



STAFF REPORT INFORMATION ONLY

TTC Audit Department – Organizational Independence

Date:	February 19, 2015
To:	TTC Audit Committee
From:	Head of Audit, Joseph L. Kennelly

Summary

The Institute of Internal Auditors' (IIA) professional standard "1100 – Independence and Objectivity" states that an audit department "must confirm to the board, at least annually, the organizational independence of the internal audit activity." The Head of Audit must report to a level within the organization that allows the internal audit activity to fulfil its responsibilities.

This report confirms to the TTC Audit Committee that the TTC Audit Department meets the organizational independence requirement as set by the IIA.

Financial Impact

This report has no financial impact beyond what has been approved in the current year's budget.

Comments

The TTC Audit Department's organizational independence is effectively achieved as the Head of Audit reports functionally to the TTC Audit Committee and administratively to the Chief Executive Officer of the TTC. By this reporting structure, the TTC Audit Committee supports the independence of the internal audit activity by:

- approving the TTC Audit Department charter
- approving the risk-based annual audit work plan, and related budget and resource allocation
- receiving communications from the Head of Audit on the internal audit activity's performance relative to the audit work plan, and any other relevant audit matters
- making appropriate inquiries of management and the Head of Audit to determine whether there are inappropriate scope or resource limitations

Confirmation of the TTC Audit Department's organizational independence is an annual requirement for compliance with the Institute of Internal Auditors' professional standards.

Contact

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