

An
Introduction to
Internal Audit
Services

March 2017

Internal Audit is a professional, independent assurance and advisory function designed to add value and improve the City of London's operations and systems of internal controls.

Internal Audit brings a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, control and governance processes.

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Background and overview



The IA Working Transition Plan is a 2 month plan developed to ensure a smooth transition of the IA function and current work in progress.



Upon completion of the Working Transition Plan, IA will have identified key areas for inclusion in the audit plan for the remainder of 2017.



IA will bring a systematic approach to evaluating and improving the effectiveness of risk management and, control and governance processes.

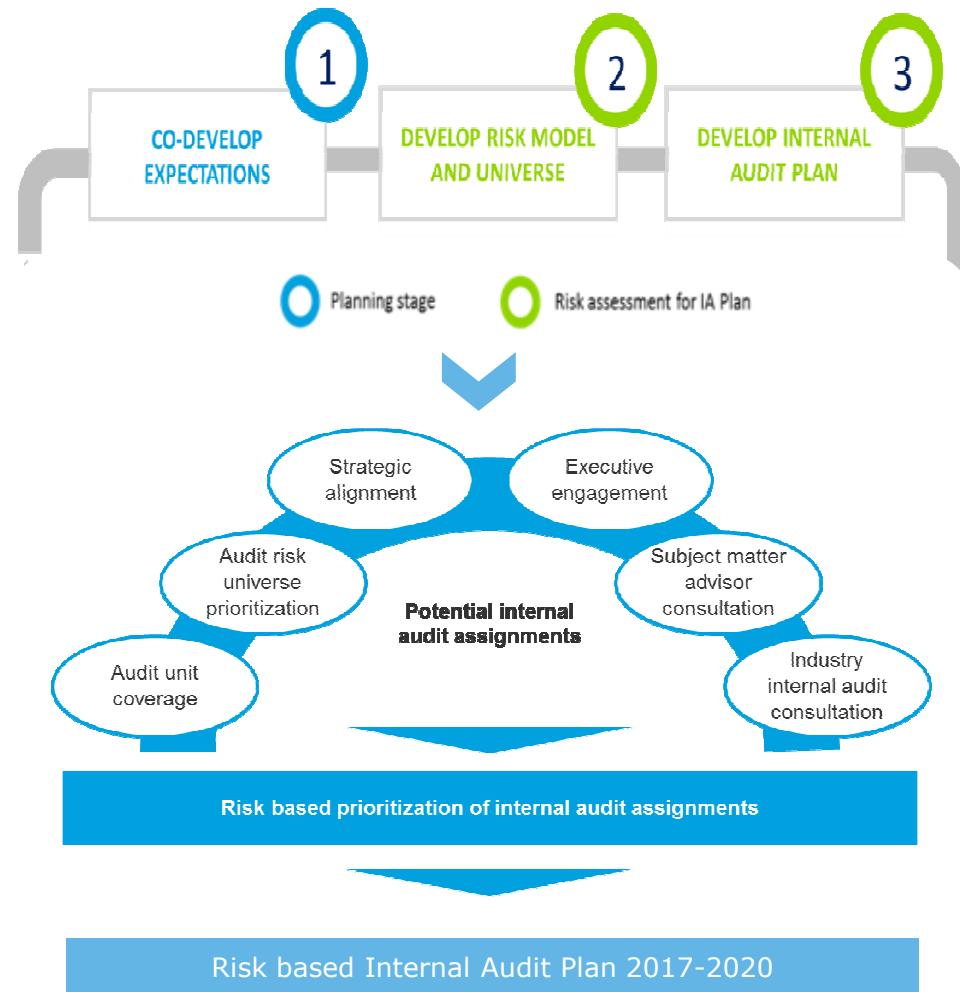


IA's work will be performed in accordance with the Institute of Internal Auditors International Standards for the Professional Practice of Internal Auditing.

Transition Plan development approach

Our approach to the transition plan and developing the Internal Audit Plan considers the following:

- IA's scope and mandate.
- Discussions with City of London Audit Committee and management.
- Alignment with strategic business plan priorities and initiatives.
- Understanding and prioritization of key risks.
- Review of previous reports and past internal audit coverage.
- Consultations with industry and internal audit subject matter advisors.
- Current and expected technology.
- Discussions with external auditors and with previous internal audit service provider.
- Team training and orientation.



Working Transition Plan - Draft

City of London
Internal Audit - Working Transition Plan (Work In Progress)
March 2017

Area	Action item	Month 1				Month 2			
		Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8
Meet with City of London Audit Committee meetings and Management	Begin development of new strategic relationships								
	Refine and finalize transition strategy and plan								
	- Discuss organization, culture and expectations in context of internal audit								
	- Discuss and confirm Deloitte team structure and team members								
	- Confirm understanding of previously used internal audit practices, tools, and technologies								
	- Discuss communication practices and protocols, including an escalation process for timely issue resolution								
	Discuss key stakeholders and plan introductory meetings and risk assessment interviews								
	Initiate and finalize logistical requirements								
	Confirm administrative protocols (invoicing procedures and templates, budget-to-actual tracking, time and expense reporting, approval process, etc.)								
Validate proposed metrics for performance and client service satisfaction									
Meet with current external auditor and previous internal audit service provider	Conduct knowledge sharing sessions to gain understanding of past audit activities, follow-up process, key focus areas, key risks, etc.								
	- Discuss recently completed risk assessment and 2016 internal audit plan								
	- Review previous audit reports and working papers (as appropriate)								
	Coordinate any completion of projects in process, including follow-up reviews								
Transition of technology and tools	Obtain understanding of assurance model with the City and determine opportunities to coordinate with the external auditors to minimize business disruption to management and duplication and facilitate effective oversight.								
	Confirm any existing internal audit technology and tools for continued use								
Team training and orientation	Begin use of Deloitte DIAMonde (our internal audit solution)								
	Receive training and orientation from City of London								
	Conduct core team training and orientation								
	Arrange City/Deloitte core team "meet and greets" and interviews								
Develop risk based four-year plan	Establish process for ongoing shared learning								
	Interviews with key stakeholders and review of City documentation								
	Review of relevant past internal audit documentation								
	Consultation with industry subject matter advisors								
	Risk assessment and association with audit universe								
Development of four year internal audit plan for Audit Committee approval									

Core IA delivery team



Jim Pryce
Lead Engagement
Partner and IT
Internal Audit
Partner



**Kathryn
Constantopoulos**
Lead Delivery Partner



Aneesa Ruffudeen
IA Project Manager



Aaron Whitcomb
Core Delivery
Member

Each project will be supported by local staff and by Deloitte subject matter advisors on industry and topics related to specific internal audit projects.



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