Date:	Monday, February 24, 2025
Time:	9:30 a.m.
Location:	Hybrid Meeting - Virtual Option & In-Person in Council Chambers – 4th Floor – City Hall
Members:	Regional Councillor D. Keenan, Chair
	Regional Councillor P. Vicente, Vice-Chair
	Regional Councillor N. Brar
	Regional Councillor M. Palleschi
	Regional Councillor G. Toor
	Nicole Russell, Citizen Member

Accessibility of Documents: Documents are available in alternate formats upon request. If you require an accessible format or communication support contact the Clerk's Department by email at city.clerksoffice@brampton.ca or 905-874-2100, TTY 905.874.2130 to discuss how we can meet your needs.

Note: This meeting will be live-streamed and archived on the City's website for future public access.

1.   Call to Order

2.   Approval of Agenda

3.   Declarations of Interest under the Municipal Conflict of Interest Act

4.   Consent

        The Meeting Chair will review the relevant agenda items during this section of the meeting to allow Members to identify agenda items for debate and consideration, with the balance to be approved as part of the Consent Motion given the items are generally deemed to be routine and non-controversial.

5.   Presentations\Delegations

6.   Reports - Internal Audit

6.1   Staff Report re: Building Permit Audit 2024 Report

        Recommendation

        Note: A joint presentation will be provided by Internal Audit and Planning, Building and Growth Management staff.

6.2   Staff Report re: Internal Audit Quality Assurance and Improvement Program

        Recommendation

        Note: A presentation will be provided by Internal Audit staff.

6.3   Staff Report re: Internal Audit Communication Framework

        Recommendation

*6.4   Staff Report re: 2025 Internal Audit Work Plan and 2024 Status Update

Recommendation

Note: Appendix 2 was revised and published on the City's website on February 20, 2025

6.5   Staff Report re: Status of Management Action Plans – Q4 2024

To be received

6.6   Staff Report re: Internal Audit 2024 Annual Report

To be received

Note: The '2024 Annual Report – Director's Message' video is available for viewing here.

7.   Reports - Finance

8.   Other/New Business

9.   Question Period

10.   Public Question Period

15 Minute Limit (regarding any decision made at this meeting)

During the meeting, the public may submit questions regarding recommendations made at the meeting via email to the City Clerk at cityclerksoffice@brampton.ca, to be introduced during the Public Question Period section of the meeting.

11.   Closed Session

Note: A separate package regarding these agenda items are distributed to Members of Council and senior staff only.

12.   Adjournment

Next Regular Meeting: Tuesday, June 10, 2025

|	
Date:	2025-01-31
Subject:	**Building Permit Audit 2024 Report**
Contact:	Claire (Fang) Mu, Director, Internal Audit, fang.mu@brampton.ca
Report Number:	CAO's Office-2025-128

Recommendations:

1. That the report titled: Building Permit Audit 2024 Report, to the Audit Committee Meeting of February 11, 2025, be received and the recommendations contained in **Appendix 1: Building Permit Audit 2024 Report** be approved.

Overview:

- This audit identified key opportunities to improve operational effectiveness, strengthen compliance with regulatory standards, and enhance service delivery.
- The issues and associated management action plans are detailed in the body of the audit report located in **Appendix 1: Building Permit Audit 2024 Report.**
- **Appendix 2** contains the presentation slides for this audit report.

Internal Audit discussed the following improvement opportunities with Building Management.

Process	Finding	Rating
Building Inspection Monitoring Needs Continuous Improvement	A review of open inspections revealed gaps in enforcing Ontario Building Code requirements, which mandate inspections to begin within six months of permit issuance and occur at least every 12 months: **Delayed Initial Inspections** – 12% of inspections were scheduled beyond the six-month requirement or not scheduled at all.	P2

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	Missed Inspection Intervals – 9% of permits had no inspections for over 12 months.	
	Occupancy & Final Inspection Deficiencies – 8 of 20 commercial businesses reviewed were operating without required final inspections and occupancy approvals.	
Monitoring of Occurrences, Orders to Comply, and Prosecution Files Needs Continuous Improvement	A review of building violations revealed inconsistencies in monitoring occurrences, Orders to Comply, and prosecution files: **Aged Open Occurrences and Orders to Comply** – As of December 31, 2024, 81% of open occurrences and 80% of open Orders to Comply were created in 2023 or earlier, with no updates recorded. **Inaccurate File Status** – A sample review found that 6 of 15 open occurrences and 10 of 20 open Orders to Comply should have been closed. **Limited Progress on Prosecution Files** – Of 140 Orders to Comply assigned for prosecution, only 22 advanced to the prosecution stage.	P2
Monitoring of Inactive Building Permit Applications Needs Continuous Improvement	A review of open building permit applications found inconsistencies in monitoring and follow-up processes for aged permit applications. While most applications are recent, with 67% created in 2024, 33% remain open from 2023 or earlier due applicants not fulfilling re-work requests. Many of these older files lack documentation of recent reviews or applicant correspondence.	P2
Process for Managing Callback Requests Needs Improvement	A review of the current callback request process, managed through Buildings Outlook email accounts, revealed significant inefficiencies and process gaps. In 2024, over 12,000 callback requests were received, but the manual process offers no effective means for centralized record keeping, streamlined request management, or reporting capabilities.	P2

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Standard Operating Procedures Need Updating to Align with Current Practices	While Standard Operating Procedures (SOPs) for the Brampton Building and Business Portal have been updated, most SOPs need updating to align with current practices.	P2
Technical Employee Audits Should be Conducted in Accordance with Standard Operating Procedures	According to the Technical Employees Auditing SOP, supervisors are required to conduct audits for all new employees within the first four months of employment, and at least bi-annually for all other technical employees in the areas of Plans & Permits, Inspections, Zoning, and Permit Expediting. A review of the audit program revealed that audits are not consistently carried out across the four required areas. Two areas have not conducted audits since 2022, one area has not conducted audits since 2023, and one area only audited some employees in 2023 and 2024.	P3
These issues and associated management action plans are discussed in more detail in **Appendix 1**. These issues are rated as per the criteria described in **Appendix 1** of the Audit Report.		

Conclusion:

Overall, the Building Division has adequate measures in place to manage the building permit process and effectively leverages software to manage permit activities including the use of an online customer portal, a permit management system, a building plan mark-up software and an inspection management system.

However, this audit also identified opportunities to improve operational efficiency, strengthen compliance with regulatory standards, and enhance service delivery.

Implementing the recommendations in this report will enhance the processes and performance of building permit activities, which, when combined with improvements in the development application process, will strengthen the City's overall planning, development and building practices.

Authored by: Reviewed by:

Brad Cecile, Manager   Claire (Fang) Mu, Director
Internal Audit   Internal Audit

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Attachments:

- Appendix 1 - Building Permit Audit 2024 Report
- Appendix 2 - Building Permit Audit Presentation Slides

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Building Permit Audit

February 24, 2025

Claire Mu, CIA, CISA, CPA, CFA, MMPA, MFin.
Director, Internal Audit
Brad Cecile, CIA, CPA
Manager, Internal Audit

Internal Audit

Table of Contents

Executive Summary

Background

In Ontario, building permits are required for all construction and renovations. Building activity must comply with the Ontario Building Code. In 2023, Brampton issued 7,871 permits valued at over $2.3 billion and conducted 249,854 inspections. The Brampton Building and Business Portal, launched in 2024, streamlined the building permit process by allowing online submissions, status tracking, fee payments, and inspection scheduling.

The building permit process includes pre-screening applications, fee assignments, and thorough plan reviews to ensure compliance with building and zoning by-laws. Inspections are carried out at various stages of construction, and unpermitted construction activities are investigated and addressed through Orders to Comply. Callback requests related to building permits are managed through the City's customer relationship management system.

The recent *Greater Toronto Area Municipal Benchmarking Study, 3rd Edition* or *2024 BiLD* report by the Building Industry and Land Development Association highlighted significant improvements in Brampton's development application processing times, reducing them from 19.1 months to 14.1 months.

The 2024 BiLD report addressed the initial phase of planning and development, which includes reviewing and approving development applications and infrastructure requirements. This audit examines the subsequent phase—building permitting activities—and offers a roadmap for enhancing the City's permitting process.

Audit Objectives

The audit aimed to assess:

- whether Building has established policies and procedures that align with the Ontario Building Code, Building By-law, Zoning By-law, and City policies
- whether Building has proper processes in place to effectively manage the application pre-screening, payment, and building plans review processes
- whether Building has processes in place to effectively coordinate, complete and monitor building inspections and Orders to Comply
- whether Building has processes in place to ensure staff has the required qualifications
- whether Building has processes in place to ensure callback requests from residents are effectively managed

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What We Recommend

This audit report recommends staff to:

1. **Continue to Improve Monitoring of Open Building Inspections**
   The process to monitor open building inspections should be improved to ensure the necessary steps to either revoke the permit or facilitate the completion of remaining inspections is actioned timely.

2. **Continue to Improve Process for Actively Monitoring Open Occurrences, Orders to Comply and Prosecution files**
   The process to monitor occurrences, Orders to Comply and prosecutions should be improved to ensure unpermitted construction is addressed timely and the risk of unsafe structures is mitigated.

3. **Continue to Monitor open Building Permit Applications**
   The process to monitor open building permit applications should be continued to regularly assess their status and facilitate timely permit issuance.

4. **Develop an Integrated Tracking System for Inquires and Complaints**
   A tracking system for inquiries and complaints should be developed that integrates with the portal and AMANDA to enable effective management of callback requests.

5. **Update Standard Operating Procedures**
   A comprehensive review and update of all SOPs should be conducted to ensure they reflect current practices, technologies and compliance requirements for core building permit activities.

6. **Conduct Technical Employee Audits**
   Evaluations should be performed for technical employees to ensure their work complies with Ontario Building Code, Building By-law, Zoning By-law and City policies.

Conclusion

Overall, the Building Division has adequate measures in place to manage the building permit process and utilizes system tools to manage permit activities, including the Brampton Building and Business Portal (an online customer service portal), AMANDA

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(permit management), Bluebeam (building plan mark-ups) and mobiINSPECT (inspection management).

However, this audit also identified opportunities to improve operational effectiveness, strengthen compliance with regulatory standards, and enhance service delivery of building permit activities.

Implementing the recommendations in this report will enhance the processes and performance of building permit activities, which, when combined with improvements in the development application process, will strengthen the City's overall planning, development and building practices.

Management Action Plans Building Division Management agrees with the findings and recommendations of this report. Management responses, together with management action plans are included in this report after each finding and recommendation.

Thank You to Management and Staff We appreciate the cooperation and assistance of Building Division throughout the audit.

Distribution List

Standard Recipients

Members of Audit Committee

CAO

Members of Council

Members of Leadership Team

KPMG LLP, Chartered Accountants (Statutory Auditor)
- Maria Khoushnood, Partner, Private Enterprise

Additional Recipients

Planning, Building and Growth Management
- Farhad Habibi, Chief Building Officer
- Roxanne Van Damme, Manager, Administration & Information Services
- Carolyn Crozier, Manager, Development Services

Background

A building permit ensures construction complies with the Ontario Building Code, promoting safe and regulated building developments.

A building permit is a formal permission to start construction and is legally required to construct, renovate, demolish or change the use of a building in Ontario. All construction must comply with the standards set out in the Ontario Building Code and other applicable laws. Building staff work alongside homeowners, building owners, contractors and engineers throughout the building permit process to ensure all construction activities within the City meet Ontario Building Code requirements. The Building division is part of the Planning, Building and Growth Management department.

The Ontario Building Code sets minimum standards for safety, accessibility and sustainability in building design and construction.

The Ontario Building Code sets minimum standards for the design and construction of new buildings and renovations to minimize risk to occupants' health and safety. The Code includes standards for health, public safety, fire protection, structural sufficiency, barrier-free accessibility, and resource conservation.

In 2024, the Building Division issued 7,379 permits, representing a total construction value of over $2.4 billion.

In 2024, Building issued 7,379 permits, representing a total construction value exceeding $2.4 billion. Staff conducted 218,730 building inspections.

There are currently 112 full-time permanent employees in Building across the 6 areas, including:
- Plans & Permits – 35
- Zoning & Sign By-law Services – 11
- Inspections – 37
- Standards & Training – 4
- Administration & Information Services – 18
- Innovation & Transformation – 3

The balance is made up of Building divisional management.

Besides full-time permanent employees, Building also has 8 part-time and/or contract employees.

All Building personnel work out of the Flower City Community Campus from Monday to Friday, 8:30-4:30. Building has approximately 40 City-owned vehicles that inspectors use to travel to construction sites.

Figure 1 illustrates the volume of building permits issued and the corresponding revenue from 2021 to 2024.

Figure 1: Building Permit Activity: 2021 to 2024

Building Permits Issued and Revenue
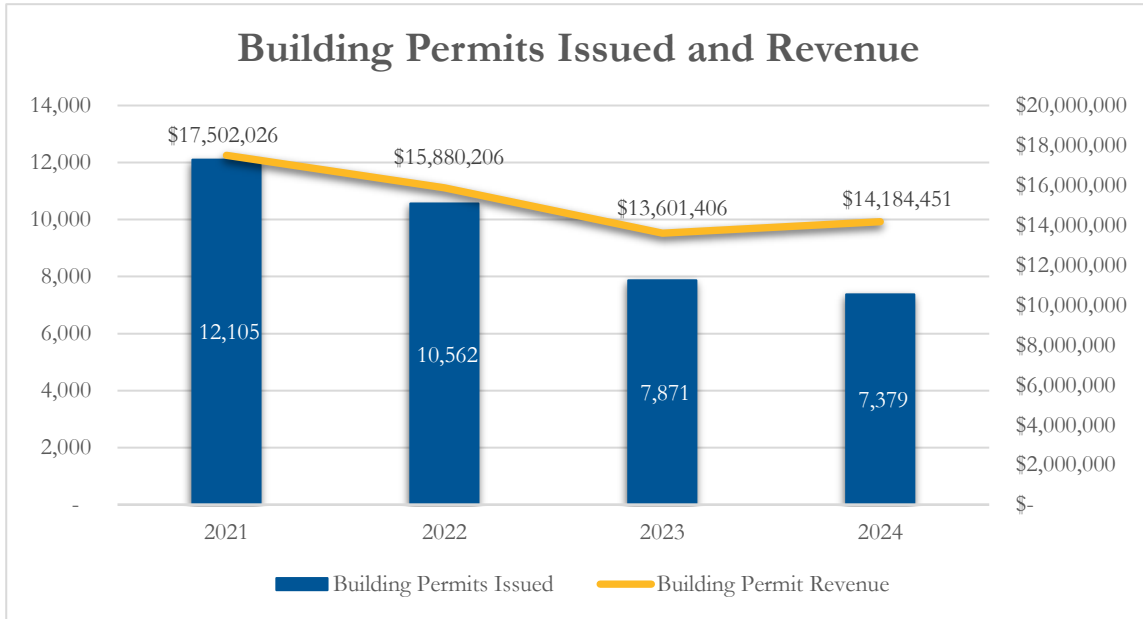
The Brampton Building and Business Portal, launched in June 2024, streamlines the building permit process online, from application to inspection scheduling.

Building permit applications undergo pre-screening to ensure all required information is included before the formal building plans review.

Intake of Building Permit Applications

The "Brampton Building and Business Portal" went live in June 2024 and allows applicants to complete all steps of the building permit process online. After creating an account, the portal can be used to submit permit applications, check the status of applications, pay fees, receive permit certificates, schedule inspections, and upload documentation for Building staff.

Data in the portal is synced to AMANDA, the City's building permit and inspection management software. Prior to the implementation of the portal, applications were submitted through the City's website using an AgilePoint workflow. Status updates, permit issuances, and inspection bookings were communicated via e-mail.

Building permit application pre-screening

All building permit applications are entered through the portal. Before the formal review of the permit plans, there is a pre-screening to ensure the application contains all the required information and documents to qualify for a review. The pre-screening is performed by staff from Zoning & Sign By-law, Administration and Information Services, and Plans & Permits. Once the application is accepted, an e-mail is automatically sent to the applicant notifying them their application has been accepted for review and the amount of the building permit fee(s) owing.

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Building permit fees, automatically calculated by the portal based on permit type and scale, can be paid online.

Building permit application fees and payments

Building permit fees for each respective permit are defined in Building By-Law 387-2006. The portal automatically assigns permit fees based on the type and scale of each permit. Customer Service Plan Examiners ensure fees are correctly assigned and calculated properly before notifying the applicant that their permit has been accepted. Some standard fees are automatically calculated by AMANDA. The portal is integrated with AMANDA, Access to Gov (A2G), City's online point of sale (POS) system, PeopleSoft, and Moneris. Payments can be made via credit card through the portal, or in person at Flower City Community Campus by credit card, debit card, or cheque.

Building permit applications undergo a thorough review to ensure compliance with the Ontario Building Code, Zoning By-law, and Building By-law.

Building permit plans review

Building permit plans and documents are reviewed by Zoning Plans Examiners, Building Plans Examiners, Plumbing Plans Examiners, HVAC Plans Examiners, Permit Expeditors and staff from Administration and Information Services. The drawings and plans are examined during the review to ensure they follow the Ontario Building Code, Zoning By-law, and Building By-law. If a zoning change is needed or the proposed construction does not comply with the Building Code, the applicant is informed that a permit will not be issued until all application elements are in compliance. Permit reviews are managed in AMANDA and must be completed before the permit is issued.

Inspections must be requested through the portal and completed within Ontario Building Code required time frames.

Building inspections

Once a building permit is issued, the Building Code sets out each stage of construction requiring an inspection. The type and number of inspections depend on the specific building permit, and required inspections are listed at the bottom of each building permit certificate. It is the responsibility of the permit holder to notify the City that construction is ready to be inspected. Almost all inspections are requested through the portal. Upon notification by the permit holder, inspectors are required to carry out the inspection within the legislated time frame specified by the Building Code.

**Construction must start within 6 months of the permit issuance date, or the permit may be revoked.**

The three types of inspections are building, plumbing, and HVAC, and the applicant must book the first inspection within 6 months of the permit being issued. Permit Expediters review building inspection activity in AMANDA to identify permits with no activity. If the permit holder has not scheduled an inspection within 5 months of permit issuance, an "Intent to Revoke" letter is sent, advising them they have 30 days to schedule their first inspection. A construction site visit is conducted to confirm construction has not started before a "Letter of Revocation" is sent and the permit is revoked. After the first inspection, each subsequent inspection must be scheduled within 12 months.

A Certificate of Final Inspection is issued once all inspections are complete.

MobiINSPECT, the City's building inspection software, is used to record all inspection information, including the inspection result and is synced with AMANDA. When inspections for all construction stages are closed, and required documentation has been submitted and accepted, a review is completed in AMANDA by Inspection Supervisors to ensure all inspections are complete. The building permit is then closed, and a certificate of final inspection is issued. Any construction resulting in a person(s) living in a newly constructed space, such as a new home, two-unit dwelling or garden suite, requires an occupancy inspection before the space can be inhabited.

Figure 2 displays the volume of building permit inspections completed from 2021 to 2024.

Figure 2: Inspections Completed: 2021 to 2024

Inspections Completed

Year	Inspections
2021	228,036
2022	290,058
2023	249,854
2024	218,730
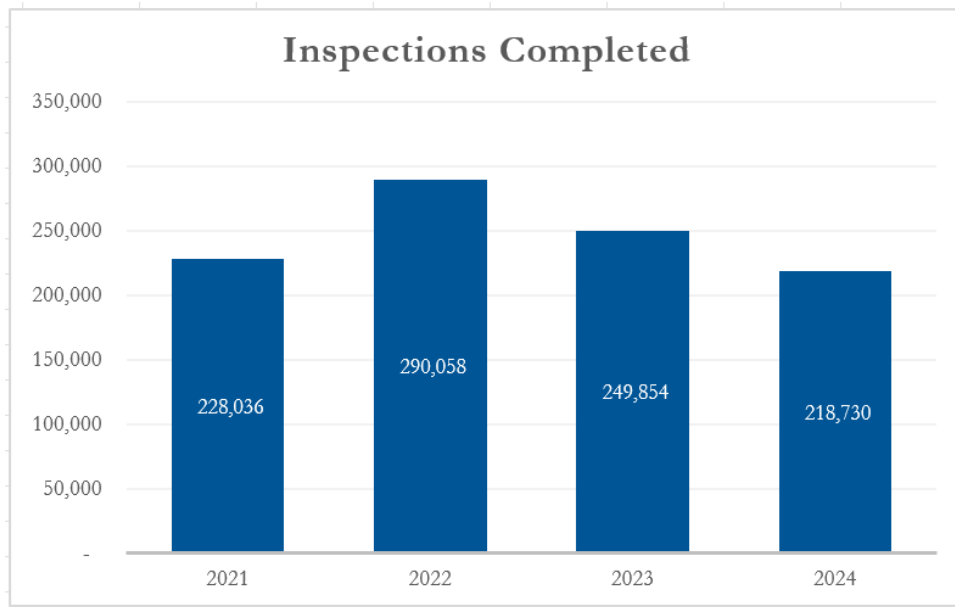
In 2024, 987 occurrences of unpermitted construction were reported, prompting inspections and potentially leading to an "Order to Comply."

Occurrences and Orders to Comply

An occurrence is a complaint of construction activity that has taken place without a permit. Building Inspectors are made aware of occurrences in three ways:

1) Observation of unpermitted construction while on-site
2) Calls from residents placed through 311
3) Inspection requests from By-law enforcement (Property Standards)

When a possible occurrence is reported to Inspectors, an inspection is scheduled to determine if a violation of the Ontario Building Code has occurred. If it is determined that a violation has occurred, building inspectors issue an "Order to Comply" which includes specific directions on obtaining the necessary building permit. Building permits obtained that have a corresponding order are charged an additional 50% fee, on top of the defined fee amount. A total of 987 occurrences were reported in 2024.

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Callback requests for building permits can be made via email or 311 and are managed through Outlook.

Callback requests

Complaints or inquiries relating to building permit-related activities can be e-mailed directly to the respective department or through 311/Service Brampton. Callback requests placed through 311 are stored in the customer relations management (CRM) software before being forwarded to Buildings' general e-mail account. From the general inbox, it is forwarded to respective Outlook accounts depending on the nature of the request. There are 8 outlook accounts within Building covering zoning, second units, signs, permit expediting, document inquiries, inspections, plans & permits and payments. All callback request correspondence and related documents are managed in Outlook.

The 2024 BiLD report focuses on development applications while this audit focuses on building permit activities.

The recent *Greater Toronto Area Municipal Benchmarking Study, 3rd Edition* or *2024 BiLD* report by the Building Industry and Land Development Association highlighted significant improvements in Brampton's development application processing times, reducing them from 19.1 months to 14.1 months.

The 2024 BiLD report addresses the initial phase of planning and development, which includes reviewing and approving development applications and infrastructure requirements. This audit examines the subsequent phase—building permitting activities—and offers a roadmap for enhancing the City's permitting process.

The building permits audit is part of the approved 2024 audit plan, with the last building permit and building inspection audits completed in 2017 and 2018 respectively.

Detailed Audit Findings

A: Building Inspection Monitoring Needs Continuous Improvement

Priority Rating   <mark>P2</mark>

Background   Once a building permit is issued, the Building Code sets out each stage of construction requiring an inspection. The type and number of inspections depend on the specific building permit. The permit holder must schedule the first inspection within 6 months of permit issuance. All subsequent inspections must be scheduled no more than 12 months apart. If the permit holder has not scheduled an inspection after 5 months, an "Intent to Revoke" letter is sent, advising them they have 30 days to schedule their first inspection. A construction site visit is conducted to confirm construction has not started before a "Letter of Revocation" is sent and the permit is revoked. If construction has started and one or more inspections have been completed, a permit will not be revoked even with over 12 months of inspection inactivity. Building will work with the permit holder and if necessary, issue an Order to Comply to push them to schedule the remaining inspections.

