



MEMO TO : City of London – Audit Committee
FROM : MNP LLP
SUBJECT : Briefing Note From Internal Auditor
DATE : June 14, 2023

- MNP continues to work with management and staff towards the completion of the Vendor Management Audit. This audit is in the fieldwork stage and is looking to evaluate the mechanisms and processes in place to manage vendor risks with a focus on governance, compliance and risk management including assessment of materiality and due diligence performed prior to commencement of services and the monitoring and reporting of performance with SLA's and contractual terms. This audit report will be presented at the next Audit Committee meeting in September 2023.
- MNP is in the planning stage for the conduct of two audits this quarter. A value for money audit over the Community Arts Investment and Heritage Funding Programs which will look to determine if City funds have been/are being spent with due regard for economy and efficiency and ascertain if there are satisfactory procedures for measuring and reporting on the effectiveness of these Programs. Secondly, the conduct of a cyber security audit which will look to review the City's cyber security program, policies and standards and the City's current reporting, awareness and risk culture. Both audits will be presented at the next Audit Committee meeting in September 2023.
- As outlined in the City's Audit Charter, MNP will review the existing internal audit plan using a risk-based methodology approach which will be underpinned by the conduct of an enterprise-wide risk assessment. This assessment will involve speaking with members of the Audit Committee, Senior Leadership Team and select members of City management. During these meetings with organizational leaders, MNP will facilitate a discussion on key risk areas, gain an updated understanding of the City's risks and the status of these risks.

In addition, MNP will key review strategic documentation including existing assurance material and applicable information from comparable municipalities as well as leading literature to inform an updated risk based internal audit plan. A revised risk based internal audit plan will be presented at the November Audit Committee for approval.