

TTC AUDIT COMMITTEE REPORT NO.

MEETING DATE: April 30, 2012

SUBJECT: INTERNAL AUDIT PROCESSES - UPDATE

INFORMATION ITEM

RECOMMENDATION

It is recommended that the TTC Audit Committee receive the information as set out below concerning the status of the Internal Audit Department's procedures and processes.

FUNDING

There are no funding implications.

BACKGROUND

Up to January 31, 2012 the TTC's Internal Audit Department had operated with an approved organizational structure composed of eighteen staff members. The staffing resources included the Chief Auditor, five Audit Managers, eleven Auditors, and one Administrative Assistant. However, as a result of TTC's efforts to reduce costs through the reduction of staffing positions, eight positions were eliminated which included two Audit Managers and six Auditors, resulting in an approved staffing level of ten effective February 1, 2012.

Consequently, the Internal Audit Department is now undertaking a review of its procedures and processes to provide both effective and value-added audit services to the TTC but with fewer staffing resources.

DISCUSSION

To effectively fulfil the audit function and provide the required audit services in accordance with the risk prioritization, the Internal Audit Department is developing an updated 2012 audit work plan based upon the areas with the greatest risk ranking priority. The initiatives taken to date to determine the type and frequency of where audit resources should be allocated include the following:

- a) Discussions with TTC Management to identify significant risks where audit services should be allocated on a priority basis.
- b) Researching best practices methods in the internal auditing profession to effectively support and align with the strategic goals and objectives of TTC.
- c) Determining the core audit services required for the TTC, and to meet any legislated and/or ongoing audit requirements on an annual basis.
- d) Cataloguing the various audits performed at the TTC and coordinating the audits to avoid duplication of audit efforts and streamline reporting processes.

Given that the Internal Audit Department must streamline the audit process, it is anticipated that a 2012 audit plan that reflects the revised audit priorities will be brought to the next Audit Committee meeting for approval.

JUSTIFICATION

This report is provided for information.

Joseph L. Kennelly
Chief Auditor (Acting)

April 30, 2012
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