

Fraud Controls at York Region

Presentation to
Audit Committee

Paul Duggan, Director, Audit Services

February 12, 2015



Purpose of Presentation

KPMG Audit Plan specifically asks Audit Committee the following questions:

- Are you aware of, or have you identified any instances of, actual, suspected, possible, or alleged non-compliance of laws and regulations or fraud, including misconduct or unethical behaviour related to financial reporting or misappropriation of assets? If so, have the instances been appropriately addressed and how have they been addressed?
- What are your views about fraud risks in the entity?
- How do you exercise effective oversight of management's processes for identifying and responding to the risk of fraud in the entity and internal controls that management has established to mitigate these fraud risks?

Purpose of Presentation

This presentation was requested by Audit Committee in October 2013 to specifically address the questions raised by KPMG's Audit Planning Report

Controls over non-compliance of laws and regulations or fraud

The Region has a number of risk mitigation strategies in place to address the above concerns: At a high level they are as follows:

- Tone at the Top
- York Region's Code of Conduct
- Legal Services Branch
- Audit Services Branch
- Audit Services' Risk Assessment and Audit Plan
- Specific policies and procedures particularly in purchasing and use of the Region's Corporate Purchasing Card.
- Various controls in place at the bank to enable immediate identification of any issues on the Region's main bank accounts

Direction from Audit Committee

- Audit Committee has directed the Director, Audit Services to inform them of any frauds in excess of \$50,000