

Memo

Date:	January 29, 2018
To:	Members of The Corporation of the City of London Audit Committee
From:	Jim Pryce, Partner, Deloitte LLP
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. Internal Audit Dashboard Report:

- a. The approved 2017-2018 plan continues to be progressed. Internal Audit continues to engage management in scoping meetings for upcoming reviews and has regular meetings with the City Manager and City Treasurer.
- b. Internal Audit has issued two project reports since the last Audit Committee update: Freedom of information process assessment and Building permit process assessment. Action plans are in place, including a responsible party and timeline, to address the observations noted in the issued report.
- c. Per request made at the last Audit Committee meeting, a Construction Procurement Process assessment has been included in the 2017-2018 Internal Audit plan. The high level process description is as follows: Assess the processes and controls in place related to the construction procurement process. Areas to be reviewed are request for quote, tendering, change orders and contract compliance. Timing of the assessment is proposed for September to December 2018. This review will replace Rapid Transit within the audit plan.

2. Audit Observation Status Summary of High and Medium Priority Observations and past due observation trending analysis:

- a. There are no observation action items that are past due as of January 29th, 2018. We are comfortable that management is making progress on remediating open items based on the timelines established and work plans in place. We have followed up with management through our process and are comfortable that based on their assertions remediation progress is underway.

3. Reports issued:

- a. Freedom of information process assessment: Moderate process control or efficiency weaknesses identified. The report identified two high priority observations with management accepting the risk for observation 1.02 Clarity of MFIPPA Practices.
- b. Building permit process assessment: Moderate process control or efficiency weaknesses identified. The report identified three medium priority observations.