

Memorandum

AC-C 13-2024

Subject: Status Update on Internal Audit Engagements

Date: December 9, 2024

To: Audit Committee

From: Hari Vemuri, Manager, Internal Audit

This memorandum provides an update on the status of internal audit engagements approved by the Audit Committee for 2024. The original plan included six key audits to reinforce operational controls and compliance across critical areas, with an additional engagement on the Whistleblower Policy initiated later in the year based on Audit Committee recommendations. Below is a status report on each engagement, highlighting completed audits and progress on ongoing audits as of Q4 2024.

Internal Audit	Status Update	Status
Vendor Performance Management for Tier 1 Contracts	KPMG conducted the audit in Q2 and Q3 of 2024. The findings were presented and agreed upon by Management.	Complete
Vendor Governance and Relationship Management for Consulting Services	KPMG conducted the audit in Q2 and Q3 of 2024. The findings were presented and agreed upon by Management.	Complete
P-Card Audit (2017) – Follow up Audit	KPMG conducted the audit in Q2 and Q3 of 2024. The findings were presented and agreed upon by Management.	Complete
Controlled Medications Storage and Monitoring Controls	Audit was completed using internal resources. All findings from the 2019 internal audit were implemented.	Complete

Region Operated Child Care Centres – CWELCC Compliance Audit	Deloitte has been selected to conduct the audit, beginning in Q4 2024. Completion is expected by Q1 2025, with the final report to be presented to the Audit Committee in Q2 2025.	On track
Purchase and Operation of Vacuum Truck (Consulting Engagement)	KPMG reviewed a sample as part of the vendor performance management audit. Further, a detailed audit will be undertaken by the Region's internal resources focusing on management's resolution steps and lessons learned after implementing action plans. Scheduled for completion in 2025	On track
Whistleblower Policy Implementation and Benchmarking Analysis	Process owners have been identified, and fieldwork is underway. The audit is scheduled for completion in Q1 2025 and will be presented to the Audit Committee.	On track

In conclusion, the 2024 audit plan included six primary engagements to strengthen key operational areas, with an additional audit on the Whistleblower Policy initiated per Audit Committee guidance.

- **Completed Audits (4):**

- Controlled Medications – Storage and Monitoring Controls
- Vendor Performance Management for Tier 1 Contracts
- Vendor Governance and Relationship Management for Consulting Services
- P-Card (2017) Follow-up Audit

- **Ongoing Audits (3):**

- **CWELCC Compliance Audit for Child Care Centres** – Progressing on track, set for completion in Q1 2025.

- **Purchase and Operation of Vacuum Truck (Consulting Engagement)** – Sample reviewed; detailed audit in progress, expected to conclude within the planned timeframe.
- **Whistleblower Policy** – Initiated in Q4 2024, ahead of the originally scheduled 2026 start, in response to Audit Committee recommendations.

Overall, 4 of the 7 scheduled engagements were completed on time, with the 3 ongoing audits advancing as planned.

Respectfully submitted and signed by

Hari Vemuri
Manager, Internal Audit