

**Memorandum**

**AC-C 3-2025**

**Subject:** Status Update on Internal Audit Engagements

**Date:** March 24, 2025

**To:** Audit Committee

**From:** Hari Vemuri, Manager, Internal Audit

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As part of our commitment to transparency and accountability, this memorandum provides a comprehensive update on the status of internal audit engagements. The objective is to ensure the Audit Committee remains informed about the audits conducted in previous years, the status of audits currently underway, and the approved audit plan for the upcoming years.

This report includes a summary of completed audits, highlights ongoing and planned engagements, and outlines key strategic priorities guiding our internal audit function. These updates reflect our continuous effort to assess risks, enhance controls, and support effective governance across Niagara Region's operations.

**Audits Conducted in the Past**

The table below summarizes the audits completed in recent years, outlining the scope of each engagement, the responsible auditor, and the presentation date. These audits have provided valuable insights into procurement practices, financial controls, cybersecurity, vendor management, and operational efficiencies.

Year	Internal Audit	Auditor	Report Presentation Date
2020	Procurement Audit	Manager, Internal Audit	20 <sup>th</sup> January 2020
2020	Non-Competitive Procurement Audit (Internal)	Manager, Internal Audit	20 <sup>th</sup> January 2020
2020	Non-Competitive Procurement Audit (KPMG)	KPMG	7 <sup>th</sup> December 2020
2021	Purchasing Card Follow-up Audit	Manager, Internal Audit	1 <sup>st</sup> November 2021
2022	Cybersecurity Assessment of Technologies and Controls	KPMG	14 <sup>th</sup> February 2022
2023	eBond Procedure	Manager, Internal Audit	13 <sup>th</sup> February 2023
2023	Court Services - Quality Control Procedures	Manager, Internal Audit	15 <sup>th</sup> May 2023
2023	Cash Handling Procedures	Manager, Internal Audit	18 <sup>th</sup> September 2023
2023	Follow-up Audit of Non-Competitive Procurement	Manager, Internal Audit	4 <sup>th</sup> December 2023
2024	Controlled Medication Management in Niagara Region Long Term Care Homes - Phase 1 & 2	Manager, Internal Audit	Phase 1 21 <sup>st</sup> May 2024  Phase 2 9 <sup>th</sup> December 2024
2024	Vendor Performance Management for Tier 1 Contracts	KPMG	9 <sup>th</sup> December 2024

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2024	Vendor Governance and Relationship Management for Consulting Services	KPMG	9 <sup>th</sup> December 2024
2024	P-Card Audit (2017) – Follow up Audit	Manager, Internal Audit	9 <sup>th</sup> December 2024
2024-25	Purchase and Operation of Vacuum Truck	Manager, Internal Audit	See Note Below

Note: In response to concerns regarding the purchase and operation of a vacuum truck, KPMG conducted a preliminary review under the vendor performance management audit. A more detailed assessment will proceed following the implementation of management action plans.

#### **Status of Audit Engagements Approved for 2025**

For 2025, several key audits have been initiated, covering financial management, procurement practices, contractor performance, and policy compliance. The following table provides an update on the progress of these engagements:

<b>Audit Engagement</b>	<b>Current Status</b>	<b>Auditor</b>
Value-For-Money (VFM) Audit Services for Region Operated Childcare Centres	Deloitte has been selected to lead the engagement, with fieldwork currently in progress.	Deloitte
Whistleblower Policy Implementation and Benchmarking Analysis	Management interviews are underway, with fieldwork scheduled for Q1 & Q2 2025 and the report expected in Q3 2025.	Manager, Internal Audit
Waste Management Contractor Performance and Compliance Evaluation	RFP process is ongoing	To Be Determined
Non-competitive Procurement Audit	RFP process is ongoing	To Be Determined
Revenue Audit – Licensing Division	Audit Planning is underway with the audit scheduled to have fieldwork in Q3 and report presented in Q4 2025	Manager, Internal Audit
Travel and Expense Policy and Procedures	Audit Planning is underway with the audit scheduled to have fieldwork in Q3 and report presented in Q4 2025	Manager, Internal Audit
Psychological Wellness Programs	Scheduled to commence in Q4 2025	Manager, Internal Audit
Control Reviews for Brownfield Tax Assistance Program (BTAP) and Tax Increment Grant Program	Scheduled to commence in Q4 2025	Manager, Internal Audit

## Audit Plan for 2026

Looking ahead, the 2026 audit plan has been structured to address emerging risks and strategic priorities, with a focus on value-for-money assessments, governance reviews, and financial oversight. External professional firms will be engaged for specialized audits, while internal audit resources will be allocated for targeted reviews and consulting engagements.

Engagement	Auditor	Type of Engagement
Competitive Bidding Process	External Firm	Audit
Homelessness Service Providers Audit	External Firm	Audit
Cyber planning, management framework and response recovery strategies	External Firm	Audit
Value for Money Audit on the Niagara Region's biosolids program	External Firm	Audit
Value for Money Audit of the On-Demand and Specialized Transit Services	Manager, Internal Audit	Audit
Assessment of Strategic Transformation Office: Evaluating Efficiency, Alignment, and Value for Money in Shared Services Implementation	Manager, Internal Audit	Consulting Engagement
Performance metrics of the Niagara Region Transit Commission	Manager, Internal Audit	Consulting Engagement

The Internal Audit Department remains dedicated to delivering independent and objective assessments that enhance operational efficiency, mitigate risks, and ensure compliance with best practices. We appreciate the continued support of the Audit Committee in advancing a robust internal audit framework that strengthens accountability across Niagara Region. Regular updates will be provided to the Audit Committee as engagements progress.

Respectfully submitted and signed by

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Hari Vemuri, CPA, CISA  
Manager, Internal Audit