Criteria   Issued permits should be monitored to ensure the applicant schedules the first inspection within 6 months of permit issuance, or the revocation process would start.

Subsequent inspection activity should also be monitored to ensure open inspections are scheduled at least every 12 months and are not dormant.

Condition   A review of the inspection monitoring process noted the following:

1. The monitoring process to ensure the initial inspection is scheduled within 6 months of permit issuance is inconsistent. For most issued permits, the first inspection took place within 6 months; however, some exceeded the legislated 6-month timeframe or were not scheduled at all.

    An "Intent to Revoke" letter has not been sent for most of the permits without a first inspection.

Table 1: Issued Permits - Building Inspections

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Issued Permits - Building Inspections as of Dec. 31, 2024										
Inspections	2024		2023		2022		2021		TOTAL	
	#	%	#	%	#	%	#	%	#	%
First Inspection within 6 Months	2,632	92%	5,399	87%	7,441	89%	7,815	85%	23,287	87%
First Inspection after 6 Months	6	0%	300	5%	342	4%	788	9%	1,436	5%
First Inspection not Scheduled - Intent Letter Sent	159	6%	42	1%	267	3%	111	1%	579	2%
First Inspection not Scheduled - No Intent Letter Sent	68	2%	496	8%	306	4%	450	5%	1,320	5%
TOTAL	2,865	100%	6,237	100%	8,356	100%	9,164	100%	26,622	100%
*2024 - Only includes permits issued until to June 30, 2024										
*Categories included above are Residential, House Miscellaneous, Commercial, Industrial and Institutional										

2. The process for monitoring open inspections for inactivity is inconsistent. For the majority of issued permits, inspections are scheduled within 12 months; however, within the audit period, approximately 9% of permits have had periods of no inspections that exceeded 12 months. We observed that there are no notes in the system indicating the reason for the delay.

A review of open inspections for commercial properties found that 8 out of 20 commercial businesses operate without having completed the mandatory occupancy inspection and final inspection. These inspections are required under the Ontario Building Code and are essential to ensure compliance with safety, structural, and regulatory standards before occupancy.

Table 2: Issued Permits - Open Building Inspections

Issued Permits - Open Building Inspections with over 12 Months of Inactivity as of Dec.31, 2024								
Inspections	2023		2022		2021		TOTAL	
	#	%	#	%	#	%	#	%
Inspections - less than 12 months of inactivity	5,067	81%	6,996	84%	7,810	85%	19,873	84%
First Inspection not scheduled	538	9%	573	7%	561	6%	1,672	7%
Inspections - more than 12 months of inactivity	635	10%	792	9%	800	9%	2,227	9%
TOTAL	6,240	100%	8,361	100%	9,171	100%	23,772	100%
*Categories included above are Residential, House Miscellaneous, Commercial, Industrial and Institutional								

Issued permits should be monitored continuously to ensure the initial inspection and subsequent inspections are scheduled and completed within the OBC-mandated timeframes.

We noted that Building staff started to address these legacy permits during the course of the audit.

Cause Staff advised that the high volume of required inspections and challenges in maintaining adequate staffing levels have led to prioritizing daily inspections for recently issued permits. As a result, Building currently lacks the capacity to monitor outstanding legacy inspections effectively.

Impact The absence of a comprehensive process to monitor open building inspections could lead to inspections being completed outside the OBC-mandated timeframes. This increases the risk of homes and businesses being occupied without the required inspections, posing a potential threat to public safety.

Recommendation:

1. **Continue to Improve Monitoring of Open Building Inspections**
   The *Chief Building Officer* should continue to improve monitoring of open building inspections to ensure timely permit revocation or completion of remaining inspections.

Management Response: ☒ Agree   ☐ Disagree

Comments/Action Plan
Thousands of permits issued since 1999 remain open, and we are currently undertaking a significant project to address these legacy permits and bring them into compliance. This involves actively following up on dormant permits by either revoking them or issuing orders to facilitate compliance, ensuring all outstanding inspections are completed or permits are closed appropriately. We focus on implementing a systematic process to monitor new and legacy permits, ensuring inspections are scheduled and completed within the Ontario Building Code's mandated timeframes. These efforts aim to enhance compliance, improve safety, and reduce the risk of unauthorized occupancy in homes and businesses.

Timeline: Q2, 2026

Background   An "Occurrence" is a complaint of construction activity that has taken place without a permit. When a possible occurrence is reported to Inspectors, a site inspection is conducted, and if it is determined that a violation has occurred, building Inspectors issue an "Order to Comply." The order includes specific directions on obtaining the necessary building permit. Generally, when property owners are found to have undertaken construction without a permit, they are ordered to return the project to its original state or to submit a building permit application within 30 days. If compliance is deemed not to have been achieved with the Order to Comply, then the Inspector can initiate a "Prosecution Request" against the property owner. Prosecutions are brought to trial in Provincial Court and property owners convicted of a contravention(s) of the Building Code Act can face penalties and fines.

Criteria   Occurrences should be monitored to ensure any potential violations are investigated timely and, if warranted, the corresponding Order to Comply is created.

Orders to Comply should be monitored to ensure the property owner has taken the necessary steps to comply, including commencing the building permit application process.

Prosecution Requests should be monitored to ensure prosecution files for Ontario Building Code violations are completed correctly and timely.

Condition   We reviewed Occurrences, Orders to Comply and Prosecution Files and noted the following:

1. The process to monitor open Occurrences and Orders to Comply is inconsistent:
    - 81% of open Occurrences were started prior to 2024. There are no recent notes to indicate the status of many files.
    - 80% of open Orders to Comply were started prior to 2024. 20 Orders to Comply were randomly selected, and it was found that the building permit application had not been started for 6 of them, all from 2023 or before. No recent notes indicate the reason for the delay or the order status.

Table 3: Open Occurrences and Orders to Comply

Open Occurrences and Orders to Comply as of Dec. 31, 2024													
Permit Type	2024		2023		2022		2021		2018-2020		Pre-2018		Total	
	#	%	#	%	#	%	#	%	#	%	#	%	#	%
Occurrence	466	19%	466	19%	442	18%	401	16%	562	23%	107	4%	2,444	100%
Order to Comply	397	20%	330	16%	407	20%	237	12%	438	22%	192	10%	2,001	100%

2. The status of Orders to Comply and Occurrences is not always current:
   - We randomly selected 15 occurrences with "Under Investigation" status and found that for 6 of them, either an Order to Comply was issued, a building permit was issued or the investigation found no violation. These 6 should be "Closed".
   - We randomly selected 20 Orders to Comply with "Issued" status and found that a corresponding building permit was issued for 10 of them, so the status should be "Cleared."

Occurrences should be monitored on an ongoing basis to ensure all potential violations are investigated in a timely manner. Orders to Comply should also be monitored to ensure the requirements of the order have been met, including the commencement of the building permit application process.

3. The process for monitoring open prosecution files is not consistent. From 2022 – 2024, out of the 140 Orders to Comply assigned to be prosecuted, only 22 advanced to Prosecution Folders.

Prosecution files should be monitored to ensure timely completion at each stage of the process. The review should ensure that all Orders to Comply with the status of "Prosecution Requested" are entered as "Requests for Legal Action Forms," all "Requests for Legal Action Forms" are properly completed, approved, and advanced into Prosecution Folders, and all Prosecution Folders are complete and forwarded to Legislative Services.

Staff informed us that the Building Department has recently filled the vacant Regulatory Coordinator position to focus on addressing unpermitted construction and compliance issues.

Table 4: Completion of Prosecution Files

Completion of Prosecution Files as of Dec. 31, 2024						
Stage	System	2024	2023	2022	Total	Area
Order to Comply Folder (OT) - "Prosecution Requested"	Amanda	63	64	13	140	Inspector
"Request for Legal Action Form" - Created	AgilePoint	24	60	3	87	Inspector
"Request for Legal Action Form" - Completed		8	38	2	48	Inspector, Supervisor, Permit Expediter
Prosecution Folder (PR)	Amanda	0	21	1	22	Permit Expediter

Cause Staff advised that Occurrences and Orders to Comply are monitored by the same Inspectors who perform daily inspections, and it is an ongoing challenge to keep up with the growing volume of these files. It was also noted that prosecution files have not been given the attention they deserve due to limited staffing resources.

Impact Without a comprehensive process to monitor open Occurrences, Orders to Comply, and Prosecution files, the City cannot ensure potential violations are properly investigated, complied with or prosecuted. This could lead to delays in addressing unpermitted building structures, potentially posing a risk to public safety.

Recommendation:

2. **Continue to Monitor Open Occurrences, Orders to Comply and Prosecution files**
   The *Chief Building Officer* should continue to monitor Open Occurrences, Orders to Comply, and Prosecution files to ensure timely resolution of unpermitted construction and mitigate the risk of unsafe structures.

Management Response: ☒ Agree ☐ Disagree	

Comments/Action Plan

The Regulatory Coordinator position, which had remained vacant for over four years (recently filled – Jan 2025), along with the manager of standards and training, has been strengthened and restructured to focus on supporting prosecution efforts and enhancing the monitoring of open occurrences and Orders to Comply. This restructuring ensures a more dedicated approach to addressing unpermitted construction and compliance issues.

To improve monitoring, we are implementing a systematic process to actively track open occurrences and Orders to Comply. This will ensure timely investigations, accurate status updates, and follow-through on compliance actions, reducing delays in addressing violations and mitigating risks associated with unsafe structures.

Timeline: Q1, 2026

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C: Monitoring of Inactive Building Permit Applications Needs Continuous Improvement   **Priority Rating**   <mark>P2</mark>

Background Once a building permit application has been accepted, Plans Examiners perform a detailed review of the building plans. If there are any deficiencies, they will issue a notice to the applicant outlining the re-work required for the plans to comply with the Building Code, Zoning by-laws, or other Applicable Law. A building permit remains in "Applied" status in AMANDA until all regulatory requirements are met.

Criteria All building permit applications in the "Applied" stage should be followed up regularly to verify their status and determine the best path to permit issuance.

Condition We reviewed open building permit applications for residential, industrial, commercial, and institutional buildings, and found that the City lacks a consistent approach to monitoring and following up on aged open permit applications.

These permit applications are open because the applicant has not fulfilled a re-work request. Most of these files do not have any notes to indicate recent correspondence with the applicant, making it difficult to assess the extent to which open permit applications are being monitored.

We noted that Building staff started to address these open permit applications during the course of the audit.

Table 5: Open Permit Applications

| Permit Type | Open Permit Applications as of 12/31/2024 | | | | | | | | | | | | | |
| | 2024 | | 2023 | | 2022 | | 2021 | | 2018-2020 | | Pre-2018 | | Total | |
	#	%	#	%	#	%	#	%	#	%	#	%	#	%
Residential	454	72%	54	9%	24	4%	53	8%	40	6%	2	0%	627	100%
Home Miscellaneous	148	61%	26	11%	23	10%	16	7%	20	8%	8	3%	241	100%
Commercial	54	58%	9	10%	6	6%	4	4%	12	13%	8	9%	93	100%
Industrial	59	55%	15	14%	5	5%	14	13%	10	9%	4	4%	107	100%
Institutional	21	60%	2	6%	0	0%	2	6%	7	20%	3	9%	35	100%
TOTAL	736		106		58		89		89		25		1,103	

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Staff should have a formal process in place to monitor open permit applications and ensure timely assessment of incomplete re-work so that the necessary action can be taken to either cancel the permit application or facilitate the permit's issuance.

Cause   Staff advised that current building permit applications are prioritized over legacy applications and there are not always enough staff to effectively monitor and follow up on aged incomplete applications.

Impact   The absence of a comprehensive process to monitor and review aged building permit applications does not allow for a timely resolution of open applications and increases the risk that construction proceeds without the required permit.

Recommendation:

3. Continue to Monitor open Building Permit Applications
The *Chief Building Officer* should continue to monitor open building permit applications to assess their status and facilitate timely permit issuance.

Management Response: ☒ Agree   ☐ Disagree

Comments/Action Plan
Efforts are underway to achieve full staffing in the Permit Expeditor team, with 2 out of 4 positions currently filled. This team is primarily responsible for following up on inactive permit applications and deeming them abandoned when necessary. While following up on inactive permits is purely a courtesy and not mandated by the Act, filling these positions will enhance our ability to efficiently address aged applications.

Additionally, we are developing an automated process to assist in monitoring and managing inactive permits. This initiative aims to streamline follow-up procedures, facilitate timely resolution of open applications, and reduce the risk of unauthorized construction.

Timeline: Q1, 2026

D: The Process for Managing Callback Requests Needs Improvement   **Priority Rating**   <mark>P2</mark>

Background   Inquiries or other requests related to building permits are received either through 311 via customer relations management (CRM) software, or e-mailed directly to Building. Requests received through CRM are forwarded to the respective Outlook e-mail account, depending on the nature of the request. There are 8 outlook accounts within Building, covering zoning, second units, signs, permit expediting, document inquiries, inspections, plans & permits and payments. Each Outlook account is shared, so all employees within a department have access and can respond to the request. In 2024, there were approximately 4,000 callback requests through CRM and at least double that amount e-mailed directly by residents totalling at least 12,000 callback requests.

Criteria   Building should have an effective and efficient process for managing permit-related callback requests from homeowners, builders and residents.

Condition   We reviewed the callback request process and noted that the process is very manual, lacks controls and does not provide effective data or reports for monitoring. The limitations in the current process include:

- For callback requests responded to by phone, there is no record of the response. In most cases, once the resident is contacted, the callback request e-mail is deleted
- Outlook lacks reporting capabilities and cannot efficiently show the number of callback requests received or their status (Open, In-progress, Closed) for a certain period
- Inability to track the average response time for each category does not allow Managers to identify potential training opportunities
- There is no place to enter notes or information regarding the outcome of the callback response which limits information sharing among staff
- Managing callback requests in Outlook does not allow for workflow reviews or approvals
- There is no automatic e-mail informing the resident that their request has been received and the estimated response date.

Based on the annual volume of callback requests and the importance of communication with residents, implementing a formal request tracking software would provide a consistent, transparent, and effective method for managing requests across the division.

Cause   Staff advised that they do their best to manage requests within the current system. However, due to the volume of calls, it can be difficult to efficiently track callback responses. They also feel they would benefit from a centralized system with record tracking to ensure no callback requests slip through the cracks.

Impact   The absence of a callback request tracking system reduces visibility into requests, hinders the ability to maintain accurate data records or perform data analysis, and increases the risk of delayed detection of unactioned requests.

Recommendation:

4. **Develop an Integrated Tracking System for Inquiries and Complaints**
    The *Chief Building Officer* should develop a tracking system for inquiries and complaints that integrates with the portal and AMANDA to enable effective management of callback requests.

Management Response: ☒ Agree   ☐ Disagree

Comments/Action Plan
With over 12,000 callback requests recorded annually, alongside thousands more handled through direct phone calls and in-person visits, it has been a challenge to manage and track these interactions effectively. The lack of a centralized tracking system has made it difficult to keep accurate records and monitor responses.

To address this, we are advancing phase two of the new portal project by developing an integrated tracking system for inquiries and complaints. This system will work seamlessly with the portal and AMANDA, enabling us to manage requests efficiently while maintaining detailed records of communications. These efforts will improve transparency, enhance accountability, and ensure residents receive timely and effective responses.

Timeline: Q1, 2026

E: Standard Operating Procedures Need Updating to Align with Current Practices

Priority Rating   **P2**

Background The main processes within Building are captured in formal Standard Operating Procedures (SOPs) which provide information and guidance on the necessary steps to complete a task. The SOPs in place span all areas of Building including: Administration, Plans & Permits, Inspections, and Zoning.

Criteria SOPs should be reviewed and updated regularly to ensure guidance is relevant and reflects intended practices.

Condition The review found that SOPs related to the Brampton Building and Business Portal have been updated to reflect the new system, however, most of the other SOPs have not been reviewed or updated for an extended period.

There are currently 99 SOPs with the majority created before 2010, including 13 from before 2000. All SOPs are on the outdated template which does not contain the "Reviewed By" or "Review Date" fields on the first page, making it difficult to determine when the last review was completed and by whom.

Many of the SOPs have content referencing process steps, IT systems or protocols that are no longer relevant.

Cause Staff advised that standard processes are communicated to all employees, however, formal written processes have not been updated in a long time. A project to review and update all SOPs within Building is currently underway.

Impact Outdated SOPs can cause confusion among staff and result in incomplete or inconsistant processes. This issue may be further exacerbated by high staff turnover experienced in some areas of Building.

Recommendation:

5. Update Standard Operating Procedures
The *Chief Building Officer* should review all Standard Operating Procedures to ensure they reflect current practices, technologies and compliance requirements.

Management Response: ☒ Agree   ☐ Disagree

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Comments/Action Plan

Our Standards and Training team, currently comprised of a manager and one staff member, handles a broad range of responsibilities, including home builders, subdivision plans, prosecutions, and orders. While this team is small, we are working collaboratively by utilizing staff from other teams to assist in reviewing and updating Standard Operating Procedures (SOPs). A project is already underway to address outdated SOPs and align them with current practices and technologies.

Given the volume and complexity of permits, as well as the growing size of our department, having a dedicated Policy Coordinator to continuously review and update SOPs and policies would be highly beneficial. This role is being considered as part of the 2026 budget proposal to ensure sustained improvements and consistency in our processes.

Timeline: Q3, 2025

F: Technical Employee Audits should be Conducted in Accordance with Standard Operating Procedures

Priority Rating | **P3**

Background — The Technical Employees Auditing Program SOP was created in 2018 to achieve a consistent approach to enforcing the Building Code Act, Zoning and Sign By-laws, and other regulations across the Building Division. The procedure outlines how the work processes of technical employees are to be audited by their immediate Supervisors regularly. The term "technical employees" refers to any active employees within Plans and Permits, Inspections, Zoning and Sign By-law Services or Permit Expediters.

Criteria — Technical employee audits are conducted by Supervisors for all new technical employees within the first four months of employment, and at least bi-annually for all other technical employees.

Condition — We reviewed the technical employee audit program and found that technical audits are not conducted consistently. Based on discussion with staff, two out of the four areas requiring technical audits have not conducted technical audits since 2022, one area has not conducted technical audits since 2023, and one area has completed technical audits for only some employees in 2023 and 2024.

Amid ongoing amendments to the Ontario Building Code and other regulations and regular staff turnover, technical audits serve as a valuable tool for evaluating employee performance and ensuring compliance with technical and service level requirements.

Cause   Technical employee audits have not been performed, either due to a lack of awareness of this requirement or because workload demands took priority.

Impact   The lack of regular technical audits prevent Supervisors from identifying and addressing work processes that are inefficient, ineffective or do not comply with the Ontario Building Code, Zoning By-law or other regulations.

Recommendation:

6. Conduct Technical Employee Audits
The *Chief Building Officer* should ensure evaluations are performed for technical employees to ensure that they comply with Ontario Building Code, Building By-law, Zoning By-law and City policies.

Management Response: ☒ Agree   ☐ Disagree

Comments/Action Plan
With the leadership team now operating at full complement, addressing the consistency of technical employee audits is a key priority this year. For many years, the leadership team faced significant vacancies, with 40-50% of positions often unfilled, which limited our capacity to conduct regular audits.

Now that we have the resources in place, we are committed to ensuring technical employee audits are conducted as outlined in the SOP. These audits will help assess performance, identify training needs, and ensure compliance with the Ontario Building Code, Building By-laws, and City policies, strengthening the integrity of our processes across all technical areas.

Timeline: Q4, 2025

Audit Objectives, Scope and Methodology

Objective   The audit reviewed processes and controls around building permits to assess whether they are adequately designed, operating effectively, and compliant with relevant legislation. Specifically, this engagement assessed whether Building has:

- established departmental policies and procedures ensuring alignment with the Ontario Building Code, Building By-law, Zoning By-law and City policies and procedures
- implemented processes to manage the building permit pre-screening, payment and collection, and permit plans review process effectively
- implemented processes to coordinate, complete and monitor building permit inspections effectively
- implemented processes to ensure staff have the required qualifications and receive ongoing training to effectively perform their duties
- implemented processes to ensure building permit and inspection-related callback requests are effectively monitored and managed.

Scope   Our audit scope covered building permit and inspection activity from January 1, 2021, to October 31, 2024.

Methodology   Our audit methodology included the following:

- reviewing policies and Standard Operating Procedures guiding building permit activities
- interviewing staff in various divisions involved in the building permit process
- using sample testing and data analytics to assess efficiency, effectiveness and compliance of building permit activities
- participating in a ride-along with inspectors to observe inspection processes.

Appendix 1: List of Figures and Tables

List of Figures

List of Tables

Appendix 2: Criteria for Assigning Ratings to Audit Findings

Priority Rating	Description
Priority 1 (P1)	One or more of the following conditions exist that require immediate attention of the Senior Leadership Team. Corrective actions by senior Management must be implemented. • Financial impact of both actual and potential losses is material • Management's actions, or lack thereof, have resulted in the compromise of a key process or control, which requires immediate significant efforts and/or resources (including time, financial commitments, etc.) to mitigate associated risks. Failure by Management to remedy such deficiencies on a timely basis will result in the City being exposed to immediate risk and/or financial loss • One more of the following conditions is true: i) management failed to identify key risks, ii) management failed to implement process and controls to mitigate key risks • Management's actions, or lack thereof, have resulted in a key initiative to be significantly impacted or delayed, and the financial support for such initiative will likely be compromised • Management failed to implement effective control environment or provide adequate oversight, resulting in a negative pervasive impact on the City or potential fraudulent acts by City staff • Fraud by Management or staff, as defined by the Corporate Fraud Prevention Policy (Policy 2.14)

Priority 2 (P2)	One or more of the following conditions exist that require attention by senior Management. Corrective actions by Management should be implemented. • Financial impact of both actual and potential losses is significant • Management's actions, or lack thereof, may result in a key process or control to be compromised, which requires considerable efforts and/or resources (including time, financial commitments etc.) to mitigate associated risks • Management correctly identified key risks and have implemented processes and controls to mitigate such risks, however, one or more of the following is true: i) the processes and controls are not appropriate or adequate in design, ii) the processes and controls are not operating effectively on a consistent basis • Management's actions, or lack thereof, have impacted or delayed a key initiative, and the funding for such initiative may be compromised • Management failed to provide effective control environment or oversight on a consistent basis, resulting in a negative impact on the respective division, or other departments • Management failed to comply with Council-approved policies, by-laws, regulatory requirements, etc., which may result in penalties • Management failed to identify or remedy key control deficiencies that may impact the effectiveness of anti-fraud programs
(Priority 3) P3	One or more of the following conditions exist that require attention by Management. Corrective actions by Management should be implemented. • Financial impact of both actual and potential losses is insignificant • A non-key process or control, if compromised, may require some efforts and/or resources (including time, financial commitments, etc.) to mitigate associated risks • Processes and controls to mitigate risks are in place; however, opportunities exist to further enhance the effectiveness or efficiency of such processes and controls. Management oversight exists to ensure key processes and controls are operating effectively • Minimal risk of non-compliance to Council-approved policies, by-laws, regulatory requirements, etc. • Low impact to the City's strategic or key initiative • Low impact to the City's operations

Building Permit Audit

Audit Committee
February 24, 2025

Agenda

1. Our Audit vs. 2024 BiLD Study
2. Audit Objectives
3. Scope and Methodology
4. Audit Observations
5. Management Action Plans
6. Next Steps
7. Questions

Our Audit vs. 2024 BiLD Study

- The recent Greater Toronto Area Municipal Benchmarking Study, 3rd Edition or 2024 BiLD report by the Building Industry and Land Development Association highlighted significant improvements in Brampton's development application processing times, reducing them from 19.1 months to 14.1 months.

