

27/05/2016

Internal Audit Services

Audit Committee Meeting
May 30, 2016

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Overview of Internal Audit Services

- History of internal audit at the City of London and decision to go external
- 2010 RFP for Internal Audit Services
- 2011 Risk Assessment
- Annual Audit Plan Approval
- Quarterly Reports and Updates
- Next Steps for 2017 Internal Audit Services

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History of Internal Audit

- April 2010 – Council approved the outsourcing of Internal Audit
- July 2010
 - Audit Committee established \$300,000 budget for internal audit – reduction from \$600,000
 - Approved internal audit RFP to be issued
- November 2010 – Review of Auditor General versus Internal Auditor models
- Ontario experience with Auditor General
- Need to consider objectives and cost

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2010 RFP Internal Audit Services

RFP sets out Maximum Scope of Work + Deliverables

Risk Assessment (Updated Annually)

Annual Audit Plan approved with input by Audit Committee

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2011 Risk Assessment



- Initial Risk Assessment presented to Audit Committee for Approval
- Departments were colour coded and assessed as
 - Higher Risk
 - Moderate Risk
 - Low Risk
- Proposed 2011-2013 internal audit work plan approved by Audit Committee

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Audit Plan Approval & Updates



- Risk assessment updated annually
- Risk based Audit Plan updated and approved by Audit Committee annually
- Quarterly Reports showing Internal Audit Results provided to Audit Committee
- Total of \$5.2M (cost avoidance, savings, revenues) included in multi-year budget
- Additional special projects added ie boards & commissions

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Next Steps



- Confirm continuation of current outsourced internal audit model which provides:
 - Lowest cost
 - Flexibility
 - Control
 - Access to expertise
 - Independence
- Develop a RFP for Internal Audit Services

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Next Steps



- Provide Direction for RFP for Internal Audit Services:
 - Scope of work
 - Expectations
 - Tentative RFP schedule
 - Contract term
 - Evaluation process including evaluation team

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