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Town of Aurora  
**Memorandum**  
Finance

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**Re:** Internal Audit Multi-Year Plan

**To:** Finance Advisory Committee

**From:** Elizabeth Quattrociochi, Manager, Financial Reporting & Revenue /  
Deputy Treasurer

**Date:** November 10, 2020

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## Recommendation

1. That the memorandum regarding Internal Audit Multi-Year Plan be received for information.

## Background

The Town has developed a multi-year internal audit program to ensure the Town's operations and activities deliver value, safeguard assets and remain effective and efficient; to ensure responsible municipal management, as set out in its Strategic Plan; and to assist the Town in accomplishing its objectives through a systematic and disciplined approach to evaluate and improve risk management, control, and governance.

This program is inclusive of the following values and principles:

- Independence and Objectivity: internal auditors are independent and objective in their work and in advising improvements to control and governance.
- Risk-based and Client Focused: engagements will be involved in all significant business processes, functions, and units. All levels of management will participate in identifying risk and control issues.
- Management Support: Council and management will provide all necessary resources to help support the internal audit. Resources will be allocated based upon Council's assessment.
- Continuous Improvements: promote and contribute to the Town's continuous improvement.

All internal audit engagements will commence with a scope engagement letter and independent audit strategy and plan developed by the internal auditor. At the conclusion of each internal audit engagement a written report including findings, recommendations, management's responses to recommendations and managements proposed timelines for implementation of recommendations will be produced.

## **Standard Workflow**

As part of the Town's 3-5 year work plan, two internal audits are to be conducted annually, with the scope of each audit coordinated by the Treasurer with the support of the CAO.

Town staff and management are required to work along side the internal auditor to provide all requested data, records, accounts and other information in a timely manner. All responses provided to an internal auditor relating to a specific process or other subject matter must be complete based upon all known facts and corporate knowledge.

Management, including department heads are to review draft audit reports, provide responses and a timeline for the implementation of all identified recommendations.

## **Status Update**

In 2019 there were two internal audits completed: Fuel Update Audit Report and Water Billing Audit Report. An update on staff's progress in the implementation of all recommendations arising from these reports will be provided as part of the next update to the FAC.

In the first quarter of 2020 the Town concluded its first internal audit of the Town's Development Charges Collection Process. The Town has now completed its review and responses to the draft audit report and awaits the finalized report from the internal auditor.

The second scheduled internal audit for 2020 on the Procurement Process is currently underway. Town staff and management have now completed the data collection phase of this audit and provided responses to all inquiries from the internal auditor. A draft report is expected around the end of 2020.

## **Next Steps**

The Town's official corporate policy for its internal audit process is expected to be will be rolled out in the upcoming months.

Staff will provide internal audit program updates to the FAC at regular intervals which will include progress updates on its implementation of all internal audit recommendations.

## **Attachments**

None