- The 2024 BiLD report addresses development applications and approval process **(Step I)** whereas Internal Audit examined the subsequent phase **(Step II)** —building permitting activities—and offers a roadmap for enhancing the City's permitting process.

Greater Toronto Area Municipal Benchmarking Study

3rd Edition

BRAMPTON

Internal Audit

Overall Planning, Development & Building Permit Practices

Step I: Planning & Development Process

Main activities covered by the Study: The Development application review and approval process

Step II: Building Permit Process

Main activities covered by our audit:
1. Submission of Permit Application
2. Plan Review for Compliance
3. Permit Issuance
4. Inspections During Construction

Audit Objectives

- Evaluate whether Building policies and procedures are sufficient and aligned with the Ontario Building Code, Building By-law, Zoning By-law, and city policies.

- Determine whether effective processes are in place for building permit pre-screening, payment collection, and plan reviews.

- Assess whether the Building division has established processes to ensure staff meet required qualifications.

Audit Objectives (Cont'd)

- Examine whether systems are in place to monitor and manage building permit-related callback requests effectively.

- Verify whether the Building division has effective mechanisms to coordinate, conduct, and monitor building permit inspections and Orders to Comply.

Scope and Methodology

Our audit scope covered building permit activity from January 1, 2021 to October 31, 2024.

The audit methodology included:

- Review of policies and standard operating procedures
- Interviews with staff involved in the building permit process
- Sample testing and data analysis to evaluate efficiency, effectiveness and compliance of building permit activities
- A ride-along with inspectors.

Audit Observation 1: Continue to Improve Monitoring of Open Building Inspections

The following monitoring processes have not been consistently enforced:

- Initial inspections have not always been scheduled within 6 months. For example, 12% of inspections were scheduled after 6 months or not at all.

- While building inspection inactivity should not exceed 12 months, 9% of permits have inspections with greater than 12 months of inactivity.

We recommend that the Chief Building Officer continue to improve monitoring of open building inspections and ensure timely permit revocation or completion of remaining inspections.

Audit Observation 2: Continue to Monitor Occurrences, Orders to Comply, and Prosecution Files to Ensure Timely Resolution

The process to monitor open occurrences and *Orders to Comply* is inconsistent:

- 80% of open occurrences and 81% of open orders were opened in 2023 or earlier. A sample review of these files showed that no recent notes indicated the reason for the delay or file status.

The process of monitoring open prosecution files is inconsistent:

- Out of 140 Orders to Comply assigned to be prosecuted, only 22 of them advanced to the prosecution stage.

We recommend that the Chief Building Officer continue to monitor open occurrences, Orders to Comply, and prosecution files to ensure timely resolution of unpermitted construction and mitigate the risk of unsafe structures.

Audit Observation 3: Continue to Monitor Inactive Building Permit Applications to Facilitate Timely Permit Issuance

The process for monitoring and following up on aged open permit applications lacks consistency.

Currently, most open permit applications (67%) are from 2024, while 33% remain open from 2023 or earlier. These permit applications are open because the applicant has not fulfilled a re-work request. Most of these files do not have any notes to indicate recent correspondence with the applicant.

We recommend that the Chief Building Officer continue to monitor open building permit applications to assess their status and facilitate timely permit issuance regularly.

Audit Observation 4: Improve the Process for Managing Callback Requests

Managing callback requests through Outlook email is inefficient given the high volume, with over 12,000 requests received in 2024.

The manual process lacks centralized record-keeping and reporting capabilities.

We recommend that the Chief Building Officer develop a tracking system for inquiries and complaints that integrates with the portal and AMANDA to enable effective management of callback requests.

Audit Observation 5: Review and Update Standard Operating Procedures to Align with Current Practices

Standard Operating Procedures are outdated:

- Most SOPs have not been reviewed in years, with the exception of those related to the Brampton Building and Business Portal.
- The majority of the 99 SOPs predate 2010, including 13 that were created before 2000.
- All SOPs are based on an outdated template and lack proper review tracking mechanisms.

We recommend that the Chief Building Officer ensure all Standard Operating Procedures align with current practices, technology, and compliance requirements.

Audit Observation 6: Conduct Regular Technical Employee Audits to Verify Employee Compliance with Building Codes

Technical audits are not consistently conducted across all required areas:

- Of the four required areas, two have not conducted any audits since 2022, one has not conducted audits since 2023, and one has only partially completed audits for some employees in 2023 and 2024.

We recommend that the Chief Building Officer ensure regular technical audits are conducted to verify employee compliance with the Ontario Building Code, Building By-law, Zoning By-law, and City policies.

Conclusion

Implementing the recommendations in this report will enhance the processes and performance of building permit activities, which, when combined with improvements in the development application process, will strengthen the City's overall planning, development and building practices.

Management Action Plans

1. Continue to Improve Monitoring of Open Building Inspections

- Project currently underway to address these legacy permits and bring them into compliance
- Address the staff shortage
- Actively follow up on dormant permits by either revoking them or issuing orders to facilitate compliance
- Implement a systematic process to monitor both new and legacy permits, ensuring inspections are scheduled and completed within the Ontario Building Code's mandated timeframes

Timeline: Q2 2026

Management Action Plans

2. Continue to Actively Monitor Open Occurrences, Orders to Comply, and Prosecution Files

- Fill the Regulatory Coordinator position
- Develop a systematic process to actively track open occurrences, Orders to Comply and prosecution files
- Restructure responsibilities to focus on supporting prosecution efforts

Timeline: Q1 2026

Management Action Plans

3. Continue to Improve Monitoring of Inactive Building Permit Applications

- Achieve full staffing in the Permit Expeditor team, with 2 out of 4 positions currently filled
- Develop an automated process to assist in monitoring and managing inactive permits
- Streamline follow-up procedures and facilitate timely resolution of open applications

Timeline: Q1 2026

Management Action Plans

4. Implement a Formal Callback Request Tracking System

- Advance phase two of the new portal project by developing an integrated tracking system for inquiries and complaints
- Utilize tracking system to work in conjunction with Amanda and the portal and maintain detailed communication records

Timeline: Q1 2026 (Based on IT availability)

Management Action Plans

5. Review and Update Standard Operating Procedures

- Continue current SOP review project to address outdated SOPs and align them with current practices and technologies
- Utilize staff from all teams to assist in reviewing and updating SOPs
- Consider having a dedicated Policy Coordinator to perform ongoing SOP reviews and drive continuous improvement

Timeline: Q3 2025

Management Action Plans

6. Regularly Evaluate the Performance of Technical Staff

- Prioritize the completion of technical employee audits
- Focus more on new hires by conducting regular audits within their initial months to ensure proper onboarding and alignment with expectations
- Update the current SOP for Technical Auditing to foster an opportunity for staff and leadership to establish an open channel for communication
- Proper allocation of resources to facilitate effective audits

Timeline: Q4 2025

Next Steps

✓ Action plans have been developed

✓ Implementation is underway or completed

✓ Internal Audit will follow up and report on the status of these action plans

Questions?

BUILDING PERMIT AUDIT

Thank You

Date: 2025-01-31

Subject: **Internal Audit Quality Assurance and Improvement Program**

Contact: Claire Mu, Director, Internal Audit

Report Number: CAO's Office-2025-123

RECOMMENDATIONS:

1. That the report titled: Internal Audit Quality Assurance and Improvement Program to the Audit Committee Meeting of February 11, 2025, be received and that the proposed Quality Assessment and Improvement Program documents included in **Appendix 1 – Quality Assurance and Improvement Program Summary** and **Appendix 2 – External Quality Assessment Plan** be approved.

OVERVIEW:

- **Background and Updates**: The 2024 Global Internal Audit Standards, effective January 2025, require the Chief Audit Executive (CAE) to develop, implement, and maintain a Quality Assurance and Improvement Program (QAIP) that covers all aspects of internal audit activities.
- **Quality Assurance and Improvement Program:** Internal Audit has developed its QAIP program to align with the new standards' requirements. The key elements of the program are summarized in **Appendix 1**.
- **External Quality Assessment Plan**: To meet the requirements for external assessments, Internal Audit has developed a plan for the 2025 External Quality Assessment. This plan, included in **Appendix 2**, outlines the scope, methodology, and engagement of a qualified, independent, external assessor to conform with the new standards.
- **Appendices and Additional Details**:
  - **Appendix 1**: Quality Assurance and Improvement Program Summary
  - **Appendix 2**: External Quality Assessment Plan
- **Action Required:**
  - The Audit Committee is required to review and approve the QAIP summary in **Appendix 1** to fulfill the essential conditions for the Board's oversight of Internal Audit, as mandated by **Standard 8.3 Quality** from the new standards.

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> o The Audit Committee is required to review and approve the External Quality Assessment Plan in **Appendix 2** to ensure conformance with **Standard 8.4 External Quality Assessment**.

BACKGROUND:

Under the Institute of Internal Auditors (IIA) 2024 Global Internal Audit Standards, effective January 2025, the CAE is required to develop, implement, and maintain a QAIP that includes both internal and external quality assessments. These assessments evaluate not only Internal Audit's conformance to the standards but also its achievement of performance objectives, compliance with applicable laws, and efforts toward addressing deficiencies and driving continuous improvement.

Specific standards related to the QAIP:

- **Standard 8.3 Quality:** *"The chief audit executive must develop, implement, and maintain a quality assurance and improvement program that covers all aspects of the internal audit function"*.
- **Standard 8.4 External Quality Assessment:** *"The chief audit executive must develop a plan for an external quality assessment and discuss the plan with the board."*
- **Standard 12.1 Internal Quality Assessment:** *"The chief audit executive must develop and conduct internal assessments of the internal audit function's conformance with the Global Internal Audit Standards and progress toward performance objectives."*
- **Standard 12.2 Performance Measurement:** *"The chief audit executive must develop objectives to evaluate the internal audit function's performance." "The chief audit executive must develop an action plan to address issues and opportunities for improvement."*
- **Standard 12.3 Oversee and Improve Engagement Performance:** *"The chief audit executive must establish and implement methodologies for engagement supervision, quality assurance, and the development of competencies."*

At the City of Brampton, the role of CAE is fulfilled by the Director of Internal Audit, the role of the Board is fulfilled by the Audit Committee, and senior management is fulfilled by the Senior Leadership Team, including the Chief Administrative Officer (CAO).

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Current Situation:

Quality Assessment and Improvement Program

Internal Audit has developed a QAIP program to align with the updated IIA standards.

To comply with the standards, the City of Brampton's QAIP program outlines the key components of the QAIP requirements, including Internal Quality Assessment, External Quality Assessment, and Continuous Improvement, summarized as follows:

a) Internal Quality Assessment

- Ongoing Monitoring: Continuous evaluations conducted to assess internal audit function's conformance with audit engagement-related standards and progress toward achieving performance objectives.
- Periodic Self-Assessments: Comprehensive reviews conducted annually to assess the function's overall conformance with each standard and achievement of performance objectives.

b) External Quality Assessments

- Full Scope External Quality Assessments: Independent, comprehensive evaluations conducted by external assessors.
- Self-Assessment with Independent Validation (SAIV): Internal reviews validated by an independent assessor.

c) Continuous Improvement

Internal Audit fosters continuous improvement by addressing gaps and improvement opportunities identified through internal and external quality assessments. Internal Audit also leverages technological advancements and data analytics to enhance effectiveness and efficiency.

The key elements of the QAIP program are outlined in **Appendix 1** and presented to the Aduit Committee to support its oversight responsibilities.

External Quality Assessment Plan

Under **Standard 8.4 External Quality Assessment**, Internal Audit must complete the assessment at least once every five years. The CAE is required to develop a plan for

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carrying out the assessment, discuss it with the Audit Committee and senior management[1] for input, and obtain the Audit Committee's approval.

The plan, detailed in **Appendix 2,** outlines the assessment scope, frequency, external assessor or assessment team engagement, and the rationale for Internal Audit's selection of the SAIV approach over a full external quality assessment. It is subject to review by the Audit Committee for necessary input, with final approval by the Audit Committee.

Action Required from Audit Committee:

It is recommended that the Audit Committee review and approve the QAIP summary outlined in **Appendix 1** and the external quality assessment plan detailed in **Appendix 2**.

Per the Essential Conditions in **Standard 8.3: Quality**, the Board is required to discuss with the Chief Audit Executive (CAE) the quality assurance and improvement program. Furthermore, the Essential Conditions of **Standard 8.4**: **External Quality Assessment** mandate the Audit Committee to review and approve Internal Audit's plan for conducting the external quality assessment. These recommendations ensure that the Audit Committee fulfills its oversight responsibilities effectively.

STRATEGIC FOCUS AREA:

Government & Leadership: Focusing on service excellence by prioritizing conformance with standards, achieving performance objectives to enhance efficiency and effectiveness, and promoting accountability and transparency.

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[1] Based on the Essential Conditions outlined in **Standard 8.3 Quality** and **Standard 8.4 External Quality Assessment**, senior management shall collaborate with the Audit Committee to provide input on the internal audit function's performance objectives and determine the scope and frequency of the external quality assessment.

Internal Audit previously discussed these matters with senior management, with the resulting decisions captured in the Internal Audit Strategy and Internal Audit Charter. Both were approved by the Audit Committee during the following meetings. No further discussions involving senior management are required to comply with the standard requirements.

- October 7, 2024 - Internal Audit Charter (Agenta Item 6.7): *https://pub-brampton.escribemeetings.com/Meeting.aspx?Id=cd2dff0b-198a-42f1-a7a3-86d4924e8acb&Agenda=PostMinutes&lang=English*)
- December 3, 2024 - Internal Audit Strategy (Agenda Item 6.5): *https://pub-brampton.escribemeetings.com/Meeting.aspx?Id=11bb5bdb-7af7-426f-83b0-085352d575da&Agenda=Merged&lang=English*)

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CONCLUSION:

The new Global Internal Audit Standards mandate that the QAIP be developed in alignment with IIA expectations. With the Audit Committee and senior management's review and input, as necessary, and the Audit Committee's approval of the external quality assessment plan, Internal Audit will implement and maintain the QAIP and conduct the external quality assessment scheduled for 2025.

Authored by: Reviewed and approved by:

_____   _____

Mia Cui   Claire Mu
Manager   Director
Internal Audit   Internal Audit

Attachments:

- Appendix 1 – Quality Assurance and Improvement Program Summary
- Appendix 2 – External Quality Assessment Plan

5

QUALITY ASSURANCE AND IMPROVEMENT PROGRAM

February 11, 2025

QAIP PURPOSE

The newly issued Global Internal Audit Standards, effective January 2025, require the CAE to **develop, implement, and maintain a Quality Assurance and Improvement Program (QAIP)**.

This program must **cover all aspects** of the internal audit function, **emphasizing** not only Internal Audit's **conformance** with the Standards but also its **performance and commitment to continuous improvement** to ensure the delivery of high-quality internal audit services.

QAIP REQUIREMENTS

Standard 8.3 Quality

Requirements

The chief audit executive must develop, implement, and maintain a quality assurance and improvement program that covers all aspects of the internal audit function. The program includes two types of assessments:

- External assessments. (See also Standard 8.4 External Quality Assessment.)

- Internal assessments. (See also Standard 12.1 Internal Quality Assessment.)

Essential Conditions

Board

- Discuss with the chief audit executive the quality assurance and improvement program, as outlined in Domain IV: Managing the Internal Audit Function.

EXTERNAL ASSESSMENT REQUIREMENTS

Standard 8.4 External Quality Assessment

Requirements

The chief audit executive must develop a plan for an external quality assessment and discuss the plan with the board. The external assessment must be performed at least once every five years by a qualified, independent assessor or assessment team. The requirement for an external quality assessment may also be met through a self-assessment with independent validation.

When selecting the independent assessor or assessment team, the chief audit executive must ensure at least one person holds an active Certified Internal Auditor® designation.

Essential Conditions
Board
- Review and approve the chief audit executive's plan for the performance of an external quality assessment. Such approval should cover, at a minimum:

  - The scope and frequency of assessments.

  - The competencies and independence of the external assessor or assessment team.

  - The rationale for choosing to conduct a self-assessment with independent validation instead of an external quality assessment.

INTERNAL ASSESSMENT REQUIREMENTS

Standard 12.1 Internal Quality Assessment

Requirements

The chief audit executive must develop and conduct internal assessments of the internal audit function's conformance with the Global Internal Audit Standards and progress toward performance objectives.
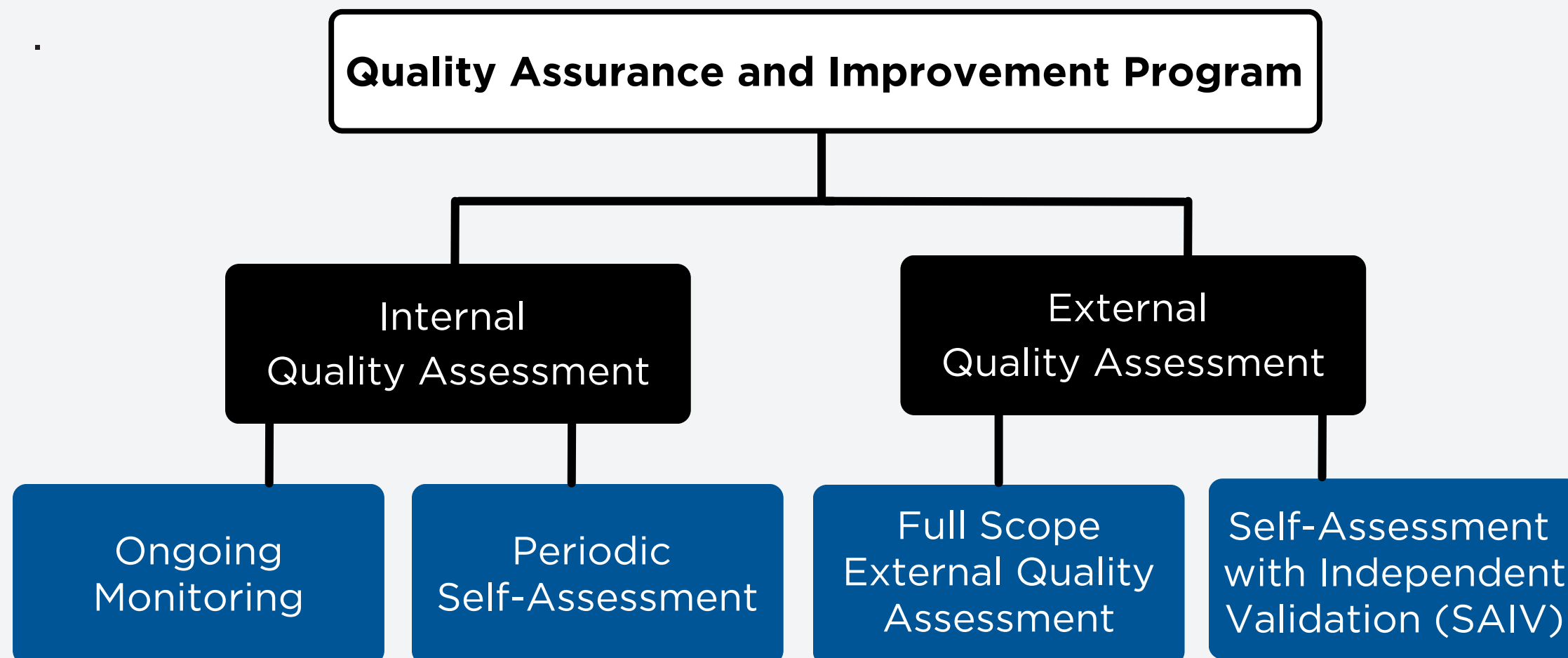
The chief audit executive must establish a methodology for internal assessments, as described in Standard 8.3 Quality, that includes:

- Ongoing monitoring of the internal audit function's conformance with the Standards and progress toward performance objectives.

- Periodic self-assessments or assessments by other persons within the organization with sufficient knowledge of internal audit practices to evaluate conformance with the Standards.

- Communication with the board and senior management about the results of internal assessments.

Based on the results of periodic self-assessments, the chief audit executive must develop action plans to address instances of nonconformance with the Standards and opportunities for improvement, including a proposed timeline for actions. The chief audit executive must communicate the results of periodic self-assessments and action plans to the board and senior management. (See also Standards 8.1 Board Interaction, 8.3 Quality, and 9.3 Methodologies.)

REPORTING

- All ongoing and periodic Internal Quality Assessment results will be reported to the Audit Committee once a year.
- All External Quality Assessment results will be reported to the Audit Committee directly by the External Quality.

