

March 2, 2020

Members of The Corporation of the City of London Audit Committee

**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 has updated the 2020-2022 Internal Audit Plan as per the request of the Audit Committee.
  - i. Included an Appendix D with Summary of changes from 2019 to 2020 IA plan, and
  - ii. The audit universe has been updated to reflect the requested changes.

**2. Internal Audit Dashboard Report**

- a. The approved 2020 plan is underway. Internal Audit has initiated actions to execute on the plan and scoping meetings have been scheduled with management.
- b. The Smart City Office Pre-implementation assessment: Internal Audit is requesting approval from the Audit Committee to allow this assessment to be put on hold. It will be reviewed at a future date for inclusion in the internal audit plan.
- c. Class Replacement Pre-implementation Project Review remains ongoing and is set to go live in March 2020.
- d. Internal Audit continues to have quarterly meetings with the Acting City Manager and City Treasurer.
- e. Internal Audit has issued five (5) internal audit reports since the last Audit Committee update:
  - i. IT Security Assessment: Agencies, Boards, Commissions and Corporations: Moderate process control or efficiency weaknesses identified. The report identified one (1) medium priority observation.
  - ii. Electronic Fund Transfer Assessment: Minor process control or efficiency weaknesses identified. The report identified one (1) medium priority observation, one (1) low priority observation and one (1) leading practice recommendations.
  - iii. Dearness Home Process Assessment: Moderate process control or efficiency weaknesses identified. The report identified four (4) medium priority observations.
  - iv. Computerized Maintenance Management System (CMMS) Review: Moderate process control or efficiency weaknesses identified. The report identified six (6) high priority observations, three (3) medium priority observations, and one (1) leading practice recommendation.
  - v. Class Replacement Project Pre-Implementation Review – Progress Memorandum: Moderate process control or efficiency weaknesses identified. The report identified two (2) high priority observations, two (2) medium priority observations, one (1) low priority observation and one (1) leading practice recommendation.

Action plans are in place, including a responsible party and timeline, to address the observations noted in the issued reports.

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

- a. Since the last Audit Committee meeting, Internal Audit closed three (3) high priority observation and fifteen (15) medium priority observations as noted in the table below:

Review conducted	Number of observations and priorities
Building Permit Process Assessment	One (1) medium priority observation
Health and Safety Assessment	Two (2) medium priority observations
Parking Revenue Generation Assessment	Two (2) high priority observations
Homeless Prevention Assessment	One (1) medium priority observation
Housing Process Assessment	One (1) high priority observation and three (3) medium priority observations
Construction Procurement Process Assessment	Eight (8) medium priority observations

- b. There are no observations past due as of March 2, 2020 compared to two (2) medium priority observations past due as at October 2019.

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.