

## Memo

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**Date:** October 29, 2018

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**To:** Members of The Corporation of the City of London Audit Committee

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**From:** Jim Pryce, Partner, Deloitte LLP

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**Subject:** Internal Audit Summary Update

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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 executed and is expected to be completed by the end of January 2019. Internal Audit continues to have quarterly meetings with the City Manager and City Treasurer.
- b. Internal Audit issued two reports since the last Audit Committee update:
  - i. Procurement process assessment
  - ii. Homeless prevention assessmentAction plans on above issued reports with observations are in place to achieve established and updated timelines.
- c. Internal Audit continues to work with management to improve the performance metrics of finalizing internal audit reports.

### 2. Internal Audit Plan

- a. Internal Audit to commence activities to refresh the 2019-2021 internal audit plan in January 2019.

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

- a. Internal Audit closed two observations since the last Audit Committee update including one (1) high priority observation for Freedom of information process and one (1) medium priority observation for Management compensation process.
- b. A total of four (4) high and medium priority observations are past due as of October 29, 2018 compared to four (4) past due as of June 1, 2018:

- i. Three (3) observations continue to be past due including two (2) medium priority observations for Parks and Recreation cash handling and one (1) high priority observation for Freedom of information process.
  - ii. One (1) medium priority observation for Management compensation process has become past due since June 1, 2018.
- c. We are comfortable that management is making progress to remediate open items based on the timelines established and work plans in place which they have committed and asserted to.
- d. Additional weakness in internal controls were identified in the period requiring additional focus on Procurement process (2 medium priority observations) and Homeless prevention process (4 medium priority observations).

#### **4. Reports issued:**

- a. Procurement process assessment: Minor process control or efficiency weaknesses identified. The report identified two (2) medium priority observations and one (1) leading practice observation.
- b. Homeless prevention assessment: Minor process control or efficiency weaknesses identified. The report identified four (4) medium priority observations.