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```
Quality Assurance and Improvement Program
         |
    +----+----+
    |         |
Internal    External
Quality     Quality
Assessment  Assessment
```

| Ongoing Monitoring | Periodic Self-Assessment | Full Scope External Quality Assessment | Self-Assessment with Independent Validation (SAIV) |

Reporting includes an action plan to push for continuous improvement.

INTERNAL ASSESSMENT

Ongoing Monitoring

- Adequate engagement supervision is a fundamental element of a QAIP program
- Monitored primarily through day-to-day supervisory reviews of engagement planning, work papers, and final communications
- Built into routine policies and practices
- Additional mechanisms for on-going monitoring:
  - resource allocation
  - achievement of internal audit plan
  - timelines of engagement completion
  - feedback from internal audit stakeholders
  - auditee post-engagement survey

Periodic Self-Assessment

- A more holistic, comprehensive review of the Standards
- At least once per year
- Assess every standard
- May interview and survey internal audit stakeholders
- Evaluate
  - adequacy of audit methodology
  - internal audit function support of the achievement of the org's objectives
  - quality of internal audit services performed and supervision provided
  - degree to which stakeholder expectations are met and performance objectives are achieved

EXTERNAL QUALITY ASSESSMENT

Full Scope External Assessment

Involves assessment of all internal audit activities performed by an independent qualified external assessor

SAIV (Self-Assessment with Independent Validation)

Involves a self-assessment completed by an internal audit activity, with the fully documented work reviewed and verified by an independent qualified external assessor.

Develop a plan and discuss with the Board, including:
- the selection of assessor must include at least one CIA designation holder
- assessment execution (e.g. on/off site, survey, and/or interviews)

When conducting the external assessment, key aspects must be defined, including:
- Full Scope of the Review
- The frequency included in the Charter and approved by the Board > 5-yr cycle
- How the assessment report will be presented to the Board > full results directly presented to the Audit Committee

COB'S QAIP PROGRAM

- Closely follow the IIA Standards requirements.
- For the upcoming External Quality Assessment, we chose SAIV format to be validated by an IIA Independent Quality Assessor. This considers: The Standards allows one SAIV every 10 years.
  - Our last two External Quality Assessments conducted in 2017 and 2020 were all full scope External Quality Assessments.
  - The SAIV format will provide a good learning opportunity for staff to conduct periodic self-assessments under the new Standards.

COB'S QAIP PROGRAM CONT'D

According to IIA quality assessment training, small audit functions are not required to assess all domains, principles, and standards annually. Instead, they may conduct selective evaluations each year, provided that all standards are covered at least once between external quality assessments. High-priority areas may be assessed more frequently.

As COB Internal Audit qualifies as a small audit function (fewer than nine audit staff), we will assess one domain per annual self-assessment, ensuring full conformance with all domains, principles, and standards between the 2025 and 2030 external quality assessments.

QUESTIONS?

Appendix 2: External Quality Assessment Plan

The Quality Assurance Program ensures high-quality, effective internal audits, compliance with standards, and continuous improvement.

According to **Standard 8.4: External Quality Assessment** of the 2024 Global Internal Audit Standards, effective January 2025, the Chief Audit Executive (CAE) is required to develop a plan for conducting the mandatory external quality assessment at least once every five years. The plan must specify the minimum requirements outlined in the standards, be reviewed by the Audit Committee and senior management, and receive approval from the Audit Committee.

The detailed requirements set out by the standard are as follows:

Standard 8.4 External Quality Assessment

"The chief audit executive must develop a plan for an external quality assessment and discuss the plan with the board.

Essential Conditions
Board
- *Discuss with the chief audit executive the plans to have an external quality Assessment of the internal audit function conducted by an independent, qualified assessor or assessment team.*
- *Collaborate with senior management and the chief audit executive to determine the scope and frequency of the external quality assessment.*
- *Consider the responsibilities and regulatory requirements of the internal audit function and the chief audit executive, as described in the internal audit charter, when defining the scope of the external quality assessment.*
- *Review and approve the chief audit executive's plan for the performance of an external quality assessment. Such approval should cover, at a minimum:*
  - *The scope and frequency of assessments.*
  - *The competencies and independence of the external assessor or assessment team.*
  - *The rationale for choosing to conduct a self-assessment with independent validation instead of an external quality assessment.*

Senior Management
- *Collaborate with the board and the chief audit executive to determine the scope and frequency of the external quality assessment."*

To comply with Standard 8.4 Quality, Internal Audit developed the External Quality Assessment Plan, consisting of the following required elements:

A. Assessment Scope and Frequency

In response to the release of the 2024 Global Internal Audit Standards, the Director updated the Internal Audit Charter to specify a five-year frequency for conducting external quality assessments, incorporating feedback from the Senior Leadership Team[1]. The updated Charter was approved by the Audit Committee, endorsed by the City Council in October 2024, and formally enacted as part of the City of Brampton By-Law[2].

With the last external quality assessment completed in August 2020, Internal Audit has scheduled the next assessment for 2025 to comply with the new standards. This assessment will encompass all internal audit activities, evaluating the function's conformance with each standard, achievement of performance objectives, and continuous improvement efforts. As the new standards take effect on January 9, 2025, the quality assessment will primarily cover the 2024 audit initiative focused on standard conformance and the audit engagements/activities conducted in 2025.

B. Assessment Approach

In preparation for the upcoming external quality assessment, Internal Audit has chosen the Self-Assessment with Independent Validation (SAIV) approach instead of a full external assessment.

A full external assessment is conducted entirely by an independent assessor or team external to the City of Brampton, whereas the SAIV combines a comprehensive self-assessment conducted by qualified internal audit staff with validation by an independent external assessor. The process includes stakeholder interviews, surveys, and document reviews, during which the external validator substantiates the self-assessment work and the ratings proposed by the internal audit staff. The validator will either co-sign the self-assessment report on conformance with the Standards or issue a separate report addressing any discrepancies, which will be presented directly to the Audit Committee.

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[1] Internal Audit conducted educational sessions on the 2024 IIA Global Internal Audit Standards for the Senior Leadership Team on May 30, 2024. On June 13, 2024, Internal Audit facilitated a meeting with the Senior Leadership Team, the Chair and Vice Chair of the Audit Committee, and Internal Audit to gather feedback on key areas, including the Internal Audit Charter, mandate, Chief Audit Executive (CAE) job description, the potential scope of advisory services, and the frequency of external quality assessments.
[2] https://www.brampton.ca/EN/City-Hall/Bylaws/Archive/163-2024.pdf

Internal Audit selected the SAIV approach for the following reasons:

- Enhancing Internal Audit's institutional knowledge of the new standards, which supports the effective implementation and ongoing maintenance of the QAIP.
- Ensuring cost-effectiveness, as SAIV is a more economical option. In this approach, Internal Audit conducts the "self-assessment" portion, while an independent and qualified external assessor reviews and validates, reducing overall costs.

The SAIV is scheduled to begin in Q2 2025, with the Director of Internal Audit assigning the task to staff certified through the Institute of Internal Auditors (IIA) Quality Assessor Certification Program. The independent external validation will follow in August 2025, and the results will be presented to the Audit Committee on October 7, 2025.

C. External Independent Quality Assessor / Assessment Team

Internal Audit has decided to engage the IIA to conduct the external quality assessment using the SAIV approach. This decision is driven by the IIA's release of the new standards, solidifying its position as the most authoritative body to oversee the assessment.

Building on the insights gained from the IIA's gap assessment, the institution applies a rigorous due diligence process to ensure the assigned quality assessor is independent, holds active internal audit certifications, and is free from conflicts of interest to maintain objectivity.

Date: 2025-01-31

Subject: **Internal Audit Communication Framework**

Contact: Claire Mu, Director, Internal Audit

Report Number: CAO's Office-2025-121

RECOMMENDATIONS:

1. That the report titled: **Internal Audit Communication Framework** to the Audit Committee Meeting of February 11, 2025, be received and that the communication framework outlined in **Appendix 1 – Internal Audit Communication Framework** be approved.

OVERVIEW:

- **Background and Updates:** The updated 2024 IIA Global Internal Audit Standards emphasize the importance of communication and interactions between Internal Audit, the Audit Committee, and Senior Management. The Standards require the Director of Internal Audit to establish a formal plan to guide their communications with the Audit Committee and the Senior Management. The plan must define the frequency, nature, and content of these communications, to ensure transparency, align on key issues, inform decision-making, and enhance accountability.

- **Communication Framework:** The proposed communication framework provides a structured approach to communication, including key communication content, formats, and frequency. The development of the Internal Audit Communication Framework began in October 2024 and is based on IIA implementation guidance research on best practices.

- **Action Required**: In accordance with the updated 2024 IIA Global Audit Standards, the Audit Committee is required to review and adopt **Appendix 1 - Internal Audit Communication Framework**.

1

BACKGROUND:

In January 2024, the Institute of Internal Auditors released the new Global Internal Audit Standards, which take effect in January 2025. The 2024 IIA Standards consists of five domains. **Domain III: Governing the Internal Audit Function** groups the Standards that focus on the relationship between the Board/Audit Committee, senior management, and the chief audit executive (CAE) in governing the internal audit function. **Domain III** requires the CAE to meet with the Board and senior management to discuss the responsibilities and essential conditions of the Standards and how the parties can collaborate to establish and maintain an effective internal audit function.

At the City of Brampton, the role of CAE is fulfilled by the Director of Internal Audit, the role of the Board is fulfilled by the Audit Committee and senior management is fulfilled by the Senior Leadership Team, including the Chief Administrative Officer (CAO).

The updated 2024 Standards emphasize that the CAE should discuss and reach an agreement with the board and senior management regarding the nature, format, and frequency of communications. The following lists the standards requirements:

- **Standard 6.3 Board and Senior Management Support:** *"The chief audit executive must provide the board and senior management with the information needed to support and promote recognition of the internal audit function throughout the organization."*

- **Standard 8.1 Board Interactions:** *"Periodically, the chief audit executive should confirm with the board that the frequency, nature, and content of communications meet the board's expectations."*

- **Standard 11.1 Building Relationships and Communicating with Stakeholders:** *"The chief audit executive should discuss a methodology for communication with the board and senior management to determine the criteria defining significant issues requiring formal communication, the format and content of formal communication, and the frequency with which such communication should occur."*

CURRENT SITUATION:

Internal Audit Communication Framework

To align with the updated 2024 IIA Standards while addressing the City's unique needs, operational realities, and priorities, Internal Audit has developed a comprehensive Communication Framework. The framework consists of the following two parts:

Part 1. Communication with Audit Committee

The communication with the Audit Committee focuses on providing essential oversight-related information, such as audit plans, results, risk management updates, and governance matters. This is achieved through a variety of formats, including formal quarterly Audit Committee meetings, scheduled Audit Committee educational workshops, regular operational updates, and ad hoc emails and verbal communications. These efforts ensure that the Audit Committee has the insights needed to fulfill its governance responsibilities effectively. Additionally, the framework establishes clear expectations for reporting significant risks, ethical concerns, and internal control deficiencies, enabling timely escalation and resolution of critical issues.

Part 2. Communication with Senior Management

The communication with senior management focuses on fostering collaboration to support the Audit Committee's governance role while addressing operational risks, resource needs, and strategic priorities. This is facilitated through multiple channels, including:
- Quarterly Audit Committee meetings: the Senior Leadership Team are standing invitees, ensuring ongoing engagement.
- Bi-weekly discussions with the CAO: Regular touchpoints to address audit priorities, resource considerations and risk management efforts.
- Annual structured risk assessments: A systematic approach to identifying and evaluating key risks across the organization.

These interactions enable Internal Audit to share insights, gather feedback on audit findings, and discuss risk mitigation strategies and emerging issues. The communication framework ensures that senior management remains well informed, actively engaged in risk management, and aligned with Internal Audit's objectives.

Additionally, the framework provides a structured mechanism for escalating unresolved risks to the Audit Committee, reinforcing accountability and enhancing governance effectiveness.

Stakeholder Engagement

Internal Audit reviewed the framework with the Chair and Vice Chair of the Audit Committee on January 24, 2025, and with the CAO representing the Senior Leadership Team on January 27, 2025, prior to its presentation to the Audit Committee. This comprehensive review process ensures adherence to IIA Standards and alignment with organizational priorities.

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<u>Action Required from Audit Committee</u>

Standard 8.1 Board Interactions Essential Condition requires the board *"set expectations with the chief audit executive for the frequency with which the board wants to receive communications from the chief audit executive."*

It is recommended that Audit Committee review and approve the communication framework detailed in **Appendix 1**, titled "*Internal Audit Communication Framework*," to ensure compliance with the new Standards and their requirements.

CORPORATE IMPLICATIONS:
Financial Implications:

N/A

Other Implications:

N/A

STRATEGIC FOCUS AREA:

Government & Leadership: Internal Audit is an essential service and provides a systematic, disciplined approach to evaluate and improve the effectiveness of the City's governance, risk management, and internal controls and processes.

CONCLUSION:

The 2024 Global Internal Audit Standards emphasizes the need for a structured and transparent communication plan between Internal Audit, the Audit Committee, and senior management. This framework, developed in collaboration with key stakeholders, documents the agreed-upon communication process and serves as evidence of conformance with the updated IIA Standards. Upon approval by the Audit Committee, Internal Audit will implement this framework to promote consistent, transparent, and accountable communication. This will strengthen governance, enhance oversight, and foster stakeholder trust and alignment.

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Authored by: Reviewed and approved by:

_____   _____
Mia Cui   Claire Mu
Manager   Director
Internal Audit   Internal Audit

Attachments:

- Appendix 1 – Internal Audit Communication Framework

Internal Audit Communication Framework

February 11, 2025

Claire Mu
Director, Internal Audit

Mia Cui
Audit Manager, Internal Audit

Internal Audit

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Distribution List

Standard Recipients   Members of Audit Committee

Chief Administrative Officer (CAO)

Senior Leadership Team (SLT)

Members of Council

Communication Framework Aligned with IIA[1] New Global Standards

Overview of the New IIA Standards

In January 2024, the Institute of Internal Auditors released the new Global Internal Audit Standards which take effect in January 2025. The 2024 IIA Standards consists of five domains. **Domain III: Governing the Internal Audit Function** groups together the Standards that focus on the relationship between the board/Audit Committee, senior management and the chief audit executive (CAE), in governing the internal audit function. Domain III requires the CAE to meet with the board and senior management to discuss the responsibilities and essential conditions of the Standards and how the parties can collaborate to establish and maintain an effective internal audit function.

New Requirement:

CAE to establish a formal plan to guide Internal Audit's communications with the Audit Committee and senior management.

The updated 2024 Standards require the CAE to establish a formal plan for communicating/interacting with the Audit Committee and the senior management. This requirement is stated in **Standard 6.3 Board and Senior Management Support**, **Standard 8.1 Board Interactions**, and **Standard 11.1 Building Relationships and Communicating with Stakeholders.**

"The chief audit executive must provide the board and senior management with the information needed to support and promote recognition of the internal audit function throughout the organization."

Standard 6.3 Board and Senior Management Support

"The chief audit executive must provide the board and senior management with the information needed to support and promote recognition of the internal audit function throughout the organization.

The chief audit executive must coordinate the internal audit function's board communications with senior management to support the board's ability to fulfill its requirements.

The board and the chief audit executive should meet at least annually without management present. Holding such meetings quarterly is considered a leading governance practice. Such meetings often occur as a private or closed session following a normally scheduled board meeting.

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[1] The Institute of Internal Auditors (IIA) is the internal audit profession's leader in standards, certification, education, research, and technical guidance throughout the world.

"The types of information and the level of detail to be communicated by the chief audit executive to the board should be agreed upon by both parties."

The chief audit executive should also have other interactions with the board between official meetings to keep the board apprised of the internal audit function's progress. The types of information and the level of detail to be communicated by the chief audit executive to the board should be agreed upon by both parties.

Example of conformance

An agreed-upon matrix or similar documentation showing what information should be communicated by the chief audit executive to the board and senior management and the expected frequency."

"Periodically, the chief audit executive should confirm with the board that the frequency, nature, and content of communications meet the board's expectations…"

Standard 8.1 Board Interaction

"The chief audit executive must provide the board with the information needed to conduct its oversight responsibilities. This information may be specifically requested by the board or may be, in the judgment of the chief audit executive, valuable for the board to exercise its oversight responsibilities.

The chief audit executive may document the board's expectations formally in the internal audit methodologies. Periodically, the chief audit executive should confirm with the board that the frequency, nature, and content of communications meet the board's expectations and help the board achieve its oversight responsibilities.

"The frequency of communication between the board and the chief audit executive should consider the need for timely communication about significant issues."

The frequency of communication between the board and the chief audit executive should consider the need for timely communication about significant issues. The chief audit executive should seek information from the board about its perspectives and expectations related to understanding and oversight of not just financial risk management but also a broad range of nonfinancial governance and risk management concerns including, for example, strategic initiatives, cybersecurity, health and safety, sustainability, business resilience, and reputation.

Typically, formal board meetings allow formal communication at least quarterly. Additionally, the chief audit executive and board members often communicate between meetings as needed, sometimes informally.

The board should *"set expectations with the chief audit executive for the frequency with which the board wants to receive communications from the chief audit executive."*

Board

- *Communicate with the chief audit executive to understand how the internal audit function is fulfilling its mandate.*
- *Communicate the board's perspective on the organization's strategies, objectives, and risks to assist the chief audit executive with determining internal audit priorities.*
- *Set expectations with the chief audit executive for:*
  – The frequency with which the board wants to receive communications from the chief audit executive."

Standard 11.1 Building Relationships and Communicating with Stakeholders

"The chief audit executive must develop an approach for the internal audit function to build relationships and trust with key stakeholders, including the board, senior management, operational management, regulators, and internal and external assurance providers and other consultants.

"…The chief audit executive should discuss a methodology for communication with the board and senior management to determine the criteria defining significant issues requiring formal communication, the format and content of formal communication, and the frequency with which such communication should occur."

The chief audit executive must promote formal and informal communication between the internal audit function and stakeholders, contributing to the mutual understanding of:

- *Organizational interests and concerns.*
- *Approaches for identifying and managing risks and providing assurance.*
- *Roles and responsibilities of relevant parties and opportunities for collaboration.*
- *Relevant regulatory requirements.*
- *Significant organizational processes, including financial reporting.*

In addition, the chief audit executive should discuss a methodology for communication with the board and senior management to determine the criteria defining significant issues requiring formal communication, the format and content of formal communication, and the frequency with which such communication should occur."

The specific requirements of the board and senior management to uphold these standards are detailed in the **Essential Conditions** within Domain III.

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Terms and Roles in the Framework Explained

- **Board**: This term specifically refers to the City of Brampton Audit Committee.
- **Chief Audit Executive (CAE)**: In the City of Brampton, this role is held by the Director of Internal Audit.
- **Senior management**: The highest-level executive team responsible for implementing the organization's strategic decisions and accountable to the board. This typically includes roles like the Chief Executive Officer or organizational heads. At the City of Brampton, senior management consists of the Chief Administrative Officer (CAO) and commissioners. In this Framework, we use Senior Leadership Team or SLT for short to refer to senior management.

Communication Framework

Internal Audit has developed the Communication Framework to outline the content, format, and frequency of communications, ensuring alignment with the updated 2024 IIA Standards. In areas where the standards do not prescribe specific formats or frequencies, Internal Audit has proposed practical, tailored solutions that consider the needs and realities of existing operations.

Stakeholder Engagement:

The Communication Framework outlines all required communications and interactions from Internal Audit to the Audit Committee and senior management in accordance with IIA Standards. It ensures that the information shared with the board and senior management enhances the recognition of Internal Audit across the City, supports effective board oversight, and addresses key governance, risk management, and control issues.

The Internal Audit Communication Framework was reviewed by the Chair and Vice Chair of the Audit Committee, as well as the CAO representing senior management, prior to its approval and adoption by the Audit Committee. This process aligns with the requirements of the IIA Standards.

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The Communication Framework should be read in conjunction with a series of supplementary guides for communicating specific topics.

The Internal Audit Communication Framework should be read in conjunction with the following series of supplementary guides for communicating specific topics:

- **Appendix I: Managing Ethical Issues: A Communication Guide** - This guide outlines the methodology developed by Internal Audit to address and communicate ethical issues. It facilitates discussions of the adopted methodology with the board and senior management to ensure alignment, as required by **Standard 1.2: Organization's Ethical Expectations.**

- **Appendix II: Impairment to Objectivity: A Communication Guide** - This guide details Internal Audit's approach to safeguarding auditor objectivity and outlines the general process for disclosing and mitigating impairments to objectivity. These situations are typically addressed by the Director of Internal Audit in consultation with the board and senior management, in accordance with **Standard 2.2: Safeguarding Objectivity** and **2.3: Disclosing Impairments to Objectivity**.

- **Appendix III: Internal Audit Plan Update: A Communication Guide** - This guide outlines the criteria developed by Internal Audit to identify significant changes that require revisions to the audit work plan. These revisions are subject to agreement between the CAE, the board and senior management, in accordance with **Standard 9.4: Internal Audit Plan.**

- **Appendix IV: Errors and Omissions: A Communication Guide** - This guide defines the criteria for identifying significant errors and omissions that require prompt correction and outlines the process for communicating and addressing them. It supports discussions with the board to ensure alignment and compliance with **Standard 11.4: Errors and Omissions.**

- **Appendix V: Risk Acceptance: A Communication Guide -** This guide outlines the methodologies for documenting and communicating management's acceptance of risks that exceed established risk acceptance or tolerance levels. As noted in **Standard 11.5: Communicating the Acceptance of Risks**, the Chief Audit Executive (CAE) may discuss and seek the board's agreement on these methodologies.

The Internal Audit Communication Framework, together with the specific supplementary guides, will form part of the Internal Audit Manual.

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Part 1: Communication with the Audit Committee

1.1 Formats for Communication with the Audit Committee

The CAE communicates with the Audit Committee through various formal and informal formats, including quarterly Audit Committee meetings, education sessions and workshops, operational update meetings, as well as emails and verbal communication.

The CAE communicates with the Audit Committee through various formats:

1. **Quarterly Audit Committee Meetings:**
   These formal meetings, managed by the City Clerk, include a structured agenda and recorded minutes. During committee meetings, Internal Audit presents their audit reports, the annual audit work plan, the Internal Audit budget, updates on the City's Ethics Hotline, Management Action Plans, and progress on the annual audit work plan. Communication typically involves formal written reports and presentations listed on the agenda.

2. **Audit Committee Education Sessions/Workshops:**
   These sessions, also managed by the City Clerk, provide opportunities for in-depth learning on relevant topics. There are no discussions allowed in these learning workshops if the meeting is held in closed camera.

3. **Operations Update Meetings:**
   Scheduled monthly by the Director of Internal Audit in consultation with the Chair and Vice Chair of the Audit Committee, these meetings are often guided by a slide deck and include recorded discussions. Topics may cover significant audit initiatives, the planned agenda for upcoming Audit Committee meetings, HR updates, budget matters, and other Internal Audit operations.

4. **City of Brampton Outlook Emails:**
   Ad hoc matters are addressed through email communication between monthly Operations Update Meetings, allowing for timely updates and responses to emerging issues.

5. **Verbal Communication:**
   Informal updates or discussions may occur through phone calls or Microsoft Teams messages as needed.

The Communication Framework is not prescriptive but serves as a guide to provide clear direction while allowing flexibility to address specific situations effectively.

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1.2 Framework of Communication with the Audit Committee

Ref #	Standards	Requirements and/or Considerations for Implementation (Excerpts from Standards)	Communication Formats	Communication Frequency
