork are underway for the three (3) approved Internal Audit Projects. Fieldwork and draft reporting is planned to be completed by the end of December. Summary of projects underway:
 - i. Police Services Time Management and Scheduling Review
 - ii. Assumptions and Security Review
 - iii. PerfectMind Reconciliation Process Review

2. Audit Observation Status Summary of High and Medium Priority Observations

- a. Management continues to report they are on track to implementing the recommendations for the following internal audit projects:
 - i. Parking Revenue Generation Assessment
 - ii. Homeless Prevention Assessment
 - iii. Construction Procurement Process Assessment
 - iv. Computerized Maintenance Management System Review







We are comfortable that management is making progress to remediate open items based on the timelines and work plans in place which they have committed and asserted to completing given the current circumstances.

- b. Management Accepts the Risk for the remaining 4 Dearness Observations. Given the current situation for Long Term Care Homes and priority of COVID - 19 activities, significant actions have been undertaken and are underway to close the observations and respond to government requirements. Management accepts the remaining risk which is minimal and commits to reassessing the relevant recommendations once operations return to normalcy.







The Corporation of the City of London

Internal audit dashboard as at October 20, 2020

Project status – Revised 2020 internal audit plan

2020 Audit plan project	Percent complete	Est. timeframe ¹	Project status	Report issued
• London Police Services Time Management and Scheduling	 25%	October – December	OT	
• Assumptions and Securities Assessment	 15%	October - December	OT	
• PerfectMind Reconciliation Process Review	 25%	October - December	OT	

2020 Completed Internal Audit Projects

• Computerised Maintenance Management System (CMMS) Pre-implementation Review	 100%	
• Service London Process Assessment	 100%	
• Class Replacement Project Post- Implementation Reconciliation Process Review	 100%	

OT – On track

DF – Deferred

DL – Delayed

Comments

¹ Agreed timing with management to scope project and kick-off fieldwork

Internal audit activities – October 2020 to January 2021

- October to December 2020 - Fieldwork (interviews and testing) and reporting
- January 2021 - Revisit IA Plan with Senior Leadership and Audit Committee

Other activities

- Prepare Audit Committee meeting materials
- Observation follow-ups and validation

2020 Performance metrics

Project customer satisfaction

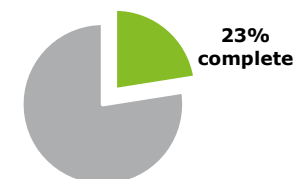
Overall quality of work/satisfaction level (Based on completed reports surveys returned)

1 3 5



Objective = 4

% Complete of the Revised 2020 internal audit plan



Internal audit 2020 Revised IA plan Reporting

	Draft (days)	Management comment (days)	Issue final (days)	Final (days)
• Objective	5.0	15.0	10.0	30.0
• Performance				



**City of London Audit Committee Observation Summary
As at October 20, 2020**

LEGEND	
Observations closed	All observations have been addressed by management
Remediation in progress	Observations in progress are being addressed by management including observations where initial timeline was missed but a plan is in place for remediation that appears acceptable
Remediation in progress - exceptions noted	Management has missed implementation deadlines for observations and no adequate resource plan has been identified
Management accepts the risk	Management has accepted the remaining risk

Report Summary				Observation Status for Management Action Plans due October 20, 2020.					
Internal Audit Plan Year	Report	Report Issue Date	Total High & Medium Observations	Observations Closed Per Management	Closed Per Internal Audit	In Progress Observations (Not Due)	Past Due Observations	Observations Closed by IA Since September 2020 update	Timing
2017/2018	Parking Revenue Generation Assessment	Jun-18	6	5	5	3	0	0	Feb-21
2017/2018	Homeless Prevention Assessment	Oct-18	4	1	1	3	0	0	Apr-21
2017/2018	Construction Procurement Process Assessment	Aug-19	8	6	6	2	0	0	Mar-21
Sub-total 2017/2018 reports			18	12	12	8	0	0	
2019	Dearness Home Process Assessment	Feb-20	4	0	0	0	0	0	Management Accepts the Risk*
2019	Computerized Maintenance Management System Review	Jan-20	9	8	8	1	0	0	Dec-20
Sub-total 2019 reports			13	8	8	1	0	0	
Total High and Medium observations			31	20	20	9	0	0	

Closed per Management: Management has indicated that action plans due to be acted upon by October 20, 2020 are complete.

Closed per IA: Internal Audit has validated Management's assertions of observation closure through review of evidence.

In Progress Observations: Management action plans due beyond October 20, 2020 are underway or management has asserted observations are closed but Internal Audit has not yet validated.

Past Due Observations: Actions plans due by October 20, 2020 have not been fully acted upon.

Observations Closed by Internal Audit since last update: Management has indicated in the current period that action plans are complete and Internal Audit has validated through review of evidence.

Notes:

* Management Accepts the Risk for the remaining 4 Dearness Observations. Given the current situation for Long Term Care Homes and priority of COVID - 19 activities, significant actions have been undertaken and are underway to close the observations and respond to government requirements. Management accepts the remaining risk which is minimal and commits to reassessing the relevant recommendations once operations return to normalcy.