1
AUDIT SERVICES BRANCH REPORT

The Audit Committee recommends the following:

1. **The Director, Audit Services immediately circulate to Audit Committee members details on the outstanding items listed on page 5 of Attachment 2, "Outstanding Audit Recommendations Follow Up Audit Report – December 2007";**

2. **On an ongoing basis, for outstanding audit recommendations older than one year, the Director, Audit Services ensure that his reports contain sufficient detail, including timing and expected disposition, to allow members of the Committee to assess any associated risk; and**

3. **The recommendation contained in the following report, February 5, 2008, from the Director, Audit Services, be adopted:**

1. RECOMMENDATION

It is recommended that:

1. Council receive this report for information.

2. PURPOSE

This report provides an update on the activities of the Audit Services Branch since the last Audit Committee meeting. *Attachment 3, Corporate Services – Court Services – South Office Audit Report* is private in that it contains confidential and proprietary information of the Ministry of the Attorney General.

3. BACKGROUND

On October 11, 2000, the Audit Committee approved the development of the internal audit function through the report of the Chief Administrative Officer.

In 2002, the Finance and Administration Committee approved an additional resource for the Audit Services Branch, which would be funded through a reduction in the consulting budget.

4. ANALYSIS AND OPTIONS

4.1. Audit Plan Execution

The Audit Services Branch has been actively executing the approved Audit Plan and other consulting engagements. A summary of the activities since the previous Audit Committee meeting is outlined in *Attachment 1*.

4.2. Audit Reports Issued

The audit reports issued since the last Audit Committee meeting are:

- Outstanding Audit Recommendations Follow Up Audit Report (*Attachment 2*)
- Corporate Services – Court Services – South Office Audit Report *(Attachment 3 – IN CAMERA*)

5. FINANCIAL IMPLICATIONS

Audit Services Branch will manage its workload within the Audit Budget for 2008.

6. LOCAL MUNICIPAL IMPACT

Audit Services Branch will continue to provide audit services to the six local municipalities who have signed the memorandum of understanding.

7. CONCLUSION

A follow up of outstanding audit recommendations for audit reports issued prior to December 31, 2007 indicates that management remains cognisant and active in implementing Audit Services recommendations. There were 117 audit recommendations originally issued through the ten audit reports currently on our list for follow up. At December 31, 2007, 89 recommendations, or 76% of the original 117 recommendations issued, have been implemented.

Audit Services continues to work with Region management at all levels to provide them with an independent, objective assurance and consulting activity designed to add value and improve the Region's operations. Audit Services does this by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes through guidance provided by the International Standards for the Professional Practise of Internal Auditing

(The attachments referred to in this clause were included in the agenda for the February 14, 2008 Committee meeting.)