1	**Standard 1.2 Organization's Ethical Expectations**	*Internal auditors must encourage and promote an ethics-based culture in the organization. If internal auditors identify behavior within the organization that is inconsistent with the organization's ethical expectations, they must report the concern according to applicable policies and procedures.* *The chief audit executive also should determine a methodology for addressing ethical issues and discuss the methodology with the board and senior management to ensure alignment of the approaches.* *If internal auditors determine that a member of senior management has behaved in a manner that is inconsistent with the organization's ethical expectations — whether documented in a code of conduct, code of ethics, or otherwise — the chief audit executive should report the violation to the board. If an ethics-related concern involves the chairman of the board, the chief audit executive should report the concern to the entire board. Internal auditors should follow up on ethics-related issues involving the board or senior management and validate that appropriate actions were taken to address the concern.* **Evidence of Conformance** *Documentation demonstrating that ethical issues were communicated to the board, senior management, and regulators in accordance with the organization's policies and relevant laws and/or regulations.*	• Email / Verbal Communication • Audit Committee Meeting	• As Needed • Annually[2]

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2 A methodology for communicating identified ethics issues has also been presented to the Audit Committee for approval. Refer to Appendix I Managing Ethical Issues: A Communication Guide for details.

Ref #	Standards	Requirements and/or Considerations for Implementation (Excerpts from Standards)	Communication Formats	Communication Frequency
2	**Standard 2.3 Disclosing Impairments to Objectivity**	*If the chief audit executive determines that an impairment is affecting an internal auditor's ability to perform duties objectively, the chief audit executive must discuss the impairment with the management of the activity under review, the board, and/or senior management and determine the appropriate actions to resolve the situation.* *If an impairment that affects the reliability or perceived reliability of the engagement findings, recommendations, and/or conclusions is discovered after an engagement has been completed, the chief audit executive must discuss the concern with the management of the activity under review, the board, senior management, and/or other affected stakeholders and determine the appropriate actions to resolve the situation.* *If the objectivity of the chief audit executive is impaired in fact or appearance, the chief audit executive must disclose the impairment to the board.*	• Email / Verbal Communication	• As Needed[3]
3	**Standard 4.1 Conformance with the Global Internal Audit Standards**	*When internal auditors are unable to conform with a requirement, the chief audit executive must document and communicate a description of the circumstance, alternative actions taken, the impact of the actions, and the rationale. Requirements related to disclosing nonconformance with the Standards are described in Standards 8.3 Quality, 12.1 Internal Quality Assessment, and 15.1 Final Engagement Communication.* *If applicable, final engagement communications and communications with the board and senior management where nonconformance has been disclosed.*	• Email / Verbal Communication • Audit Committee Meeting	• As Needed • At Least Annually[4]

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[3] Objectivity impairment is disclosed on an as-needed basis. For concerns related to audit reporting errors or omissions, refer to Standard 11.4 for detailed communication guidance.

[4] Internal Audit's conformance with the Global Internal Audit Standards is communicated to the Audit Committee at least once a year through the Quality Periodic Self-Assessment Report.

Ref #	Standards	Requirements and/or Considerations for Implementation (Excerpts from Standards)	Communication Formats	Communication Frequency
4	**Standard 6.1 Internal Audit Mandate**	*The chief audit executive must provide the board and senior management with the information necessary to establish the internal audit mandate. In those jurisdictions and industries where the internal audit function's mandate is prescribed wholly or partially in laws or regulations, the internal audit charter must include the legal requirements of the mandate.* *Periodically, the chief audit executive must assess whether changes in circumstances justify a discussion with the board and senior management about the internal audit mandate. If so, the chief audit executive must discuss the internal audit mandate with the board and senior management to assess whether the authority, role, and responsibilities continue to enable the internal audit function to achieve its strategy and accomplish its objectives.* *Circumstances may justify a follow-up discussion with the board and senior management on the internal audit mandate or other aspects of the internal audit charter. These conditions may include, but are not limited to:* • *A notable change in the Global Internal Audit Standards.* • *A significant acquisition or reorganization within the organization.* • *Significant changes in the board and/or senior management.* • *Significant changes to the organization's strategies, objectives, risk profile, or the environment in which it operates.* • *New laws or regulations that may affect the nature and/or scope of internal audit services.*	• Audit Committee Meeting	• Annually[5]

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[5] The Internal Audit Mandate and Charter (Standard 6.2) were updated to align with the new standards and were presented to and approved by the Audit Committee on June 10, 2023. The Director of Internal Audit will review these documents annually, as agreed with the Audit Committee and defined in the Charter and report any changes to the Audit Committee as required.

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Ref #	Standards	Requirements and/or Considerations for Implementation (Excerpts from Standards)	Communication Formats	Communication Frequency
5	**Standard 6.2 Internal Audit Charter**	*The chief audit executive must discuss the proposed charter with the board and senior management to confirm that it accurately reflects their understanding and expectations of the internal audit function.*	• Audit Committee Meeting	• Annually
6	**Standard 7.1 Organizational Independence**	*The chief audit executive must confirm to the board the organizational independence of the internal audit function at least annually. This includes communicating incidents where independence may have been impaired and the actions or safeguards employed to address the impairment.* *The chief audit executive must discuss with the board and senior management any current or proposed roles and responsibilities that have the potential to impair the internal audit function's independence, either in fact or appearance.* *The chief audit executive must advise the board and senior management of the types of safeguards to manage actual, potential, or perceived impairments.*	• Audit Committee Meeting	• At Least Annually[6]
7	**Standard 7.2 Chief Audit Executive Qualification**	*The chief audit executive must help the board understand the qualifications and competencies of a chief audit executive that are necessary to manage the internal audit function. The chief audit executive facilitates this understanding by providing information and examples of common and leading qualifications and competencies.* *The board collaborates with senior management to determine which competencies and qualifications the organization expects in a chief audit executive. The desired competencies and qualifications are typically documented in a job description.*	• Audit Committee Meeting	• Per Council Term[7]

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[6] The Director of Internal Audit will report to the Audit Committee annually on whether the function's independence have been maintained or impaired, including safeguards, remediation actions, and timelines to address impairments, if applicable. **Appendix II Impairment to Objectivity: A Communication Guide** provides guidance for aligning with this Standard, where impairments are typically determined by the CAE in agreement with the board and senior management.

[7] The qualifications of the Director of Internal Audit will be presented to the Audit Committee once per council term

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Ref #	Standards	Requirements and/or Considerations for Implementation (Excerpts from Standards)	Communication Formats		Communication Frequency
8	**Standard 8.1 Board Interaction**	*The chief audit executive must report to the board and senior management:* • *The internal audit plan and budget and subsequent significant revisions to them. (See also Standards 6.3 Board and Senior Management Support and 9.4 Internal Audit Plan.)* • *Changes potentially affecting the mandate or charter. (See also Standards 6.1 Internal Audit Mandate and 6.2 Internal Audit Charter.)* • *Potential impairments to independence. (See also Standard 7.1 Organizational Independence.)* • *Results of internal audit services, including conclusions, themes, assurance, advice, insights, and monitoring results. (See also Standards 11.3 Communicating Results, 14.5 Engagement Conclusions, and 15.2 Confirming the Implementation of Recommendations or Action Plans.)* • *Results from the quality assurance and improvement program. (See also Standards 8.3 Quality, 8.4 External Quality Assessment, 12.1 Internal Quality Assessment, and 12.2 Performance Measurement.)*	Refer to the following standards listed in the Framework for specific guidance on required communication:[8] *Standard 6.3 Board and Senior Management Support* *Standard 9.4 Internal Audit Plan* *Standard 7.1 Organizational Independence* *Standard 11.3 Communicating Results* *Standard 14.5 Engagement Conclusions* *Standard 15.2 Confirming the Implementation of Recommendations or Action Plans* *Standard 8.3 Quality* *Standard 8.4 External Quality Assessment* *Standard 12.1 Internal Quality Assessment* *Standard 12.2 Performance Measurement*		
		There may be instances when the chief audit executive disagrees with senior management or other stakeholders on the scope, findings, or other aspects of an engagement that may affect the ability of the internal audit function to execute its responsibilities. In such cases, the chief audit executive must provide the board with the facts and circumstances to allow the board to consider whether, in its oversight role, it should intervene with senior management or other stakeholders.	• Email / Verbal Communication • Audit Committee Meeting		• As Needed • Quarterly and As Needed[9]

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Ref #	Standards	Requirements and/or Considerations for Implementation (Excerpts from Standards)	Communication Formats	Communication Frequency
9	**Standard 8.2 Resources**	*The chief audit executive must evaluate whether internal audit resources are sufficient to fulfill the internal audit mandate and achieve the internal audit plan. If not, the chief audit executive must develop a strategy to obtain sufficient resources and inform the board about the impact of insufficient resources and how any resource shortfalls will be addressed.* *Although a discussion of resources between the board and the chief audit executive typically occurs at least annually in connection with presentation of the internal audit plan, having a quarterly discussion is a leading practice. The discussion should include considering the options to achieve the desired internal audit coverage, including outsourcing or using guest auditors, as well as implementing technology to improve the internal audit function's efficiency and effectiveness.*	• Operations Update Meeting • Audit Committee Meeting	• As Needed • Quarterly • Annually[10]
10	**Standard 8.4 External Quality Assessment**	*The chief audit executive must develop a plan for an external quality assessment and discuss the plan with the board. The external assessment must be performed at least once every five years by a qualified, independent assessor or assessment team. The requirement for an external quality assessment may also be met through a self-assessment with independent validation.*	• Audit Committee Meeting	• Once Every Five Years[11]

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[10] The Director of Internal Audit proactively evaluates resource needs and reports any deficiencies to the Chair and Vice Chair of the Audit Committee during regular operational update meetings. Resource challenges are also communicated to the Audit Committee through quarterly Ethics Hotline Activity Report or the Annual Budget Report.

[11] A Quality Assurance and Improvement Program (QAIP) Guide has been developed to detail the internal and external quality assessment processes and to outline expectations for communicating the scope, frequency, results, improvement actions, and remediation status. This guide will be presented to the Audit Committee for approval on February 11, 2025. The Director of Internal Audit discussed the External Quality Assessment requirement under the updated Global Internal Audit Standards with senior management and the Chair and Vice Chair of the Audit Committee on June 13, 2024. It was agreed that external quality assessments of Internal Audit will be conducted once every five years to ensure compliance with the standards.

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Ref #	Standards	Requirements and/or Considerations for Implementation (Excerpts from Standards)	Communication Formats	Communication Frequency
11	**Standard 8.3 Quality**	*At least annually, the chief audit executive must communicate the results of the internal quality assessment to the board and senior management. The results of the external quality assessments must be reported when completed. In both cases, such communications include:* • *The internal audit function's conformance with the Standards and achievement of performance objectives.* • *If applicable, compliance with laws and/ or regulations relevant to internal auditing.* • *If applicable, plans to address the internal audit function's deficiencies and opportunities for improvement.* *The chief audit executive's communications to the board and senior management regarding the internal audit function's quality assurance and improvement program should include:* • *The scope, frequency, and results of internal and external quality assessments conducted under the direction of, or with the assistance of, the chief audit executive.* • *Action plans that address deficiencies and opportunities for improvement. Actions should be agreed upon with the board.* • *Progress toward completing the agreed-upon actions.*	• Audit Committee Meeting	• At Least Annually[12]

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[12] The Director of Internal Audit reports the results of periodic quality self-assessments results to the Audit Committee at least annually through a formal report. The next External Quality Assessment, required once every five years, is scheduled for August 2025 and will be conducted in accordance with the 2024 Standards. The assessment report, prepared by a qualified service provider engaged for the review, will be presented directly to the Audit Committee at the October 2025 committee meeting.

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Ref #	Standards	Requirements and/or Considerations for Implementation (Excerpts from Standards)	Communication Formats	Communication Frequency
12	**Standard 9.2 Internal Audit Strategy**	*The chief audit executive must develop and implement a strategy for the internal audit function that supports the strategic objectives and success of the organization and aligns with the expectations of the board, senior management, and other key stakeholders.* *The chief audit executive must review the internal audit strategy with the board and senior management periodically.*	• Operations Update Meeting • Audit Committee Meeting	• Regularly[13] • Annually
13	**Standard 9.5 Coordination and Reliance**	*The chief audit executive must coordinate with internal and external providers of assurance services and consider relying upon their work. Coordination of services minimizes duplication of efforts, highlights gaps in coverage of key risks, and enhances the overall value added by providers.* *When the internal audit function relies on the work of other assurance service providers, the chief audit executive must document the basis for that reliance and is still responsible for the conclusions reached by the internal audit function.* *If unable to achieve an appropriate level of coordination, the chief audit executive must raise any concerns with senior management and, if necessary, the board.*	• Email / Verbal Communication	• As Needed

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[13] Internal Audit has developed an IA strategy to meet the standards requirements, which was presented to the Audit Committee on December 3, 2024. A periodic review of the strategy and progress on established initiatives will be reported regularly to the audit chairs and annually to the Audit Committee.

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Ref #	Standards	Requirements and/or Considerations for Implementation (Excerpts from Standards)	Communication Formats	Communication Frequency
14	**Standard 9.4 Internal Audit Plan**	*The chief audit executive must base the internal audit plan on a documented assessment of the organization's strategies, objectives, and risks. This assessment must be informed by input from the board and senior management as well as the chief audit executive's understanding of the organization's governance, risk management, and control processes. The assessment must be performed at least annually.* *The chief audit executive must review and revise the internal audit plan as necessary and communicate timely to the board and senior management:* • *The impact of any resource limitations on internal audit coverage.* • *The rationale for not including an assurance engagement in a high-risk area or activity in the plan.* • *Conflicting demands for services between major stakeholders, such as high-priority requests based on emerging risks and requests to replace planned assurance engagements with advisory engagements.* • *Limitations on scope or restrictions on access to information.* *The chief audit executive must discuss the internal audit plan, including significant interim changes, with the board and senior management. The plan and significant changes to the plan must be approved by the board.*	• Operations Update Meeting • Audit Committee Meeting	• Regularly (As Needed) • Quarterly[14] • Annually

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[14] Internal Audit conducts a comprehensive risk assessment every five years to create a strategic long-term audit plan, incorporating input from key stakeholders. A risk-ranking system prioritizes high-risk areas, with annual updates gathered through questionnaires sent to business units. These updates inform the Annual Audit Work Plan, which is reviewed and approved by the Audit Committee at its first meeting each year, typically in February. Progress on the annual plan is reported to the Audit Committee quarterly. Significant interim changes to the Internal Audit Plan are communicated to the Audit Committee during regular operational update meetings and scheduled committee meetings for approval.

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Ref #	Standards	Requirements and/or Considerations for Implementation (Excerpts from Standards)	Communication Formats	Communication Frequency
15	**Standard 10.1 Financial Resource Management**	*The chief audit executive must seek budget approval from the board. The chief audit executive must communicate promptly the impact of insufficient financial resources to the board and senior management.* *If significant additional resources are needed due to unforeseen circumstances, the chief audit executive should discuss the circumstances with the board and senior management promptly.*	• Operations Update Meeting • Audit Committee Meeting[15]	• Regularly • Quarterly • Annually
16	**Standard 10.2 Human Resources Management**	*The chief audit executive must discuss the proposed charter with the board and senior management to confirm that it accurately reflects their understanding and expectations of the internal audit function.*	• Operations Update Meeting • Audit Committee Meeting	• Regularly • Quarterly • Annually
17	**Standard 10.3 Technology Resources**	*The chief audit executive must communicate the impact of technology limitations on the effectiveness or efficiency of the internal audit function to the board and senior management.*	• Operations Update Meeting • Audit Committee Meeting	• Regularly • Quarterly • Annually
18	**Standard 11.3 Communicating Results**	*The chief audit executive must communicate the results of internal audit services to the board and senior management periodically and for each engagement as appropriate. The chief audit executive must understand the expectations of the board and senior management regarding the nature and timing of communications.*	• Audit Committee Meeting	• Quarterly

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[15] The Director of Internal Audit prepares an annual budget outlining the financial, human, and technological resources needed for effective internal audit services (Standard 10.1, 10.2 and 10.3). The budget is presented to the Audit Committee for approval. Any updates or concerns of the financial, human resources and technology resources are communicated to the Audit Chairs timely during regular Operations Update meetings and to committee members at quarterly Audit Committee meetings.

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Ref #	Standards	Requirements and/or Considerations for Implementation (Excerpts from Standards)	Communication Formats	Communication Frequency
19	**Standard 11.4 Error and Omissions**	*If a final engagement communication contains a significant error or omission, the chief audit executive must communicate corrected information promptly to all parties who received the original communication.* *Significance is determined according to criteria agreed upon with the board.*	• Email / Verbal Communication	• Timely and As Needed[16]
20	**Standard 11.5 Communicating the Acceptance of Risks**	*The chief audit executive must communicate unacceptable levels of risk.* *When the chief audit executive concludes that management has accepted a level of risk that exceeds the organization's risk appetite or risk tolerance, the matter must be discussed with senior management. If the chief audit executive determines that the matter has not been resolved by senior management, the matter must be escalated to the board.*	• Operations Update Meeting • Audit Committee Meeting	• Regularly[17] • Quarterly and As Needed
21	**Standard 12.1 Internal Quality Assessment**	*The chief audit executive must establish a methodology for internal assessments, as described in Standard 8.3 Quality, that includes:* • *Communication with the board and senior management about the results of internal assessments.* *The chief audit executive must communicate the results of periodic self-assessments and action plans to the board and senior management.* *If nonconformance with the Standards affects the overall scope or operation of the internal audit function, the chief audit executive must disclose to the board and senior management the nonconformance and its impact.*	• Audit Committee Meeting	• Annually

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[16] Refer to **Appendix IV Errors and Omissions: A Communication Guide** for Internal Audit's methodology for defining significant errors and omissions in final audit reports and the communication approach to promptly notify all relevant stakeholders.

[17] Refer to **Appendix V Risk Acceptance: A Communication Guide** for instructions on timely communicating management's acceptance of unacceptable levels of risk and addressing these issues through appropriate communication.

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Ref #	Standards	Requirements and/or Considerations for Implementation (Excerpts from Standards)	Communication Formats	Communication Frequency
22	**Standard 12.2 Performance Measurement**	*The chief audit executive must develop objectives to evaluate the internal audit function's performance. The chief audit executive must consider the input and expectations of the board and senior management when developing the performance objectives.* *When assessing the internal audit function's performance, the chief audit executive must solicit feedback from the board and senior management as appropriate.*	• Audit Committee Meeting	• Annually
23	**Standard 13.3 Engagement Objectives and Scope**	*Scope limitations must be discussed with management when identified, with a goal of achieving resolution.* *If a resolution cannot be achieved with management, the chief audit executive must elevate the scope limitation issue to the board according to an established methodology.*	• Operations Update Meeting • Audit Committee Meeting	• Regularly • Quarterly
24	**Standard 13.4 Evaluation Criteria**	*Internal auditors must assess the extent to which the board and senior management have established adequate criteria to determine whether the activity under review has accomplished its objectives and goals. If such criteria are adequate, internal auditors must use them for the evaluation. If the criteria are inadequate, internal auditors must identify appropriate criteria through discussion with the board and/or senior management.*	• Audit Committee Meeting	• Quarterly[18]

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[18] Internal Audit defines the objectives and criteria for each engagement to evaluate the activities under review during the audit planning process. These are communicated to auditees through the Audit Engagement Letter for their agreement before detailed audit testing begins.

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Ref #	Standards	Requirements and/or Considerations for Implementation (Excerpts from Standards)	Communication Formats	Communication Frequency
25	**Standard 13.5 Engagement Resources**	*If the available resources are inappropriate or insufficient, internal auditors must discuss the concerns with the chief audit executive to obtain the resources.* *The chief audit executive is responsible for discussing with senior management and the board the implications of resource limitations and determining the course of action to take.*	• Operations Update Meeting	• Regularly
26	**Standard 14.5 Engagement Conclusions**	*Internal auditors must develop an engagement conclusion that summarizes the engagement results relative to the engagement objectives and management's objectives. The engagement conclusion must summarize the internal auditors' professional judgment about the overall significance of the aggregated engagement findings.*	• Audit Committee Meeting	• Quarterly
27	**Standard 15.2 Confirming the Implementation of Recommendations or Action Plans**	*Internal auditors may use a software program, spreadsheet, or system to track whether management's action plans are implemented according to the established timelines. The tracking system indicates whether action plans remain open or are past due and provides a useful tool for internal auditors to communicate with the board and senior management.*	• Audit Committee Meeting	• Quarterly

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Part 2: Communication with Senior Management

2.1 Formats for Communication with Senior Management

The CAE communicates with senior management through various formal and informal formats, including quarterly Audit Committee meetings, SLT education sessions and workshops, operational update meetings, City-wide risk assessment and annual refresh, as well as emails.

The CAE communicates with senior management through following formats:

1. **Quarterly Audit Committee Meetings:**
   The CAO and all commissioners comprising the SLT are standing invitees to the quarterly Audit Committee Meetings. They have full access to all information included in the meeting agenda and presented to committee members, including materials presented in closed sessions. Additionally, all agenda materials and reports, excluding those from closed session meetings, will remain available in the public domain indefinitely, ensuring transparency and ongoing availability of information

2. **SLT Education Sessions/Workshops:**
   These sessions, as required, provide opportunities for in-depth learning on relevant topics, such as the updated Global Internal Audit Standards and SLT's role in supporting audit governance.

3. **Operations Update Meetings:**
   The Director of Internal Audit meets bi-weekly with the CAO to discuss audit operation related matters, such as audit reporting, HR updates, risk management, and resources and budget matters.

   In addition, the CAE will meet with the Commissioner to discuss audit-related matters on an as-needed basis.

4. **City-wide Risk Assessment and Annual Refresh:**
   The Director of Internal Audit gather insights from senior management through a structured risk assessment process to refresh the audit universe and prioritize the audit.

5. **City of Brampton Outlook Emails:**
   Ad hoc matters are addressed through email communication between bi-weekly Operations Update Meetings, allowing for timely updates and responses to emerging issues.

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The Communication Framework is not prescriptive but serves as a framework to provide clear direction while allowing flexibility to effectively address any situation.

Senior management are standing invitees to the quarterly Audit Committee meetings and have full access to the agenda and reports, including those discussed in closed sessions. Combined with the regular operational updates provided to the Chief Administrative Officer, these practices ensure that Internal Audit communication meets the requirements of the IIA Global Audit Standards.

As a result, no additional reporting formats or content to senior management are necessary.

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2.2 Framework of Communication with Senior Management

Ref #	Standards	Requirements and/or Considerations for Implementation (Excerpts from Standards)	Communication Formats	Communication Frequency	How Internal Audit Addresses this Requirement with Senior Management
