

January 29, 2021

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. 2020 Internal audit plan completion and planning for 2021

- a. The work for 2020 based on our revised internal audit plan is nearing completion as all fieldwork is complete, and reports are all issued except for the Police Services – Time Management and Scheduling Review. After approval at the Police Services Board meeting this February 2021, it will be shared with this committee and included in our future reporting similar to other reports.
- b. We have provided an updated plan for 2021 based on discussions with the Senior Leadership Team (SLT). This plan is a continuation of the plan from 2020 and does not have any new projects identified or changes in timing from our last update in September 2020. We have added in red the preliminary timing of each project in 2021. We will continue to discuss with the SLT and report to the audit committee at each meeting on changes in the audit plan.

2. Internal Audit Dashboard Report

- a. Internal Audit continues to have ongoing meetings with the City Treasurer.
- b. Internal Audit has issued two (2) internal audit reports since the last Audit Committee update:
 - Assumptions and Securities Assessment: Moderate process control or efficiency weaknesses identified. The report identified one (1) medium priority observation and four (4) low priority observations.
 - Class Replacement (PerfectMind) Reconciliation Process Assessment: Moderate process control or efficiency weaknesses identified. The report identified two (2) medium priority observations and one (1) low priority observation.

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

2. Audit Observation Status Summary of High and Medium Priority Observations

- a. Management continues to report they are on track to implementing the recommendations for the following internal audit projects:
 - i. Parking Revenue Generation Assessment
 - ii. Homeless Prevention Assessment
 - iii. Construction Procurement Process Assessment
 - iv. Computerized Maintenance Management System Review
 - v. Dearness Home Assessment

Some timelines have extended since the last committee meeting; however, 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 given the current circumstances.