

Audit Committee Report

DATE: Monday, April 25, 2022

WARD(S): ALL

TITLE: 2021 INTERNAL AUDIT ANNUAL REPORT

FROM:

Kevin Shapiro, Director of Internal Audit

ACTION: FOR INFORMATION

Purpose

This report outlines the activities of the Internal Audit Department for the period January 1 through December 31, 2021. It is not a report on the results of the audits conducted, as this information is presented separately throughout the year.

Report Highlights

- The Internal Audit Department provides independent, objective assurance and consulting activity designed to add value and improve the City's operations.
- Internal Audit helps the City accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.
- The annual report covers several topics including an overview of the Internal Audit Department, status of Work Plan items, common themes and issues from completed reports, status of outstanding management action plans and the annual update on the Anonymous Reporting System.
- Internal Audit performs its work in in conformance with the *International Standards for the Professional Practice of Internal Auditing*.

Recommendations

1. That the attached report, Internal Audit Department 2021 Annual Report be received.

Background

In accordance with the City's Internal Audit Policy, an annual report shall be submitted to the Audit Committee outlining the annual activities of the Internal Audit Department.

Previous Reports/Authority

Not applicable.

Analysis and Options

The report covers several topics, including:

- An overview of the Internal Audit Department's purpose, governance structure and organizational interrelationships.
- An update on the Department's status as it relates to completing the projects on the 2021 Internal Audit Risk Based Work Plan, staffing, meeting deliverables and performance management.
- An analysis of common themes and issues from prior audit reports.
- The annual update on the status of completed and outstanding management action plans to address audit report recommendations.
- The Anonymous Reporting System annual update, including a summary of the issues raised, trend analysis and performance comparison against the NAVEX Benchmark.

Financial Impact

There are no direct economic impacts associated with this report.

Broader Regional Impacts/Considerations

Not applicable.

Conclusion

The Internal Audit Department continues to be able to carry out its activities objectively and independently. Our recently completed External Quality Assessment provided validation that our activities are in conformance with the *International Standards for the Professional Practice of Internal Auditing*.

In 2022, Internal Audit will conduct the scheduled engagements as per the Council approved 2022 Internal Audit Risk Based Work Plan, which provides a combination of

risk and control advice and assurance designed to add value and improve the City's operations.

For more information, please contact: Kevin Shapiro, Director of Internal Audit, ext. 8293

Attachments

1. 2021 Internal Audit Annual Report
2. Confidential Attachment

Prepared by

Kevin Shapiro, Director of Internal Audit, ext. 8293

Approved by

A handwritten signature in dark ink, appearing to be 'KS' followed by a long horizontal stroke.

Kevin Shapiro, Director of Internal Audit