1	**Standard 1.2 Organization's Ethical Expectations**	*Internal auditors must encourage and promote an ethics-based culture in the organization. If internal auditors identify behavior within the organization that is inconsistent with the organization's ethical expectations, they must report the concern according to applicable policies and procedures.* *The chief audit executive also should determine a methodology for addressing ethical issues and discuss the methodology with the board and senior management to ensure alignment of the approaches.* *If internal auditors determine that a member of senior management has behaved in a manner that is inconsistent with the organization's ethical expectations — whether documented in a code of conduct, code of ethics, or otherwise — the chief audit executive should report the violation to the board. If an ethics-related concern involves the chairman of the board, the chief audit executive should report the concern to the entire board. Internal auditors should follow up on ethics-related issues involving the board or senior management and validate that appropriate actions were taken to address the concern.* **Evidence of Conformance** *Documentation demonstrating that ethical issues were communicated to the board, senior management, and regulators in accordance with the organization's policies and relevant laws and/or regulations.*	• Email Communication • Audit Committee Meeting	• As Needed • As Needed	Internal Audit manages the City's Ethics Hotline and reports fraud cases and other ethical concerns received through the hotline to the Audit Committee on a quarterly basis via the Staff Report re: Corporate Ethics Hotline Quarterly Report, as applicable. In addition, Internal Audit evaluates ethics-related risks (e.g., fraud) and associated controls during each audit engagement. Any identified ethical issues are included in the audit report, which is presented at the quarterly Audit Committee meetings. To align with the updated 2024 Global Internal Audit Standard, Internal Audit developed **Appendix I Managing Ethical Issues: A Communication Guide** to outline procedures for addressing and communicating identified ethical issues. This guide complements the broader Internal Audit Communication Framework and is incorporated into the Internal Audit Manual. It was presented to and adopted by the Audit Committee on February 11, 2025. The Chief Administrative Officer and the Senior Leadership Team are standing invitees to Audit Committee meetings and have access to the Audit Committee agenda and reports. Additionally, the Audit Committee agenda and reports stay in the public domain and are managed by the City Clerk, except for sensitive matters discussed in closed sessions. Our current practices have addressed this requirement.

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Ref #	Standards	Requirements and/or Considerations for Implementation (Excerpts from Standards)	Communication Format	Communication Frequency	How Internal Audit Addresses this Requirement with Senior Management
2	**Standard 2.3 Disclosing Impairments to Objectivity**	*If the chief audit executive determines that an impairment is affecting an internal auditor's ability to perform duties objectively, the chief audit executive must discuss the impairment with the management of the activity under review, the board, and/or senior management and determine the appropriate actions to resolve the situation.* *If an impairment that affects the reliability or perceived reliability of the engagement findings, recommendations, and/or conclusions is discovered after an engagement has been completed, the chief audit executive must discuss the concern with the management of the activity under review, the board, senior management, and/or other affected stakeholders and determine the appropriate actions to resolve the situation.*	• Email Communication • Audit Committee Meeting	• As Needed • As Needed	The Internal Audit implemented the following measures to safeguard audit objectivity: a) Audit Planning: Before being assigned to an engagement, auditors are required to complete a written declaration affirming their independence and objectivity. This declaration addresses potential conflicts of interest, personal relationships, financial interests, or prior involvement in the audit subject matter that could impair objectivity. If necessary, auditors are reassigned to avoid any conflict. b) Audit Execution: During the execution phase, audit managers review work papers to ensure factual accuracy and maintain impartiality in the testing results. c) Audit Reporting: All audit findings undergo thorough review and vetting before being incorporated into the final audit report. Additionally, Internal Audit implemented a post-audit survey, which gathers feedback from auditees on their experience of the audit and the quality related to the audit activities. The survey incorporated topics on the auditors' objectivity during the audit process. Any concerns raised are reviewed and addressed as necessary. Internal Audit has developed **Appendix II Impairment to Objectivity: A Communication Guide** to provide guidance for defining objectivity impairments and methods for disclosing them to the Audit Committee and senior management, in accordance with Internal Audit Standard requirements. This guide complements the broader Internal Audit Communication Framework and is included in the Internal Audit Manual. The Audit Committee reviewed and approved this Communication Framework at its meeting on February 11, 2025. Audit Committee agenda and reports are placed in public domain. Further, the Chief Administrative Officer, and senior management are standing invitees of the quarterly Audit Committee meetings. Our current practices have addressed this requirement.

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Ref #	Standards	Requirements and/or Considerations for Implementation (Excerpts from Standards)	Communication Formats	Communication Frequency	How Internal Audit Addresses this Requirement with Senior Management
3	**Standard 4.1 Conformance with the Global Internal Audit Standards**	*When internal auditors are unable to conform with a requirement, the chief audit executive must document and communicate a description of the circumstance, alternative actions taken, the impact of the actions, and the rationale. Requirements related to disclosing nonconformance with the Standards are described in Standards 8.3 Quality, 12.1 Internal Quality Assessment, and 15.1 Final Engagement Communication.* *If applicable, final engagement communications and communications with the board and senior management where nonconformance has been disclosed.*	• Email Communication • Audit Committee Meeting	• As Needed • At Least Annually	Internal Audit developed an Internal Audit Manual incorporating audit methodologies for each stage of the audit to align with the updated 2024 IIA Global Audit Standards. Audit staff perform audits guided by the audit manual. At the conclusion of each audit engagement, Internal Audit performs an internal quality assessment of the planning, execution, and reporting activities of each individual audit engagement to ensure compliance with global internal audit standards. Additionally, an annual review of Internal Audit's operations is conducted to assess the team's overall compliance with these standards, including areas such as staff completion of ethics training and performance reviews to ensure required competency. Any identified nonconformance along with improvement measures will be reported to the Audit Committee meetings regularly. The Chief Administrative Officer, and the senior management Team are standing invitees of these audit committee meetings. Our current practices have addressed this requirement.
4	**Standard 6.1 Internal Audit Mandate**	*The chief audit executive must provide the board and senior management with the information necessary to establish the internal audit mandate. In those jurisdictions and industries where the internal audit function's mandate is prescribed wholly or partially in laws or regulations, the internal audit charter must include the legal requirements of the mandate.* *Periodically, the chief audit executive must assess whether changes in circumstances justify a discussion with the board and senior management about the internal audit mandate. If so, the chief audit executive must discuss the internal audit mandate with the board and senior management to assess whether the authority, role, and responsibilities continue to enable the internal audit function to achieve its strategy and accomplish its objectives.* *Circumstances may justify a follow-up discussion with the board and senior management on the internal audit mandate or other aspects of the internal audit charter. These conditions may include, but are not limited to:* • *A notable change in the Global Internal Audit Standards.* • *A significant acquisition or reorganization within the organization.* • *Significant changes in the board and/or senior management.* • *Significant changes to the organization's strategies, objectives, risk profile, or the environment in which it operates.* • *New laws or regulations that may affect the nature and/or scope of internal audit services.*	• A SLT Meeting involving Chair and Vice Chair of the Audit Committee • Education and Information Session	• At least Annually • As Needed	Internal Audit conducted educational sessions with the senior management on May 30, 2024, regarding the issuance of the updated 2024 IIA Global Audit Standards. On June 13, 2024, the Director of Internal Audit facilitated a meeting with the Chief Administrative Officer, senior management, and the Chair and Vice Chair of the Audit Committee, as well as a representative from the Mayor's Office, to collect feedback on the Internal Audit Charter and Mandate. This feedback was provided to Audit Committee members at their educational session on June 25, 2024, for consideration. The revised Internal Audit Charter, incorporating feedback from the senior management and aligned with the IIA Standards, was presented to the Audit Committee on October 7, 2024, for their deliberation and approval. The Audit Committee adopted the Internal Audit Charter. Internal Audit Charter incorporates the Internal Audit Mandate. The revised Internal Audit Mandate and Charter were endorsed by the City Council on October 16, 2024, and subsequently enacted into the City of Brampton By-Law. The Director of Internal Audit reviews the Internal Audit Mandate and Charter regularly to ensure they remain relevant, effective, and aligned with organizational needs, including evolving goals, shifts in the risk landscape, and operational updates, as well as global internal audit standards. Our current practices have addressed this requirement.

Ref #	Standards	Requirements and/or Considerations for Implementation (Excerpts from Standards)	Communication Formats	Communication Frequency	How Internal Audit Addresses this Requirement with Senior Management
5	**Standard 6.2 Internal Audit Charter**	*The chief audit executive must develop and maintain an internal audit charter that specifies, at a minimum, the internal audit function's:* • *Purpose of Internal Auditing.* • *Commitment to adhering to the Global Internal Audit Standards.* • *Mandate, including scope and types of services to be provided, and the board's responsibilities and expectations regarding management's support of the internal audit function. (See also Standard 6.1 Internal Audit Mandate.)* • *Organizational position and reporting relationships. (See also Standard 7.1 Organizational Independence.)* *The chief audit executive must discuss the proposed charter with the board and senior management to confirm that it accurately reflects their understanding and expectations of the internal audit function.*	• A SLT Meeting involving Chair and Vice Chair of the Audit Committee • Audit Committee Meeting	• As Needed • Annually	Refer to the comments under Standard 6.1 Internal Audit Mandate for details on how Internal Audit has addressed this requirement. The Internal Audit Charter is modeled after the public sector Model Charter and incorporates the following required sections: • Purpose of Internal Auditing • Commitment to adhering to the Global Internal Audit Standards • Mandate, including scope and types of services to be provided • Organizational position and reporting relationships The updated Internal Audit Charter, adopted by the Audit Committee on October 7, 2024, and endorsed by the City Council on October 16, 2024, reflects the Audit Committee's and senior management's understanding and expectations of the internal audit function. The Chief Administrative Officer, and the Senior Management Team are standing invitees of these audit committee meetings. Our current practices have addressed this requirement.
6	**Standard 7.1 Organizational Independence**	*The chief audit executive must confirm to the board the organizational independence of the internal audit function at least annually. This includes communicating incidents where independence may have been impaired and the actions or safeguards employed to address the impairment.* *The chief audit executive must discuss with the board and senior management any current or proposed roles and responsibilities that have the potential to impair the internal audit function's independence, either in fact or appearance.* *The chief audit executive must advise the board and senior management of the types of safeguards to manage actual, potential, or perceived impairments.*	• A SLT Meeting involving Chair and Vice Chair of the Audit Committee • Education and Information Session • Audit Committee Meeting	• At least Annually • As Needed • At least Annually	Refer to the comments under Standard 6.1 Internal Audit Mandate for details on how Internal Audit has addressed this requirement. The senior management feedback session on June 13, 2024, also included discussions on current and proposed roles and responsibilities that could potentially impair the independence of the internal audit function. To preserve independence and objectivity, Internal Audit will not be asked to perform any operational roles that may create conflicts of interest. Additionally, Internal Audit provides advisory services only at the request of the City Council or the Chief Administrative Officer, with all proposed projects subject to Internal Audit's review. The revised Internal Audit Mandate and Charter were approved by the Audit Committee on October 7, 2024, endorsed by the City Council on October 16, 2024, and subsequently enacted into the City of Brampton By-Law. The Chief Administrative Officer, and the Senior Management Team are standing invitees of these audit committee meetings. Our current practices have addressed this requirement.

Ref #	Standards	Requirements and/or Considerations for Implementation (Excerpts from Standards)	Communication Formats	Communication Frequency	How Internal Audit Addresses this Requirement with Senior Management
7	**Standard 7.2 Chief Audit Executive Qualification**	*The chief audit executive must help the board understand the qualifications and competencies of a chief audit executive that are necessary to manage the internal audit function. The chief audit executive facilitates this understanding by providing information and examples of common and leading qualifications and competencies.* *The board collaborates with senior management to determine which competencies and qualifications the organization expects in a chief audit executive. The competencies may vary according to the internal audit mandate, the complexity and specific needs of the organization, the organization's risk profile, and the industry and jurisdiction within which the organization operates, among other factors. The desired competencies and qualifications are typically documented in a job description and include:* *Given the importance of the chief audit executive role, a succession plan should be developed to identify internal or external candidates for replacing the chief audit executive. Such plans should be aligned with the organization's overall succession-planning process and be shared with the board and senior management.*	• Audit Committee Meeting	• Per Council Term	Refer to the comments under Standard 6.1 Internal Audit Mandate for details on how Internal Audit has addressed this requirement. The May 30 and Jun 13, 2024, education and feedback sessions incorporated feedback on the job description of the Director of Internal Audit. Senior management voted not to change the job description. On October 7, 2024, through a closed session discussion, the Audit Committee reconfirmed the appointment of the current Director to the CAE position. The City is working with business units to develop succession planning. On October 18, 2024, the Human Resources Department met with Internal Audit senior management to discuss its succession plan. HR staff advised that prior to the discussion, the plan was reviewed by and vetted with the Chief Administrative Officer. The finalized plan will be shared with the Chair and Vice Chair of the Audit Committee as part of regular operational updates provided by the Director of Internal Audit. It is important to note here that the Director of Internal Audit position is an essential function for the City of Brampton; the succession plan for this position will need to be discussed with and approved by the Chair of Audit Committee on account of audit independence. Our current practices have addressed this requirement.

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Ref #	Standards	Requirements and/or Considerations for Implementation (Excerpts from Standards)	Communication Formats	Communication Frequency	How Internal Audit Addresses this Requirement with Senior Management
8	**Standard 8.1 Board Interaction**	*The chief audit executive must report to the board and senior management:* • *The internal audit plan and budget and subsequent significant revisions to them. (See also Standards 6.3 Board and Senior Management Support and 9.4 Internal Audit Plan.)* • *Changes potentially affecting the mandate or charter. (See also Standards 6.1 Internal Audit Mandate and 6.2 Internal Audit Charter.)* • *Potential impairments to independence. (See also Standard 7.1 Organizational Independence.)* • *Results of internal audit services, including conclusions, themes, assurance, advice, insights, and monitoring results. (See also Standards 11.3 Communicating Results, 14.5 Engagement Conclusions, and 15.2 Confirming the Implementation of Recommendations or Action Plans.)* • *Results from the quality assurance and improvement program. (See also Standards 8.3 Quality, 8.4 External Quality Assessment, 12.1 Internal Quality Assessment, and 12.2 Performance Measurement.)*	Refer to the following standards listed in the Framework for specific guidance on required communication:[19] *Standard 6.3 Board and Senior Management Support* *Standard 9.4 Internal Audit Plan* *Standard 7.1 Organizational Independence* *Standard 11.3 Communicating Results* *Standard 14.5 Engagement Conclusions* *Standard 15.2 Confirming the Implementation of Recommendations or Action Plans* *Standard 8.3 Quality* *Standard 8.4 External Quality Assessment* *Standard 12.1 Internal Quality Assessment* *Standard 12.2 Performance Measurement*		Refer to the comments under each specific Standard for a detailed explanation of how Internal Audit addressed the corresponding requirements. Our current practices have addressed these requirements.
		There may be instances when the chief audit executive disagrees with senior management or other stakeholders on the scope, findings, or other aspects of an engagement that may affect the ability of the internal audit function to execute its responsibilities. In such cases, the chief audit executive must provide the board with the facts and circumstances to allow the board to consider whether, in its oversight role, it should intervene with senior management or other stakeholders. *Typically, disagreements between the chief audit executive and senior management should be discussed with senior management to ensure the information presented to the board is accurate and reflects management's perspective.*	• Email Communication • Operations Update Meeting	• As Needed • Regularly	Internal Audit has developed an Internal Audit Manual to provide a structured approach for managing and resolving disagreements with senior management regarding audit scope or other aspects of an audit engagement. If unresolved issues hinder Internal Audit from forming a reliable and credible assurance conclusion, the Director of Internal Audit will promptly escalate the matter to the Audit Committee while keeping senior management and key stakeholders informed. This framework was approved by the Audit Committee on February 11, 2025. As part of the current process, Internal Audit ensures that findings are validated with auditees for factual accuracy before they are included in the audit report. Recommendations are discussed and agreed upon to ensure they lead to actionable and practical remediation. Key stakeholders and senior management are engaged, as appropriate, to address any disagreements, ensuring transparency and accuracy in audit engagement reporting. Our current practices have addressed this requirement.

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19 Internal Audit's communication shall support the board in fulfilling its responsibilities by understanding how Internal Audit is meeting its mandate and clarifying the board's expectations regarding the City's strategies, objectives, and risks, assisting Internal Audit in setting its priorities. It also specifies the board's expectations for the frequency of communication received from the Director of Internal Audit and outlines the criteria and processes for escalating significant issues to the board.

Ref #	Standards	Requirements and/or Considerations for Implementation (Excerpts from Standards)	Communication Formats	Communication Frequency	How Internal Audit Addresses this Requirement with Senior Management
9	**Standard 8.2 Resources**	*The chief audit executive must evaluate whether internal audit resources are sufficient to fulfill the internal audit mandate and achieve the internal audit plan. If not, the chief audit executive must develop a strategy to obtain sufficient resources and inform the board about the impact of insufficient resources and how any resource shortfalls will be addressed.* *Agendas, meeting minutes, and communications between the chief audit executive and the board and/or senior management, documenting discussions of the sufficiency of internal audit resources.*	• Operations Update Meeting • Audit Committee Meeting	• As Needed • At Least Annually	The Director of Internal Audit proactively evaluates resource needs and addresses deficiencies with the Chief Administrative Officer and the Chair and Vice Chair of the Audit Committee during regular operational update meetings. Since July 2022, the Director has collaborated with the Chief Administrative Officer, the Audit Committee Chair and Vice Chair, and Human Resources to address staffing gaps. These efforts have been documented in multiple public staff reports to the Audit Committee, including the 2023 Annual Report. Beginning in 2024, the Internal Audit budget request for future years is presented to the Audit Committee for review and approval before being forwarded to the City's Budget Committee/Mayor's Budget Office for consideration. Resource shortages are also highlighted in routine updates, such as Ethics Hotline activity reports and Internal Audit work plan update reports, which are presented at quarterly Audit Committee meetings for information. The 2025 Budget Request, outlining resource needs, was presented to the Audit Committee on October 7, 2024, and further discussed at the December 3, 2024, meeting. In instances where additional resources are unavailable to meet Audit Standards requirements, budget and resource workarounds will be proposed to the Audit Committee for evaluation and approval. Our current practices have addressed this requirement.
10	**Standard 8.3 Quality**	*At least annually, the chief audit executive must communicate the results of the internal quality assessment to the board and senior management. The results of the external quality assessments must be reported when completed. In both cases, such communications include:* • *The internal audit function's conformance with the Standards and achievement of performance objectives.* • *If applicable, compliance with laws and/or regulations relevant to internal auditing.* • *If applicable, plans to address the internal audit function's deficiencies and opportunities for improvement.* *The chief audit executive's communications to the board and senior management regarding the internal audit function's quality assurance and improvement program should include:* • *The scope, frequency, and results of internal and external quality assessments conducted under the direction of, or with the assistance of, the chief audit executive.* • *Action plans that address deficiencies and opportunities for improvement. Actions should be agreed upon with the board.* • *Progress toward completing the agreed-upon actions.*	• Audit Committee Meeting	• At Least Annually	To comply with global internal audit standards, Internal Audit conducts ongoing monitoring and periodic self-assessments of its service quality and conformance with these standards, with the results presented at Audit Committee meetings. For the 2024 self-assessment, Internal Audit engaged the Institute of Internal Auditors to perform a Gap Assessment of Internal Audit practices against the updated standards, effective January 2025. The results of the Gap Assessment were presented to the Audit Committee on October 7, 2024, by a quality assessor from the Institute of Internal Auditors. The report outlined non-conformances and opportunities for improvement, along with Internal Audit's action plans to address them. For additional details on how Internal Audit addressed this requirement, refer to the comments under Standard 8.4: External Quality Assessment. Our current practices have addressed this requirement.

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Ref #	Standards	Requirements and/or Considerations for Implementation (Excerpts from Standards)	Communication Formats	Communication Frequency	How Internal Audit Addresses this Requirement with Senior Management
11	**Standard 8.4 External Quality Assessment**	*The chief audit executive must develop a plan for an external quality assessment and discuss the plan with the board. The external assessment must be performed at least once every five years by a qualified, independent assessor or assessment team. The requirement for an external quality assessment may also be met through a self-assessment with independent validation.*	• Audit Committee Meeting	• At Least Once Every 5 Years	To comply with global internal audit standards, Internal Audit engages qualified external service providers at least every five years to evaluate the quality of its assurance services and adherence to the standards. External Quality Assessments were conducted in 2017 and 2020, with the results presented as public reports to the Audit Committee. The next External Quality Assessment is scheduled for August 2025, with the results to be presented at the October 7, 2025, Audit Committee meeting. Senior management are standing invitees to these meetings. Our current practices have addressed this requirement.
12	**Standard 9.2 Internal Audit Strategy**	*The chief audit executive must develop and implement a strategy for the internal audit function that supports the strategic objectives and success of the organization and aligns with the expectations of the board, senior management, and other key stakeholders.* *The chief audit executive must review the internal audit strategy with the board and senior management periodically.*	• Operations Update Meeting • Audit Committee Meeting	• At Least Annually • Annually	Internal Audit has developed an Internal Audit Strategy aligned with global internal audit standards, which was presented to the Audit Committee on December 3, 2024. To ensure adequate consideration of management's input, the Strategy was shared with and vetted by the Chief Administrative Officer on behalf of senior management before its adoption by the Audit Committee. The Internal Audit Strategy is publicly accessible through the City's public domain and managed by the City Clerk. Internal Audit will review the Strategy at least annually, with any revisions submitted to the Audit Committee for review and approval. Feedback from senior management will be obtained before presenting the revisions to the Audit Committee. Our current practices have addressed this requirement.

Ref #	Standards	Requirements and/or Considerations for Implementation (Excerpts from Standards)	Communication Formats	Communication Frequency	How Internal Audit Addresses this Requirement with Senior Management
13	**Standard 9.4 Internal Audit Plan**	*The chief audit executive must base the internal audit plan on a documented assessment of the organization's strategies, objectives, and risks. This assessment must be informed by input from the board and senior management as well as the chief audit executive's understanding of the organization's governance, risk management, and control processes. The assessment must be performed at least annually.* *The chief audit executive must review and revise the internal audit plan as necessary and communicate timely to the board and senior management:* - *The impact of any resource limitations on internal audit coverage* - *The rationale for not including an assurance engagement in a high-risk area or activity in the plan.* - *Conflicting demands for services between major stakeholders, such as high-priority requests based on emerging risks and requests to replace planned assurance engagements with advisory engagements.* - *Limitations on scope or restrictions on access to information.* *The chief audit executive must discuss the internal audit plan, including significant interim changes, with the board and senior management. The plan and significant changes to the plan must be approved by the board.*	• Annual Refreshing Risk Assessment Questionnaire and Discussion • Operations Update Meeting • Audit Committee Meeting	• At Least Annually • As Needed – At Least Annually • Annually	Internal Audit conducts a comprehensive City-wide risk assessment every five years to help inform Internal Audit's strategic long-term audit plan. This process involves reviewing 10 categories of risks and interviews with key stakeholders, including business area leaders, to ensure a thorough evaluation of risks. The finalized five-year audit plan is then presented to the Audit Committee for review and approval. The finalized work plan considers the City's Strategic Priorities, input from the Audit Committee and senior management as required by the IIA Standards. Internal Audits are conducted using a risk-ranking system that prioritizes areas with the highest levels of risk. To support the implementation of the five-year audit plan, audit staff annually distribute updated risk assessment questionnaires to business units scheduled for upcoming audits. The City's Strategic Priorities play a key role in shaping the annual risk assessment and, consequently, the Annual Audit Work Plan. This ensures that risk rankings are current and accurate, providing a strong foundation for the plan. The finalized Annual Audit Work Plan is presented at the first Audit Committee meeting of the year (typically in February) for review and approval. The plan includes a clear mapping of audit activities to the City's Strategic Priorities, emphasizing the alignment between internal audit efforts and the City's strategic goals. The Audit Committee and City Council may propose additional priorities for Internal Audit to review, as they have done in the past. Internal Audit evaluates this feedback and makes adjustments to the annual audit work plan as needed. The Director of Internal Audit promptly communicates these changes through operational updates to the Chair and Vice Chair of the Audit Committee and presents them at subsequent committee meeting(s). These adjustments may address auditee concerns or provide justification for postponing assurance engagements in high-risk areas. Internal Audit provides the Audit Committee with four updates annually on the execution of the audit plan. These updates are public records, accessible through the City's public domain managed by the City Clerk. To ensure a structured and consistent approach to communicating significant interim changes to the approved audit plan, Internal Audit developed **Appendix III Internal Audit Plan Update: A Communication Guide**, which the Audit Committee approved on February 11, 2025. Our current practices have addressed this requirement.

