1
AUDIT SERVICES BRANCH REPORT

The Audit Committee recommends the following:

1. **Staff be directed to report to the Health and Emergency Medical Services Committee concerning the risks identified in this report with the Healthy Babies and Healthy Children Program, and to provide a Resolution to the Provincial Government addressing these issues.**

2. **Staff be directed to report to the Health and Emergency Medical Services Committee on the reallocation of resources within the Health Services Department to reduce the risks identified in this report with the Healthy Babies, Healthy Children Program;**

3. **Staff be directed to report to the Audit Committee with respect to how the foregoing issues will be addressed;**

4. **The recommendations contained in the following report, September 24, 2003, from the Chief Administrative Officer, be adopted:**

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.

3. BACKGROUND

On October 11, 2000, the Audit Committee approved to develop the Internal Audit Function by approving the report of the Chief Administrative Officer.

In 2002, the Finance 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:

- Homemakers and Nursing Services Program - Compliance Audit Report *(Attachment 2).*
- York Region Transit - Ontario Coin Service Inc. Audit Report *(Attachment 3).*
- Outstanding Audit Recommendations Follow-up Report *(Attachment 4).*
- Review of the Family and Community Health Division *(Attachment 5).*

4.3 Local Tier Municipal Interest in Audit Services

A meeting was held with the area CAO's group to discuss audit services. There is interest in the Region providing audit services to some of the local municipalities. A Memorandum of Understanding will be drafted. Confirmation of the demand for services will be finalized in March 2004 with budget approvals at the local municipal level. The service will be fully funded by local municipalities.

5. FINANCIAL IMPLICATIONS

Audit Services Branch will manage its workload with the approved Audit Budget for 2003.

6. LOCAL MUNICIPAL IMPACT

There is a definite interest in the Audit Services Branch providing audit services to some of the local municipalities who cannot justify a full time resource for auditing at this point in time. The services will continue to be investigated and a Memorandum of Understanding is being drafted. Final demand for services will be confirmed through the 2004 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.

(A copy of the attachments referred to in the foregoing has been forwarded to each Member of Council with the October 2, 2003 Audit Committee agenda and a copy thereof is on file in the Office of the Regional Clerk.)