1
AUDIT SERVICES BRANCH REPORT

The Audit Committee recommends the adoption of the recommendation contained in the following report, May 12, 2005, from the Director of Audit Services:

1. RECOMMENDATION

It is recommended that this report be received for information by the Audit Committee and Regional Council.

2. PURPOSE

This report provides an update on the activities of the Audit Services Branch since the last Audit committee meeting.

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:
Housing York Inc. Rent Collection Audit Report (*Attachment 2*).
Fleet Audit Report - Corporate (*Attachment 3*)
Fleet Audit Report – York Region Transit (*Attachment 4*).
Fleet Audit Report – Emergency Medical Services (*Attachment 5*).

4.3 Local Tier Municipal Interest in Audit Services

A meeting was held with the area Municipal Chief Administrative Officers' group to discuss the provision of audit services. There is interest in the Region providing audit services to some of the local municipalities. A Memorandum of Understanding has been drafted. Confirmation of the demand for services was finalized with the 2005 budget approvals at the local municipal level. The service will be fully funded by local municipalities. The MOU has been prepared and distributed for signature. The hiring process will begin as soon as the MOU has been signed by all members to the MOU.

5. FINANCIAL IMPLICATIONS

Audit Services Branch will manage its workload within the Audit Budget for 2005.

6. LOCAL MUNICIPAL IMPACT

There is a definite interest in the Audit Services Branch to provide audit services to some local municipalities who cannot justify a full time resource for auditing at this time. A Memorandum of Understanding has been drafted and the services will continue to be investigated. Final demand for services will be confirmed through the 2005 budget processes at the local municipal level.

7. CONCLUSION

Audit Services Branch is continuing to make its presence known throughout the organization through involvement in various projects, steering committees and execution of the approved Audit Plan.

The Senior Management Group has reviewed this report.

(The attachments referred to in this clause were included in the agenda for the June 2, 2005 Committee meeting.)