

Memo

Date: October 28, 2019

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

From: Jim Pryce, Partner, Deloitte LLP
Aneesa Ruffudeen, Director, 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 Plan:

- a. Internal Audit is seeking Audit Committee approval of the 2020-2022 Internal Audit Plan.

2. Internal Audit Dashboard Report:

- a. The approved 2019 plan is underway. Internal Audit has initiated actions to execute on the plan and expects to have all projects underway by the end of 2019 with reporting for some reviews in early 2020.
- b. The Smart City Office Pre-implementation assessment has been ongoing as scoping discussions have been held but the project has been delayed until December 2019, to accommodate the hiring of a Smart City Manager.
- c. The remaining 2017-2018 projects continue to progress. Class Replacement Pre-implementation Project Review remains ongoing due to delay in the go live date to March 2020
- d. Internal Audit continues to have quarterly meetings with the City Manager and City Treasurer.
- e. Internal Audit completed the IT Cyber Risk Workshop with management.
- f. Internal Audit has issued two internal audit reports since the last Audit Committee update:
 - i. Parking Enforcement Assessment: Minor process control or efficiency weaknesses identified. The report identified one low priority observation and nine leading practice recommendations.

Action plans are in place, including a responsible party and timeline, to address the low priority observation noted in the issued report.

3. Audit Observation Status Summary of High and Medium Priority Observations:

- a. Since the last Audit Committee meeting, Internal Audit closed one (1) high priority observation for Housing Process Assessment, as well as, (2) medium priority observations including one (1) Building Permit Process Assessment, and one (1) Management Compensation Process Assessment,
- b. A total of two (2) medium priority observations are past due as of October 28, 2019 compared to four (4) medium priority observations past due as at August 30, 2019. The current past due items are as follows:
 - i. Two (2) medium priority observations continue to be past due since reported at the last Audit Committee meeting, including one (1) for Building Permit Process Assessment and one (1) for Housing Process Assessment. Building Permit management is currently working with ITS on the recently accepted portal upgrade project, and Housing management is developing more effective process support tools.

We are comfortable that management is making progress to remediate open items based on the timelines and work plans in place which they have committed and asserted to completing.