

# New Audit Committee Orientation

February 4, 2019

# Audit Committee Mandate

Audit Committee Terms of Reference – AC-C 32-2018

## External Audit

- Approve Annual consolidated financial statements
- Receive program statements following standing committee approval
- Receive ABC statements for information
- Approve appointment of auditors every 5 years
- Support appropriate processes and systems of internal control

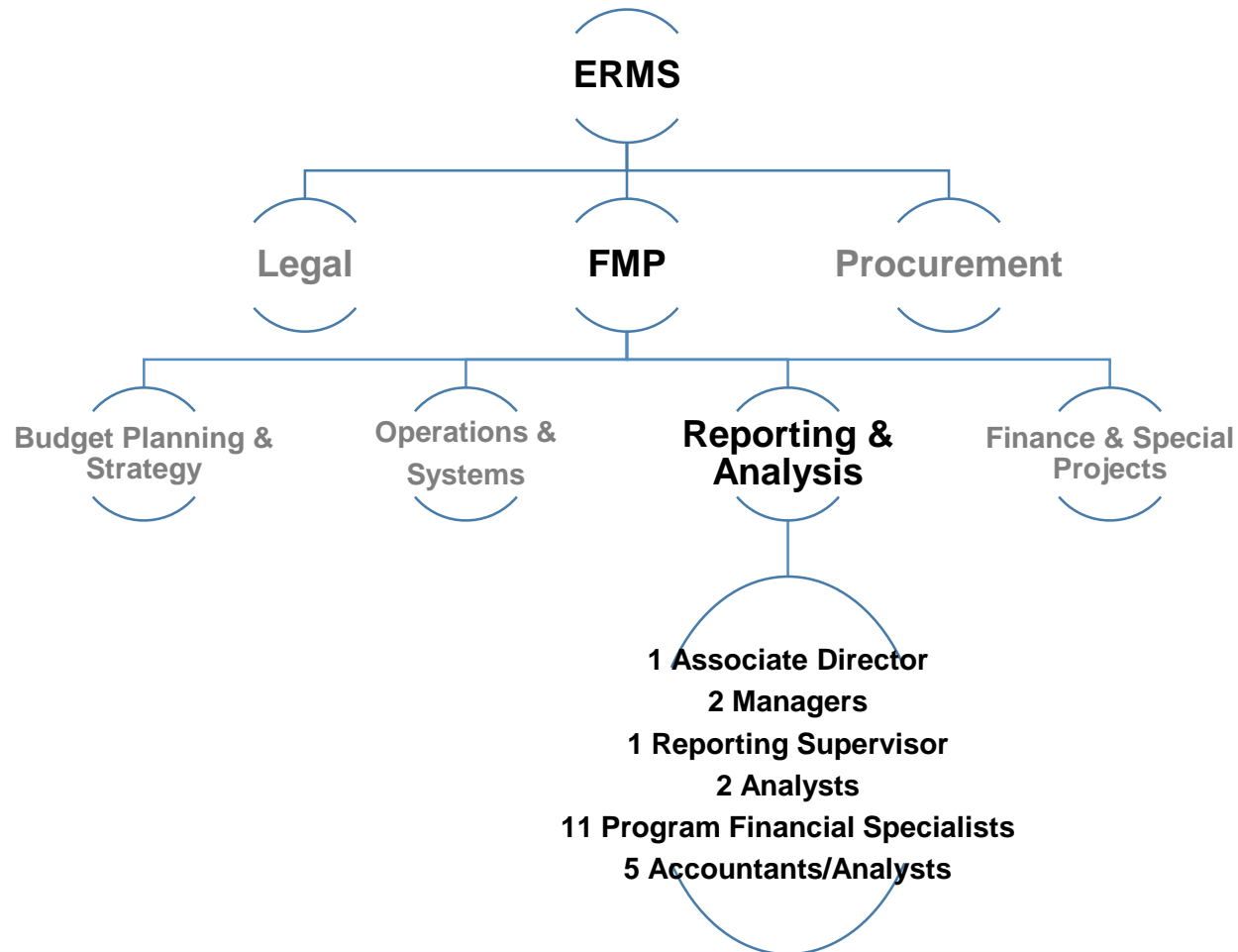
## Internal Audit

- Approve risk-based Annual Internal Audit Plan
- Receive financial, operational, compliance, VFM audit reports
- Promote effective risk management practices