Ref #	Standards	Requirements and/or Considerations for Implementation (Excerpts from Standards)	Communication Formats	Communication Frequency	How Internal Audit Addresses this Requirement with Senior Management
14	**Standard 9.5 Coordination and Reliance**	*The chief audit executive must coordinate with internal and external providers of assurance services and consider relying upon their work. Coordination of services minimizes duplication of efforts, highlights gaps in coverage of key risks, and enhances the overall value added by providers.* *When the internal audit function relies on the work of other assurance service providers, the chief audit executive must document the basis for that reliance and is still responsible for the conclusions reached by the internal audit function.* *If unable to achieve an appropriate level of coordination, the chief audit executive must raise any concerns with senior management and, if necessary, the board.*	• Email Communication	• As Needed	Currently, there are no other assurance providers within the City whose work Internal Audit can rely upon. Although the City has recently established an Enterprise Risk Management function, meaningful collaboration is expected to evolve as the Enterprise Risk Management operations mature. The Audit Director collaborates with the City's Statutory Auditor through various activities, including participation in the annual statutory audit planning meeting, sharing internal audit reports, completing the Statutory Audit annual audit work plan questionnaire, and providing insights on cybersecurity and fraud risks during an annual dialogue. However, as the Statutory Auditor primarily focuses on financial audits while Internal Audit emphasizes operational risks, there is no direct reliance by Internal Audit on the external auditor's work. To date, there have been no concerns regarding Internal Audit's coordination or reliance on the work of other assurance providers. Should such concerns arise, Internal Audit will prepare a report for the Audit Committee detailing the issues. Senior management are invited to attend the Audit Committee meetings to provide input. Where appropriate, verbal communication may also be shared with the Chair and Vice Chair of the Audit Committee ahead of the meetings. Our current practices have addressed this requirement.
15	**Standard 10.1 Financial Resource Management**	*The chief audit executive must seek budget approval from the board. The chief audit executive must communicate promptly the impact of insufficient financial resources to the board and senior management.* *If significant additional resources are needed due to unforeseen circumstances, the chief audit executive should discuss the circumstances with the board and senior management promptly.*	• Operations Update Meeting • Audit Committee Meeting	• Regularly • At Least Annually	Beginning in October 2024, the Director of Internal Audit began providing staff reports and presentations to the Audit Committee regarding annual budget requests. These reports included details on major initiatives, technology limitations, and resource requirements. Following approval by the Audit Committee, the budget was submitted to the Mayor's Office of Budget for consideration. Leading up to the annual budget meeting, the Director of Internal Audit provides regular operational updates to the Chief Administrative Officer as well as the Chair and Vice Chair of the Audit Committee. These updates typically incorporate topics on human resource adjustments, staffing requests, technology limitations, and the funding required to address these challenges. Our current practices have addressed this requirement.

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Ref #	Standards	Requirements and/or Considerations for Implementation (Excerpts from Standards)	Communication Formats	Communication Frequency	How Internal Audit Addresses this Requirement with Senior Management
16	**Standard 10.2 Human Resources Management**	*The chief audit executive must communicate with the board and senior management regarding the appropriateness and sufficiency of the internal audit function's human resources. If the function lacks appropriate and sufficient human resources to achieve the internal audit plan, the chief audit executive must determine how to obtain the resources or communicate timely to the board and senior management the impact of the limitations.* *The chief audit executive should follow the organization's human resources policies or, as in the public sector, follow regulatory or contractually driven human resources frameworks. The board and senior management should be advised when these mandated frameworks diminish the ability to fulfill the human resources needs of the internal audit function.*	• SLT Meeting Involving Chair and Vice Chair of the Audit Committee • Audit Committee Meeting	• As Needed • Annually	Internal Audit ensures timely communication with the Audit Committee and senior management (via the Chief Administrative Officer) regarding the adequacy of the internal audit function's human resources and any deficiencies. Resource shortages, including staffing and technology limitations, are addressed through additional budget requests and resource allocations. These issues are initially discussed during regular operational updates with the Chief Administrative Officer, as well as the Chair and Vice Chair of the Audit Committee. Formal updates are provided during quarterly Audit Committee meetings as needed. Topics typically covered include staffing adjustments, resource needs, technology limitations, and funding requirements. Our current practices have addressed this requirement.
17	**Standard 10.3 Technology Resources**	*The chief audit executive must communicate the impact of technology limitations on the effectiveness or efficiency of the internal audit function to the board and senior management.*	• Operations Update Meeting • Audit Committee Meeting	• Regularly • At Least Annually	Refer to Standard 10.1 Human Resources Management for details on how Internal Audit has addressed this requirement. As an example, a report titled "Staff Report re: IIA Standards Work and External Quality Assessment" was presented to the Audit Committee on June 10, 2024, highlighting technology constraints faced by Internal Audit and Internal Audit's efforts to address this limitation. Our current practices have addressed this requirement.

Ref #	Standards	Requirements and/or Considerations for Implementation (Excerpts from Standards)	Communication Formats	Communication Frequency	How Internal Audit Addresses this Requirement with Senior Management
18	**Standard 11.3 Communicating Results**	*The chief audit executive must communicate the results of internal audit services to the board and senior management periodically and for each engagement as appropriate. The chief audit executive must understand the expectations of the board and senior management regarding the nature and timing of communications.* *The results of internal audit services can include:* *• Engagement conclusions.* *• Themes such as effective practices or root causes.* *• Conclusions at the level of the business unit or organization.* *Engagement Conclusion* *The chief audit executive must review and approve final engagement communications, which include engagement conclusions, and decide to whom and how they will be disseminated before they are issued. If these duties are delegated to other internal auditors, the chief audit executive retains overall responsibility. The chief audit executive must seek the advice of legal counsel and/or senior management as required before releasing final communications to parties outside the organization, unless otherwise required or restricted by laws and/or regulations. (See also Standards 11.4 Errors and Omissions, 11.5 Communicating the Acceptance of Risks, and 15.1 Final Engagement Communication.)* *Themes* *The findings and conclusions of multiple engagements, when viewed holistically, may reveal patterns or trends, such as root causes. When the chief audit executive identifies themes related to the organization's governance, risk management, and control processes, the themes must be communicated timely, along with insights, advice, and/or conclusions, to the board and senior management.* *Conclusions at the Level of the Business Unit or Organization* *The chief audit executive may be required to make a conclusion at the level of the business unit or organization about the effectiveness of governance, risk management, and/or control processes, due to industry requirements, laws and/or regulations, or the expectations of the board, senior management, and/or other stakeholders. Such a conclusion reflects the professional judgment of the chief audit executive based on multiple engagements and must be supported by relevant, reliable, and sufficient information. When communicating such a conclusion to the board or senior management, the chief audit executive must include:* *• A summary of the request.* *• The criteria used as a basis for the conclusion, for example a governance framework or risk and control framework.* *• The scope, including limitations and the period to which the conclusion pertains.* *• A summary of the information that supports the conclusion.* *• A disclosure of reliance on the work of other assurance providers, if any.*	• Audit Committee Meeting	• Quarterly	**Engagement Conclusion** Internal Audit presents the results of each audit engagement at scheduled Audit Committee meetings through audit reports. Beginning in Q2 2024, Internal Audit adopted a standardized reporting template for enhanced clarity and impact. The redesigned audit reporting template incorporates key elements to ensure comprehensive communication of audit results in alignment with global internal audit standards. It is designed to provide clear and effective information to the Audit Committee, senior management, and other stakeholders. The key elements featured in the template are: • Audit Objectives, Scope and Methodology • Detailed Audit Findings • Management's Response to the Audit Report Auditors follow updated report templates when drafting reports, incorporating the following "5 Cs" when documenting audit results and individual findings: • Criteria • Condition • Cause • Impact • Recommendations This structured approach ensures that audit findings are consistently and thoroughly documented, and recommendations are actionable. All reports include an overall conclusion on the effectiveness of risk management and control processes under review. This conclusion relates to the audit objectives and reflects Internal Audit's professional judgment regarding the overall significance of the aggregated audit findings. **Themes** The Internal Audit reviews the audit engagements completed during the annual audit cycle. Common themes, if identified, will be presented to the first Audit Committee each year as part of the Annual Report or a standalone staff report. **Conclusions at the Level of the Business Unit or Organization** Reports in response to ad hoc requests arising from industry requirements, laws or regulations, or the expectations of the board, senior management, and key stakeholders, will follow the same reporting templates for individual audit engagement. Currently only City Council/Chief Administrative Officer can request advisory/consulting projects beyond approved Internal Audit Work Plan, and these requests are subject to Internal Audit's evaluation. The reporting will incorporate the following required information outlined in global internal audit standards, including:

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Ref #	Standards	Requirements and/or Considerations for Implementation (Excerpts from Standards)	Communication Formats	Communication Frequency	How Internal Audit Addresses this Requirement with Senior Management
18	**Standard 11.3 Communicating Results (Cont.)**	*The results of internal audit services may be based on individual engagements, multiple engagements, and interactions with the board and senior management over time.* *The chief audit executive must seek the advice of legal counsel and/or senior management as required before releasing final communications to parties outside the organization, unless otherwise required or restricted by laws and/or regulations.*			• A summary of the request. • The criteria used as the basis for the conclusion, such as a governance framework or risk and control framework. • The scope, including any limitations and the period to which the conclusion pertains. • A summary of the information supporting the conclusion. • A disclosure of reliance on the work of other assurance providers, if applicable. Our current practices have addressed this requirement.
19	**Standard 11.4 Error and Omissions**	*If a final engagement communication contains a significant error or omission, the chief audit executive must communicate corrected information promptly to all parties who received the original communication.* *Significance is determined according to criteria agreed upon with the board.*	• Email Communication	• Timely and As Needed	The Director of Internal Audit promptly notifies all parties who have received the final audit report, including the Audit Committee, senior management, and other stakeholders, when significant errors or omissions are identified. This notification is communicated via email or verbally. If the report has been posted to the City's public domain, the City Clerk is also notified in the same manner to repost the corrected version. The communication protocol is detailed in **Appendix IV Errors and Omissions: A Communication Guide**, which defines significant errors and omissions warranting corrective actions and communication. This guide was approved by the Audit Committee on February 11, 2025. To minimize the likelihood of significant errors or omissions being identified after the issuance of the final audit report, Internal Audit has implemented stringent oversight controls to ensure the accuracy of audit reporting. All audit findings are thoroughly discussed and agreed upon with auditees prior to their inclusion in the final report. Additionally, a draft report is shared with management to verify factual accuracy. As a result, the chances of significant errors or omissions occurring are minimal. Our current practices have addressed this requirement.

Ref #	Standards	Requirements and/or Considerations for Implementation (Excerpts from Standards)	Communication Formats	Communication Frequency	How Internal Audit Addresses this Requirement with Senior Management
20	**Standard 11.5 Communicating the Acceptance of Risks**	*The chief audit executive must communicate unacceptable levels of risk.* *When the chief audit executive concludes that management has accepted a level of risk that exceeds the organization's risk appetite or risk tolerance, the matter must be discussed with senior management. If the chief audit executive determines that the matter has not been resolved by senior management, the matter must be escalated to the board.*	• Operations Update Meeting • Audit Committee Meeting	• As needed • Quarterly and As Needed	Internal Audit will document and report management's acceptance of unacceptable levels of risk identified through emails, during regular operational updates held by the Director of Internal Audit with the Chair and Vice Chair of the Audit Committee, as well as in the audit reports presented to the quarterly Audit Committee, depending on the urgency of the risks and their impact. For a detailed explanation of how Internal Audit addresses this requirement, refer to the comments under Standard 11.3: Communicating Results. If concerns arise due to a lack of management actions to address audit findings with significant risk exposures, they will be included in Internal Audit's quarterly Management Action Plan report to the Audit Committee. Senior management will be engaged, as appropriate, in discussions in an effort to address the issues before escalating them to the Chief Administrative Officer, and then to the Audit Committee. The communication protocol is detailed in **Appendix V: Risk Acceptance: A Communication Guide**, which defines what constitutes the acceptance of unacceptable levels of risk warranting senior management discussion and Audit Committee escalation. Audit Committee, at its meeting of February 11, 2025, adopted this Guide as part of the Communication Framework. Our current practices have addressed this requirement.
21	**Standard 12.1 Internal Quality Assessment**	*The chief audit executive must establish a methodology for internal assessments, as described in Standard 8.3 Quality, that includes:* *• Communication with the board and senior management about the results of internal assessments.* *The chief audit executive must communicate the results of periodic self-assessments and action plans to the board and senior management.* *If nonconformance with the Standards affects the overall scope or operation of the internal audit function, the chief audit executive must disclose to the board and senior management the nonconformance and its impact.*	• Audit Committee Meeting	• Annually	Refer to the comments under Standard 8.3 Quality for a detailed explanation of how Internal Audit addressed this requirement. Our current practices have addressed this requirement.

Ref #	Standards	Requirements and/or Considerations for Implementation (Excerpts from Standards)	Communication Formats	Communication Frequency	How Internal Audit Addresses this Requirement with Senior Management
22	Standard 12.2 Performance Measurement	*The chief audit executive must develop objectives to evaluate the internal audit function's performance. The chief audit executive must consider the input and expectations of the board and senior management when developing the performance objectives.* *When assessing the internal audit function's performance, the chief audit executive must solicit feedback from the board and senior management as appropriate.*	• Audit Committee Meeting	• Annually	Approved by the Audit Committee, the Internal Audit Strategy incorporates performance metrics to assess audit staff's progress toward their development goals, which are critical to achieving Internal Audit's objectives. These metrics are reviewed annually, compared against actual performance, and included in the annual service plan report to the Audit Committee during the budgeting cycle. The Chief Administrative Officer reviewed the Strategy and provided input, on behalf of management, and the document is accessible in the City's public domain. Our current practices have addressed this requirement.
23	Standard 13.4 Evaluation Criteria	*Internal auditors must identify the most relevant criteria to be used to evaluate the aspects of the activity under review defined in the engagement objectives and scope. For advisory services, the identification of evaluation criteria may not be necessary, depending on the agreement with relevant stakeholders.* *Internal auditors must assess the extent to which the board and senior management have established adequate criteria to determine whether the activity under review has accomplished its objectives and goals. If such criteria are adequate, internal auditors must use them for the evaluation. If the criteria are inadequate, internal auditors must identify appropriate criteria through discussion with the board and/or senior management.*	• Letter of Engagement and Audit Reports • Audit Committee Meeting	• Ongoing with Each Audit Engagement • Quarterly	For each audit engagement, Internal Audit reviews the applicable criteria, such as relevant laws, regulations, or requirements established by City management that govern the operational activities within the audit's scope, to evaluate risk control design adequacy and operating effectiveness. These criteria are communicated to auditees in the Audit Objective and Scope section of the engagement letter. In the absence of such criteria, or if the existing criteria are deemed inadequate, Internal Audit applies industry best practices for benchmarking. In the updated audit reporting template, auditors are required to specify the criteria used to evaluate the adequacy of risk control design and operating effectiveness for each audit finding reported. This ensures transparency. Auditees will also become aware of the audit criteria when reviewing the Letter of Engagement or the audit reports. Our current practices have addressed this requirement.
24	Standard 13.5 Engagement Resources	*If the available resources are inappropriate or insufficient, internal auditors must discuss the concerns with the chief audit executive to obtain the resources.* *The chief audit executive is responsible for discussing with senior management and the board the implications of resource limitations and determining the course of action to take.*	• Operations Update Meeting • Aduit Committee Meeting	• Regularly • Quarterly and As Needed	Refer to the comments under Standard 10.1 Human Resources Management for details on how Internal Audit has addressed this requirement. Our current practices have addressed this requirement.

Ref #	Standards	Requirements and/or Considerations for Implementation (Excerpts from Standards)	Communication Formats	Communication Frequency	How Internal Audit Addresses this Requirement with Senior Management
25	**Standard 14.5 Engagement Conclusions**	*Internal auditors must develop an engagement conclusion that summarizes the engagement results relative to the engagement objectives and management's objectives. The engagement conclusion must summarize the internal auditors' professional judgment about the overall significance of the aggregated engagement findings.*	• Audit Reports and Audit Committee Meeting	• Quarterly	Refer to the Engagement Conclusions comments under Standard 11.3 Communicating Results for a detailed explanation of how Internal Audit addressed this requirement. Our current practices have addressed this requirement.
26	**Standard 15.2 Confirming the Implementation of Recommendations or Action Plans**	*Internal auditors may use a software program, spreadsheet, or system to track whether management's action plans are implemented according to the established timelines. The tracking system indicates whether action plans remain open or are past due and provides a useful tool for internal auditors to communicate with the board and senior management.*	• Audit Committee Meeting	• Quarterly	Historically, Internal Audit used an offline spreadsheet to track the status of Management Action Plans for addressing audit findings. Over the past two to three years, Internal Audit has been working on automating the follow-up process for these plans, a project now nearing completion. Beginning with the February 11, 2025, Audit Committee meeting, Internal Audit will generate action follow-up reports directly from the Pentana software for quarterly reporting to the committee. Our current practices have addressed this requirement.

Documentation Version Control

Date	Version #	Change By	Description of Change
February 11, 2025	1.0	N/A	Framework Creation

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Date: 2025-01-31

Subject: **2025 Internal Audit Work Plan and 2024 Status Update**
                            Claire Mu, Director, Internal Audit, fang.mu@brampton.ca
Contact:

Report Number: CAO's Office-2025-129

Recommendations:

1. That the report titled: 2025 Internal Audit Work Plan and 2024 Status Update to the Audit Committee Meeting of February 11, 2025, be received.
2. That the Audit Committee approve the proposed 2025 Audit Work Plan.
3. That the Audit Committee approve the reduction of audits from 8 to 6 so audit resources can be diverted to the Management Action Plans Follow-up project and Quality Assurance and Improvement Program in order to achieve and maintain IIA 2024 Global Audit Standards.

Overview:

- This report provides the Audit Committee with the Internal Audit Work Plan for 2025, as well as a status update on the Internal Audit Work Plan for 2024.

- **2025 Audit Work Plan**: The proposed 2025 audit work plan includes 3 new audits, 2 comprehensive Management Action Plan follow-up projects, and 1 outsourced Cybersecurity Audit Project. It also includes 2 smaller-scale compliance audits that may be completed by Internal Audit or may be outsourced. To align with the updated 2024 IIA Global Audit Standards, some audit resources have been reallocated to a quality assurance and improvement program and the monitoring of audit recommendations and associated management action plans, both of which are integral to the City of Brampton Internal Audit's effectiveness.

- By approving this audit work plan, the Audit Committee endorse Internal Audit's effort to meet and maintain the IIA Standards by foregoing some audit projects. Based on current resources, it would take approximately 13 years to cycle through the City's approximately 80 auditable entities and there are risks associated with this approach. While reducing audit coverage is a measure of last resort, we also recognize the importance of meeting the standards and increasing our effectiveness.

- **"Audits on the Horizon"**: "Audits on the Horizon" lists potential replacement projects in 2025 or projects to be taken on should additional resources become

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available. "Audits on the Horizon" provides Internal Audit with the flexibility to adjust its engagements to help address auditee operational issues that potentially impact their ability to support audits and Internal Audit staffing level fluctuations.

- **Completion of the 2024 Audit Work Plan**: Internal Audit successfully completed the 2024 Audit Work Plan, which included the seven audits proposed at the start of the year.

- **Alignment with New Audit Standards**: In 2024, Internal Audit began the transition toward compliance with the new Audit Standards, designating one audit manager to lead the associated compliance initiatives.

- **Approach to determine the 2025 Audit Work Plan**: The 2025 Internal Audit Work Plan was developed using a risk-based approach that considered a corporate-wide risk assessment, senior management input, evaluation of past audits, a survey of audits and issues from other Canadian municipalities, emerging risks, and allegations received by the Ethics Hotline.

- **Annual Affirmation of Organizational Independence**: This report also includes our annual affirmation of organizational independence for 2024, in alignment with Standard 7.1 Organizational Independence of the Institute of Internal Auditors Global Audit Standards.

- Internal Audit regularly reviews and updates the Work Plan based on current information, discussions with the senior leadership team, issues identified in audits, and risk reviews.

Background:

The Director of Internal Audit has the responsibility to submit, at least annually, to the Audit Committee a risk-based Internal Audit Work Plan ('Plan') for review and approval.

The 2025 Plan was developed using a risk-based approach that complies with IIA standards. Several factors were taken into consideration in developing the Plan, such as:

- The 2021 KPMG Risk Assessment and the resulting Audit Universe and the associated risk ratings
- The 2022 Ernst & Young IT Risk Assessment
- Past audit reports
- A survey of audit reports from other Canadian municipalities
- Input from Senior Management, CAO and Audit Committee Chairs
- Allegations from the Ethics Hotline
- Current and emerging risks

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A corporate wide risk assessment was completed in 2021 by KPMG. The assessment mapped out all auditable areas within the City and grouped them into four sections; core operations, business change, emerging areas and core external risk. Each auditable area was given a priority rating of "High", "Medium" or "Low". Each of the ten areas identified as "High" have since been audited, except for Transit Revenue which will be audited in 2025.

An IT risk assessment was completed in 2022 by E&Y. The assessment was completed to support audit work planning for 2023 to 2025, and the results of the assessment were driven by the following considerations: industry knowledge and experience, risk management activities, strategic and operational plans, and input from Senior Management. Each IT area was given a ranking of "Critical", "High" or "Medium.

Audit Work Plan Selection Methodology:

Internal Audit's process to gather risk information consisted of the following activities:

Activity 1: Review documented risk assessments from KPMG and E&Y

Activity 2: Discussions with Directors, CAO and Audit Committee Chairs

Activity 3: Research past audits and their results

Activity 4: Review of audit reports from other municipalities and audit shops

Activity 5: Consider any fraud allegations and their potential impact

Activity 6: Review of industry analysis and reports (IT)

To comply with Institute of Internal Auditors (IIA) Standards, the audit plan must be based on a documented risk assessment undertaken at least annually and with consideration of the input of senior management and the board.

Internal Audit did not distribute a risk assessment questionnaire to business units this year. Instead, we relied on audits identified in the previous year's "audits on the horizon" and existing risk data from last year's questionnaire. These business units were next in line based on the audit universe and risk assessment originally developed by KPMG, which categorized them as high or medium risk. The prior year's questionnaire, which covered strategic, financial, reputational, compliance, and operational risks, was used to refresh risk information within the audit universe.

Stakeholder Engagement:

IIA standard 9.4 Internal Audit Plan requires Internal Audit to discuss the plan with the Audit Committee and Senior Management and the plan must be approved by the Audit Committee.

The 2025 audit work plan, including results of the risk assessment, was presented to the Audit Committee Chairs on February 3, 2025. The plan will be communicated to the Senior Management through the Audit Committee where the Senior Leadership Team are the standing invitees.

Ongoing Review and Adjustment:

Internal Audit reviews and adjusts the annual audit work plan as necessary, in response to changes in the organization's business, risks, operations, programs, systems, and controls, as well as our internal staff fluctuations. Updates and changes to the Plan are communicated to the Audit Committee quarterly.

Current Situation:

2024 Status Update
Appendix 1: 2024 Internal Audit Work Plan Status Update sets out the status of the 2024 Audit Work Plan. Internal Audit completed the 2024 Audit Work Plan, consisting of seven audits, the same number of audits we had proposed at the beginning of the year. All seven audits came from the original Internal Audit Work Plan.

Other Initiatives Accomplished by Internal Audit

In addition to the 2024 Audit Work Plan, Internal Audit carried out other initiatives. The following list the significant ones:

- **Completion of MAPS Automation Project – Part III**

  We concluded this three-year initiative by stabilizing *User Acceptance Testing* (UAT) and *Production* (PROD) environments, migrating MAPS to Pentana, automating reporting, and clarifying MAPS roles and to modernize citywide tracking and reporting.

- **Conducted Gap Assessment and embarked on the journey to align our audit practices with the updated IIA standards**

  We addressed the IIA's new standards through a gap assessment, process realignment, and training, earning praise for compliance progress.

- **Compiled an Internal Audit Strategy and revamped Key Performance Measures**

  Starting in June 2024, we developed an Internal Audit Strategy, approved in October, to enhance audit effectiveness and align with the City's strategic goals.

