

Memo

Date: January 28, 2019

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 is near completion because not all reports are issued. Internal Audit continues to execute on the remainder of the plan and is expected to complete the remaining projects by May 2019. Internal Audit continues to have quarterly meetings with the City Manager and City Treasurer.
- b. Internal Audit has not issued any reports since the last Audit Committee update, although three projects are in the final reporting stage and set to be complete in the coming weeks.

2. Internal Audit Plan

- a. Internal Audit has commenced activities to refresh the 2019-2022 internal audit plan and a timeline is included within the package. Internal Audit targets to have the Audit Committee approve the draft 2019-2022 internal audit plan in April 2019.

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

- a. Internal Audit closed one high priority observation for Freedom of Information Process Assessment and two medium priority observations which included one for Procurement Process Assessment and one for Management Compensation Process Assessment since the last Audit Committee meeting.
- b. A total of five (5) medium priority observations are past due as of January 28, 2019 compared to the four (4) high and medium priority observations past due as at October 29, 2018:
 - i. Three (3) medium priority observations continue to be past due, including two (2) for Parks and Recreation Cash Handling Process Review, and one (1) for Management Compensation Process Assessment.
 - ii. Two (2) medium priority observations for Building Permit Process Assessment have become past due since October 29, 2018.

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.