# External Audit: What we do...

- ☐ RFP for external auditors every 5 yrs as per Municipal Act.
- ☐ Plan, coordinate and prepare the Consolidated Financial Statements for December 31 year end.
- ☐ Plan, coordinate and prepare 27 special purpose audited statements, Dec. 31 and March 31 year ends.
- ☐ Coordinate interim and year end work of the auditors
- ☐ Ensure appropriate internal controls
- ☐ Make modifications resulting from auditors management letter if necessary

# Financial Management and Planning: Who we are...



# External Audit: Examples of Special Audits

## Trust Fund Statements

- Funds held in trust for residents of long term care homes
- Mitigates risk to public reputation

## Niagara Regional Housing, Court Services

- Separate legal entities; audits required
- NRPS not a separate legal entity and financial statement audit is not required
- Consolidated with Regional Departments
- Mitigates risk to public reputation, credit rating

## Funding Agreements

- For one time provincial and federal funding, example Burgoyne Bridge
- Special purpose ensure, compliance with one-time funding agreements
- Mitigates risk of financial loss from funding body if agreements not complied with, funding may be withheld or clawed back.

## Program Audits i.e. Children's Services, Public Health, Long Term Care Homes

- For reconciliation and use of provincial funding; Provincial prescribed formats for their consolidation and reporting
- To ensure compliance with various cost sharing funding agreements
- Mitigates risk that funding could be clawed back, program modified or eliminated

# Internal Control & Organizational Performance

Corporate Performance • Business Improvement • Project Management Office • Internal Audit

## ***Our Mission:***

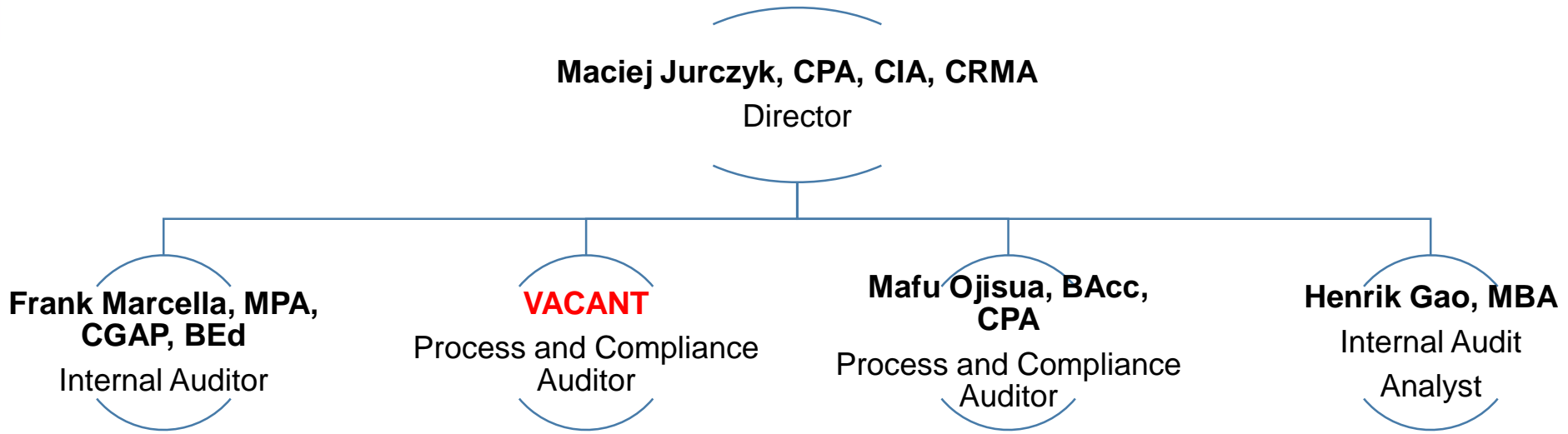
*To provide professional consulting and continuous improvement services to our internal clients through **business analysis; project and change management; performance measurement** and strategic planning; and **internal audit**.*

*ICOP provides an organizational lens to assist in addressing business challenges by identifying opportunities for improvement, developing and delivering solutions, and measuring the outcomes.*

