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AUDIT SERVICES BRANCH REPORT

The Audit Committee recommends the following:

1. **The Director of Audit Services be requested to submit a report on the practices that have been implemented to follow up on the corrective measures taken by management in response to Audit Report findings, and the timeliness of compliance; and**
2. **The recommendation contained in the following report, October 23, 2007, from the Director, Audit Services, be adopted.**

1. RECOMMENDATION

It is recommended that:

1. 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 (*Attachment 5)* 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:

- Transportation & Works – York Region Transit Contract Compliance Audit Report *(Attachment 2).*
- Finance – Procurement and Accounts Payable Audit Report (*Attachment 3).*
- Finance – Payroll Audit Report *(Attachment 4*).

4.3. Local Tier Municipal Interest in Audit Services

The work on the Local Municipal Audits is being executed by the Region's Audit Services Branch based on the Memorandum of Understanding (MOU). Two other Local Municipalities have joined the Audit Services MOU. See the separate report discussing the Audit Services Memorandum of Understanding.

5. FINANCIAL IMPLICATIONS

Audit Services Branch will manage its workload within the Audit Budget for 2007.

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

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 attachments referred to in this clause were included in the agenda for the November 1, 2007 Committee meeting.)