
Subject: Internal Audit Charter Update

Report to: Audit Committee

Report date: Monday, March 18, 2019

Recommendations

That the Internal Audit Charter **BE REVISED** as recommended in Appendix 1 of Report 11-2019.

Key Facts

- The Internal Audit Charter was previously approved by Audit Committee on April 3, 2017 as AC-C 4-2017.
- An Internal Audit Charter is a foundational policy document defining the role, responsibility and mandate of the Internal Audit function.
- This report is designed to provide minor wording updates and to inform the new Audit Committee.

Financial Considerations

There are no immediate budgetary considerations associated with this report.

Analysis

On April 3, 2017, Audit Committee approved the Internal Audit Charter in AC-C 4-2017. An Internal Audit Charter is a strategic policy framework to define the work of an organization's internal audit function. It is a mandatory instrument required by the Institute of Internal Auditors (IIA – a global professional association of internal auditors to which Niagara Region's Internal Audit function subscribes).

The document attached in the appendix contains minor wording updates (mostly to address the name of the team) as well as clarity on the mandate of the Internal Audit function within Niagara Region's scope of operations (the Charter was previously silent on this). The revision proposed in the Charter proposes to clarify Internal Audit's mandate to Niagara Regional departments and divisions, and will not include agencies, board, commissions or local area municipalities. The document in the appendix is presented twice: the original from April 2017 with changes marked using 'Track Changes'; and the final version.

Alternatives Reviewed

Principles and policy wording from other Internal Audit Charters published by comparable municipalities including City of Hamilton, Mississauga, Brampton, Guelph and the Regions of York and Peel were considered.

Relationship to Council Strategic Priorities

Value-for-money (VFM) audits were identified and approved as the previous term of Council's Strategic Priority – Advancing Organizational Excellence. The goal of this Strategic Priority was to “Build a strong internal foundation for Niagara Region to enable a more prosperous Niagara.”

Following the completion of the 2015 and 2016 audits, Council approved a permanent Internal Audit function. The permanent internal audit function was named Internal Control and Organizational Performance division.

Other Pertinent Reports

AC-C 4-2017 Audit Committee Terms of Reference (See pages 10-15)

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Appendices

Appendix 1 Internal Audit Charter