# Internal Audit: What we do...

- ❑ Employees of Niagara Region, independent & objective, reporting directly to Audit Committee
- ❑ We perform: Operational, Compliance, Value-for-money, Financial audits
- ❑ Provide recommendations that focus on continuous improvement, control gaps, maximizing efficiencies
- ❑ Continuous follow-up of all past recommendations
- ❑ Mandate: RMON, not ABC's or LAM's

# Internal Audit: Who we are...



## Credentials:

**CGAP** – Certified Government Auditing Professional

**CIA** – Certified Internal Auditor

**CPA** – Chartered Professional Accountant

**BEd** – Bachelor of Education

**CRMA** – Certificate in Risk Management Assurance

**MBA** – Masters of Business Administration

**MPA** – Masters of Public Administration

**BAcc** – Bachelor of Accounting



# Internal Audit: Examples of Past Projects

## Purchasing Card (PCard) (2017)

- Reviewed cardholders and proposed reducing the number of P-Cards and adjusting card limits where necessary
- Improved management oversight to ensure all purchases are justified and compliant

## Mobile Telecommunications (2017)

- Improved policy of issuing hardware, management's review of monthly expenses
- Recommended security improvements which resulted in change of hardware (Samsung phones)

## Fleet Parts Inventory & Fuel (2017)

- Recommendations for improvements to internal controls, automated controls and segregation of duties

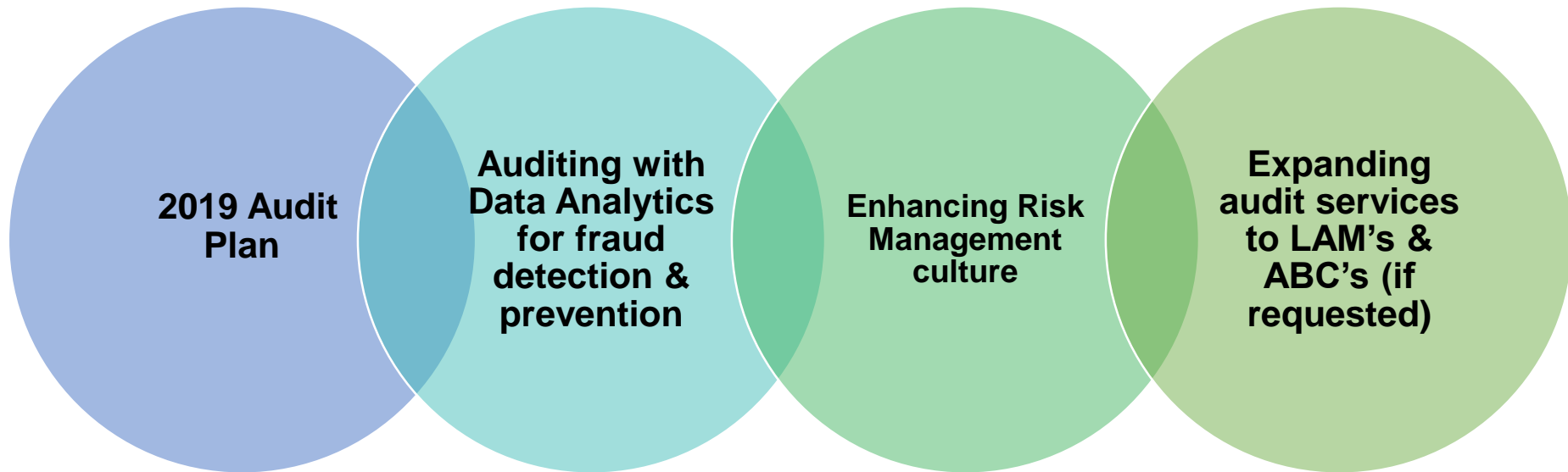
## Grants & Incentives (2018)

- Recommended review of programs and improvements to measure, monitor and report on project results
- Recommended standard operating procedures for all programs

## IT General Controls (2018)

- Confirmed security access controls and provided recommendations for improvement
- Improved documentation required for change management of applications

# Internal Audit: Future Projects\*



\* Subject to approval by Audit Committee & Council

# Questions?