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- **Updated audit report and working paper templates, improving usability and quality**

   We revamped audit report templates and improved clarity and impact of audit reports.

2025 Audit Work Plan
Appendix 2 sets out the 2025 Internal Audit Work Plan.

The annual Audit Work Plan includes two comprehensive Management Action Plan (MAP) validation projects, three operational audits and an IT cybersecurity audit. It also includes 2 smaller-scale compliance audits that may be completed by Internal Audit or may be outsourced When developing the 2025 Audit Work Plan, we considered auditee operational challenges, the demand for time and attention required from the City operations to support audit staff, available Internal Audit staff resources and staffing level fluctuations.

Appendix 2 also lists "Audits on the Horizon." These are potential replacement projects in 2025 or additional projects if resources become available. "Audits on the Horizon" provides Internal Audit with the flexibility to address unforeseen operational issues that impact our work, both from the auditee side and from within Internal Audit Division.

Any changes to the Audit Work Plan may require the removal or deferral of a project identified within this report or the hiring of an outside auditor to perform the audit. Changes to the annual audit work plan will be communicated to the Audit Committee quarterly.

Non-Audit Work Planned for 2025

In addition to conducting audits, Internal Audit has planned the following non-audit initiatives for 2025 to enhance corporate-wide processes and strengthen internal audit practices:

- **Focus on Staff Retention and Development**: Continue efforts to attract, retain, and develop skilled audit professionals.
- **External Quality Assessment Preparation**: Prepare for the once-every-five-years External Quality Assessment, including the development of a robust Quality Assurance and Improvement Program and reconfiguring the audit software Pentana for more effective use and to better align with the new audit standards.
- **5-Year Audit Work Plan and Risk Assessment**: Conduct a city-wide risk assessment to inform the 2026–2030 Audit Work Plan, incorporating input from the Board and Senior Management.

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- **Expand Audit Analytics**: Broaden the use of data analytics to improve audit efficiency and effectiveness.

- **Enhance Audit Timekeeping**: Enhance timekeeping by implementing a streamlined system to improve tracking, efficiency, and accountability.
- **Enhance Stakeholder Engagement**: Enhance engagement through a redesigned public-facing website and structured, transparent and consistent communication with the Audit Committee, senior management, and auditees.

Audit Work Plan Impacted by Resource Constraints

The City of Brampton Internal Audit has encountered challenges in conforming to IIA Standards, including during the 2017 and 2020 External Quality Assessments. With the release of the updated 2024 IIA Global Audit Standards, CoB Internal Audit has embarked on a conformance journey to achieve and maintain these more rigorous standards. However, meeting these requirements will require dedicated resources for critical areas, including:

1. Validating Management Action Plans
2. Establishing a robust Quality Assurance and Improvement Program (QAIP).

In the 2025 Budget Request, we sought funding for an additional lead auditor to increase capacity and address these mandates. Unfortunately, due to the City's resource constraints, this request was not approved.

Achieving and maintaining IIA Standards is crucial for fostering public confidence in the City of Brampton's governance framework. To manage this challenge, Internal Audit, after consultation with the Chair and Vice Chair of the Audit Committee and securing the Committee's approval, will reduce the number of annual audit projects by two per year until further budget allocation is provided. Typically, we complete eight audit projects per year; this adjustment will reduce the target to six operational audits annually, subject to further changes based on staffing levels. Obtaining Audit Committee approval for this reduction is essential, as the number of audits planned and performed is a significant KPI.

We currently have over 80 auditable entities within the City of Brampton. At the current rate of 8 audits per year, it takes 10 years to complete a full audit cycle. If we reduce the annual number of audits from 8 to 6, the audit cycle would extend to 13 years.

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A 13-year cycle introduces significant risks, as a lot can change during that time, potentially leaving the City exposed to issues that may not be identified or addressed in a timely manner. Without conducting regular audits, we may also lack visibility into emerging risks in areas that cannot be audited regularly.

As the fastest-growing community in Canada, the City of Brampton is experiencing evolving processes that often require increased audit efforts to ensure effective risk management and governance.

While reducing audit coverage is a measure of last resort, prioritizing conformance with IIA Standards and ensuring the well-being of audit staff remain our highest priorities. We remain committed to advocating for an additional lead auditor in future budget cycles to restore capacity and ensure sustainable operations.

The Director of Internal Audit has ensured full transparency regarding these adjustments through staff reports and presentations, including:

- The Internal Audit 2025 Budget Request staff report and presentation to the Audit Committee on October 7, 2024.
- The 2024 Annual Work Plan report to the Audit Committee on February 11, 2025.

These public reports and presentations have been supplemented by ongoing discussions with the Chief Administrative Officer and the Chair and Vice Chair of the Audit Committee. This approach reflects a practical balance between achieving conformance with IIA Standards, safeguarding audit staff well-being, and managing the City's budget constraints.

Mapping Audit Work Plan to the City's Strategic Initiatives

The IIA Standards also require that the audit work plan consider the City's strategic priorities. Strategic priorities play a key role in shaping the annual risk assessment and, consequently, the audit work plan. The 2025 audit work plan supports initiatives from five of the City's six strategic priorities, including initiatives like *Enhance Transit Services*, *Enhance Energy & Climate Resilience* and *Elevate Performance and Service Standards*. **Appendix 3: Mapping 2025 Work Plan to Strategic Initiatives** links the Internal Audit work plan to the City's core strategic initiatives.

Annual Affirmation of Organizational Independence

Appendix 4: 2024 Annual Affirmation of Organizational Independence presents the 2024 Affirmation of Organizational Independence, fulfilling the annual requirement set by IIA Standard 7.1. Organizational Independence. This formal declaration assures the Audit Committee that Internal Audit has maintained its independence from management over

the past year. Including this confirmation in the 2025 Work Plan ensures transparency and compliance with professional auditing standards.

Corporate Implications:

Financial Implications:

N/A

Other Implications:

N/A

Strategic Focus Area:

Government & Leadership: Internal Audit is an essential service. It provides a systematic, disciplined approach to evaluate and improve the effectiveness of the City's governance, risk management, and internal controls and processes.

Conclusion:

The Internal Audit Work Plan will be reviewed regularly and updated when needed. Internal Audit intends to keep the Work Plan agile and flexible, ensuring that identified and emerging risks are appropriately addressed. The Plan is designed to add value to the organization and provide the highest standard of professional, independent, and timely solutions in partnership with City departments.

Authored by: Reviewed and approved by:

_____   _____

Brad Cecile, Manager, Internal Audit   Claire Mu, Director, Internal Audit

Attachments:
- Appendix 1: 2024 Internal Audit Work Plan Status Update
- Appendix 2: 2025 Internal Audit Work Plan
- Appendix 3: Mapping 2025 Work Plan to Strategic Initiatives
- Appendix 4: 2024 Annual Affirmation of Organizational Independence

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Appendix 1: 2024 Audit Work Plan Status Update

Engagements	Scope of work	Plan Status
By-Law Enforcement – Non-Parking	This audit will review the processes and practices related to by-law enforcement. Audit staff will focus on specific by-laws and related enforcement activities.	Complete June 10, 2024 Audit Committee
Purchasing Card Management	This audit will assess the adequacy of controls over purchases made with P-Cards. It includes an assessment of the P-Card policies and procedures as well as determining the extent of compliance through transactional analytics and testing.	Complete October 7, 2024 Audit Committee
Building Department - Building Permits	This audit will assess the internal controls supporting the building permit application and issuance processes. It will also include a review of compliance to relevant By-laws, policies and provincial legislation such as the Ontario Building Code Act.	Complete February 11, 2025 Audit Committee
Road Operations	This audit will review the City's Road Maintenance operations to ensure processes and procedures are economical and meet required service levels. Areas reviewed will include road maintenance, repairs, condition monitoring and resurfacing.	Complete December 3, 2024 Audit Committee
Fleet Maintenance - Fire	This audit will review controls in place around fleet maintenance operations of fire vehicles and equipment including preventative maintenance, inspections and repairs. It will aim to determine the efficiency and effectiveness of vehicle maintenance practices.	Complete December 3, 2024 Audit Committee
Cyber Security Audit - Red Team Testing	The expansion of cybersecurity testing started in 2023 into "Red-Team" testing, which involves real-time network hacking to test the City's detection and response capabilities.	Complete December 3, 2024 Audit Committee

Engagements	Scope of work	Plan Status
IT Asset Management Infrastructure - Hardware and Software	The audit will assess the sufficiency of the IT asset management framework, processes, and tools to identify, document, track, and monitor software and hardware asset lifecycles and ensure financial management information is updated. Additionally, the audit will assess whether the asset base is reviewed periodically to identify ways to optimize costs, maintain alignment with business needs and ensure license compliance.	Complete October 7, 2024 Audit Committee

Appendix 2: Internal Audit Work-Plan 2025

The following activities can be found in this appendix:

- The planned 2025 audit engagements; and,
- Other audit projects on the horizon that can be used as replacement projects for the 2025 audit engagements or projects to be taken on if resources are available

Planned 2025 Audit Engagements

Engagements	Scope of work
Management Action Plans Follow-up Project - Operational Audits	This project will be a comprehensive review of management action plans from previous operational audits that have not yet been implemented. The project will assess if corrective actions to address the audit findings have been effectively implemented.
Fuel Management	This audit will review the process for managing and monitoring fuel consumption by city vehicles including distribution of gas cards, fueling procedures, monitoring and approving transactions, fraud detection and contracts.
Fleet Asset Management	This audit will review controls in place around vehicle acquisitions, disposals, utilization, and replacements. The review will assess compliance to relevant By-laws, policies and procedures.
Transit - Revenue	This audit will review the process for charging, collecting and processing transit revenue on presto cards including fraudulent transactions and fare evasion.
Driver Certification Program - Fleet & Fire	This audit is required by the Ministry of Transportation of Ontario (MTO) every 3 years. The review will assess if Fleet and Fire are certifying drivers properly and if its practices align with MTO requirements.
Driver Certification Program – Transit	This audit is required by the Ministry of Transportation of Ontario (MTO) every 3 years. The review will assess if Transit is certifying drivers properly and if its practices align with MTO requirements.

Engagements	Scope of work
Management Action Plans Follow-up Project - Cybersecurity / IT Audits	This project will be a comprehensive review of management action plans from previous IT and Cybersecurity audits that have not yet been implemented. The purpose is to assess if corrective actions to address the audit findings have been effectively implemented.
Library Cyber Security	This audit will provide an independent review of Brampton Public Library's Information Technology (IT) systems to assess if assets are adequately protected from external and internal cyber threats. The engagement will focus on testing cyber security controls to ensure their functionality and effectiveness.

Audits on the Horizon

These are potential replacement projects in 2025 or projects to be taken on if additional resources are available.

Engagements	Scope of work
Forestry & Horticulture	This audit will review the process for managing green spaces and horticulture operations to assess compliance with policies, sustainability goals, and regulatory requirements. It will also aim to identify opportunities for operational improvements and environmental stewardship.
Realty Services	This audit is a follow up to the 2022 gap assessment and will assess the effectiveness and efficiency of the action plans implemented by Management. The review will assess the adequacy of processes around the acquisition, disposal, and leasing of City-owned properties.
By-law Enforcement - Municipal (Non-Parking) and Licensing	This audit will review the processes and practices related to by-law enforcement of Municipal Standards and Licensing. The review will assess related enforcement activities as it relates to policies, public safety and community well-being.
Capital Projects	This audit will review the processes and controls around the awarding, contract compliance, quality control and progress payments of selected capital projects. The review will assess project accountability and oversight.

Engagements	Scope of work
Fleet Maintenance - Transit	This audit will review processes in place around fleet maintenance for Transit vehicles, including preventative maintenance, inspections and repairs. It also aims to determine the efficiency and effectiveness of current vehicle maintenance practices.
Mobile Phone Service (IT)	This audit will review the contracts, costs, usage, and management of mobile phone services provided to municipal employees. The review will assess cost effectiveness and alignment with policies and procedures.

Appendix 3: Mapping Work Plan to Strategic Initiatives

Strategic Priorities play a key role in shaping the annual risk assessment and, consequently, the audit workplan. Audits in the 2025 workplan support five out of the City's six strategic priority areas.

1. Health & Well-Being
2. Culture & Diversity
3. Growing Urban Centres & Neighbourhoods
4. Transit & Connectivity
5. Environmental Resilience & Sustainability
6. Government & Leadership

Strategic Priorities and the Corresponding 2025 Audit

Strategic Priority Area	Description	Strategic Initiative(s)	Related Audit(s)
Health & Well Being	Focusing on citizens' belonging, health, wellness, and safety.	Improve Safety, Advance Recreational Spaces & Programs, Improve Well-Being & Belonging	Management Action Plans Follow up Project
Growing Urban Centres & Neighbourhoods	Aiming for an economy that thrives with communities that are strong and connected.	Support Housing	Management Action Plans Follow up Project
Transit & Connectivity	Concentrating on transportation and connected infrastructure that is safe, convenient, efficient, and sustainable.	Enhance Transit Services	Transit Revenue
Environmental Resilience & Sustainability	Committing to nurturing and protecting the environment for a sustainable future.	Enhance Energy & Climate Resilience	Fuel Management, Fleet Asset Management
Government & Leadership	Striving for service excellence with equity, innovation, efficiency, effectiveness, accountability, and transparency.	Elevate Performance and Service Standards	Fuel Management, Fleet Asset Management, Transit Revenue, Library Cyber Security, Driver Certification Program (DCP), Management Action Plans Follow up Project

Appendix 3: Affirmation of Organizational Independence - 2024

Standard 7.1: Organizational Independence of the 2024 IIA Global Internal Standards requires:

"The chief audit executive must confirm to the board the organizational independence of the internal audit function at least annually. This includes communicating incidents where independence may have been impaired and the actions or safeguards employed to address the impairment."

Declaration of Organizational Independence:

The City of Brampton Internal Audit has maintained its organizational independence in 2024. This assurance is based on the following safeguards:

- Internal Audit Charter and Mandate defined a dual reporting structure that ensured organizational independence.
- Internal Audit maintained direct and open communication with the Audit Committee and senior management.
- Internal Audit had unrestricted access to all data, records, information, personnel, and physical properties necessary to perform audit engagements.
- Internal Audit retained full autonomy in selecting audit areas, defining scope, and reporting findings without interference from management.
- Internal Audit did not provide advisory services during the past 12 months.
- All auditors completed annual ethics and professionalism training, including attesting to independence compliance.

On February 11, 2025, Claire Mu, Director of Internal Audit, formally affirms to the Audit Committee that the Internal Audit function of the City of Brampton has maintained its organizational independence throughout the year of 2024, in compliance with the IIA standard.

Declared by:

_____
Claire Mu, Director, Internal Audit
Date: February 11, 2025

Date: 2025-01-31

Subject: **Status of Management Action Plans – Q4 2024**

Contact: Claire Mu, Director, Internal Audit

Report Number: CAO's Office-2025-137

Recommendations:

That the report titled: **Status of Management Action Plans- Q4 2024**, to the Audit Committee Meeting of February 11, 2025, be received.

Overview:

- City departments are required to provide Internal Audit with an update on the status and progress of all outstanding audit recommendations.

- The objective of this report is for Internal Audit to update Audit Committee members on the status of audit recommendation implementation, as reported by management.

- In late 2024, as part of the automation of the Management Action Plan follow-up initiative, Internal Audit integrated recommendations into the Pentana Audit Software.

- As of January 31, 2025, Internal Audit is tracking management action plan activities across 23 audit reports with open action items, with a total of 326 recorded action plans. Of these, 198 have been reported by management as fully implemented, including 97 newly implemented since Q3 2024 update, while 128 remain not fully implemented.

- The 2025 audit plan includes a follow-up review to validate the implementation of selected management action plans from audits completed between 2022 and 2025.

- **Appendix 1** provides a summary of all action plan counts, while **Appendix 2** contains detailed information on the status of management action plans that are not fully implemented.

1

Background:

Per the requirements of Institute of Internal Auditors (IIA) Standards, Internal Audit has established a follow-up process to monitor and ensure that management has successfully implemented its management action plans.

Departments are required to provide a quarterly update to Internal Audit on the progress of implementing agreed-upon recommendations. Internal Audit reviews the comments submitted by the department and, where necessary, meets with management to discuss the progress and related comments.

Upon complete implementation of the recommendations by management, Internal Audit will assess whether a follow-up audit is necessary to validate the operating effectiveness of the implemented processes and procedures. Where necessary, such follow-up audits are included in Internal Audit's annual work plan and approved by the Audit Committee.

Changes to Management Action Plan Reporting

Internal Audit has automated the management action plan follow-up process by integrating recommendations into the Pentana Audit Software. To further enhance efficiency in the follow-up process and reporting, divisional and departmental MAP **coordinators** have been identified, and training has commenced to enable them to update action plans directly within the system. This initiative streamlines the tracking of MAP progress, improves data accuracy, and facilitates more timely reporting.

In 2025, we will further refine the automated follow-up process, including the quarterly reporting framework to the Audit Committee.

Recommendations and Management Action Plan statistics at a glance:

Status of Recommendations	QTY
Total Management Action Plans	326
Fully Implemented	198
Not Fully Implemented	128
Newly Implemented[1]	97

Please note that this report is based on management's assessment, as we have not independently verified the implementation status of these management action plans.

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[1] Newly implemented is included in the Fully Implemented.

Corporate Implications:

Financial Implications:
N/A

Other Implications:
N/A

Strategic Focus Area:

Government & Leadership: Focusing on service excellence with equity, innovation, efficiency, effectiveness, accountability, and transparency.

Conclusion

Internal Audit is committed to continued collaboration with management in regularly reviewing, improving, and updating policies and procedures, enhancing efficiency and process effectiveness.

Internal Audit encourages management and staff to continue striving to meet the target completion dates of the Management Action Plans.

Authored by:	**Reviewed and approved by:**
Richard Gervais, Sr Advisor	Claire Mu, Director
Internal Audit	Internal Audit

Attachments:

Appendix 1: Management Action Plans - Summary Table Q4 2024
Appendix 2: Management Action Plans - Detailed Report Q4 2024

Office of the CAO
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Appendix 1

Management Action Plans Summary Table as of December 31, 2024

Revised Management Action Plan (MAP) Reporting

In late 2024, as part of the automation of the Management Action Plan follow-up initiative, Internal Audit integrated recommendations into the Pentana Audit Software. To further enhance efficiency in the follow-up process and reporting, divisional and departmental MAP coordinators have been identified, and training has commenced to enable them to update action plans directly within the system. This initiative streamlines the tracking of MAP progress, improves data accuracy, and facilitates more timely reporting.

In 2025, we will further refine the automated follow-up process, including the quarterly reporting framework to the Audit Committee.

To support these enhancements, reporting metrics have been recalibrated, and this report will serve as the baseline for future reporting.

Change in Terminology

Management action plans are now categorized as either **Fully Implemented** or **Not Fully Implemented**.

- **Not Fully Implemented** includes MAPs that are in progress and those not yet due (those with a future due date).

Audits Included in the Report

This report tracks audits with outstanding management action plans, totaling 23 audit reports as of January 31, 2025. Once all action plans for an audit are fully implemented, the audit appears in the table one final time—marked as "**Complete**" in the Audit Name column—before being removed from future reports.

The report reflects management's reported completion status; however, Internal Audit has not independently verified these updates. To validate the implementation of management action plans, Internal Audit has scheduled two follow-up projects.

MAP Overview: Summary Table as of December 31, 2024

Audit Name	Total MAPs	Fully Implemented	Not Fully Implemented	Newly Implemented[1]
2020-02 - Brampton Transit	16	14	2	
2020-10 - Cybersecurity Assessment (In Camera)	11	9	2	
2021-01 - Corporate Governance	15	6	9	2
2021-02 - Executive Expenses Review	4	3	1	
2021-03 - Vendor Performance Audit	4	2	2	
2021-05 - Emergency Spending Review (Completed)	7	7		2
2022-01 - Procurement and Sole Source Purchasing	7	5	2	1
2022-05 - Realty Services	16	13	3	
2022-11 - IT Infrastructure & Cloud Management (In Camera)	37	33	4	1
2022-12 - User Fees Audit	30	13	17	8
2022-13 - Workplace Health & Safety Audit	12	10	2	
2023-01 - Development Charges	6		6	
2023-02 - Business and Property Taxes	8	4	4	4
2023-03 - Fleet Maintenance (Completed)	12	12		12
2023-04 - Limited Tendering Limited Scope Review	2	1	1	1
2023-05 - Asset Management (Small Equipment & Operating Tools)	46	14	32	14
2023-06 - Cyber Security (In Camera)	40	36	4	36
2023-07 - Data Security and Privacy (In Camera)	12	1	11	1
2023-08 - Bovaird Barn Audit	4	1	3	1
2024-01 - By-Law Enforcement	19	11	8	11
2024-02 - Purchasing Card Management (In Camera)	9		9	
2024-03 - IT Asset Management	4	2	2	2
2024-07 - Red Team Engagement (In Camera)	5	1	4	1
TOTALS	**326**	**198**	**128**	**97**

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[1] These are MAPs that were reported as Not Fully Implemented at the October 7, 2024 Audit Committee but have now been reported by management as Fully Implemented. The 97 Newly Implemented count is included in the total count of 198 Fully Implemented.

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Appendix 2- Management Action Plan Status Details as of Dember 31, 2024

Purpose of This Table

This table provides an update on the progress of management action plans. As part of the automation of the Management Action Plan follow-up initiative in late 2024, Internal Audit integrated recommendations into the *Pentana* Audit Software. To support these enhancements, reporting metrics have been recalibrated.

Appendix 1 details the recalibration process and provides a summary of the 23 audit reports issued since 2020 that still have open management action plans. **Appendix 2** outlines the status of management action plans that remain unimplemented. The MAPs that are not yet due are not included in this table.

Internal Audit has not independently verified action plans reported as '**Fully Implemented**.' To validate their completion, two verification exercises are scheduled for 2025, with findings to be presented to the Audit Committee in Q2 2025.

Management Action Plan Status Details

Audit Name	Finding and Action	Due Date	Status Update
2020-02 - Brampton Transit (2 items)			
	15 - Attendance cards Mechanics and Stock Keepers 15 - Management will deploy the same electronic system as per drivers	2021/12/31	NOT FULLY IMPLEMENTED Q4 2024 - MyTime Project Team confirmed that implementation of digital timecards for Maintenance staff is planned for Q2 2025.
	02 - Scrap Sales & Potential Exposure 2 - Transit will request the process for scrap to be collected and segregated by metal.	2021/03/31	NOT FULLY IMPLEMENTED Q4 2024 - bid call planned for Q3 was postponed because Purchasing identified a gap in regard to the reference benchmark required to confirm market prices, the requirement is now met and bid call is planned for Q2 2025.
2020-10 - Cybersecurity Assessment (2 items)			
	Closed session report		Details are available upon request.
2021-01 - Corporate Governance (9 items)			
	01 - Enterprise risk management 01.2 - Implement an Enterprise Risk Management program.	2022/01/30	NOT FULLY IMPLEMENTED We continue to work with the draft ERM Framework that was presented to CLT on June 27, 2024, pending formal CLT approval. Presentation of the City's draft Key Risk register to CLT occurred on December 12, 2024, at which time CLT was reminded that the City's ERM Framework had not yet been formally approved. We understand that leadership requires more time to review and consider the draft framework, and we have revised our target date to Q2 2025.
	01 - Enterprise risk management 01.3 - Gap Analysis	2022/12/31	NOT FULLY IMPLEMENTED We continue to work with the draft ERM Framework that was presented to CLT on June 27, 2024, pending formal CLT approval. Presentation of the City's draft

Audit Name	Finding and Action	Due Date	Status Update
			Key Risk register to CLT occurred on December 12, 2024, at which time CLT was reminded that the City's ERM Framework had not yet been formally approved. We understand that leadership requires more time to review and consider the draft framework, and we have revised our target date to Q2 2025.
	01 - Enterprise risk management 01.4 - Analyze External Factors	2022/12/31	NOT FULLY IMPLEMENTED Draft Key Risk Register was presented to corporate leader team (CLT) for approval on December 12, 2024. CLT members had questions and wished to further review the Register with their teams and may make follow up inquiries to us. We are scheduled to have the Key register approved early in 2025 but have updated our target completion date to Q2.
	01 - Enterprise risk management 01.5 - Develop a Corporate Policy on Enterprise Risk Management	2022/06/30	NOT FULLY IMPLEMENTED Due to additional review of the City's Key Risk register, we anticipate a delay in completion of the Departmental Risk Register and have revised the target completion date. However, in the course of developing the City's Key Risk Register, considerable information was gathered on various departmental risks, and several Departmental Risk Registers have been started.
	01 - Enterprise risk management 01.6 - Conduct Benchmarking	2022/12/31	NOT FULLY IMPLEMENTED Establishment of Risk Registers for all City Departments to be completed by December 31, 2025.
	04 - Reporting on Exercise of Delegation of Powers and Authorities 04.1 - Annual confirmation delegations under Administrative Authority By-Law	2021/09/01	NOT FULLY IMPLEMENTED The draft Administrative Authority by-law is currently with Legal for review. A number of further amendments are currently being considered by Legal. A revised draft will be provided to the corporate leadership team (CLT) in Q1

Audit Name	Finding and Action	Due Date	Status Update
			2025, prior to being brought forward for Council consideration.
	05 - Council Code of Conduct for Council Acknowledgement and Review 05.1 - Review Code of Conduct for Council	2022/03/31	NOT FULLY IMPLEMENTED The review of the Code of Conduct has been completed by the Integrity Commissioner, and a draft Code has been provided. After incorporating feedback and revisions from the Integrity Commissioner and the Clerk's office, the revised Code will be presented to Council for consideration in Q1 2025.
	06 - Lack of Code of Conduct Coverage for Appointees 06.1 - Develop Code of Conduct for citizen appointees	2022/03/31	NOT FULLY IMPLEMENTED There have been no updates to date from the Integrity Commissioner regarding the development of a separate Code for citizen members of City advisory committees.
	07 - Lack of common policy to address to complaints 07.1 - Develop Complaints Policy	2022/12/31	NOT FULLY IMPLEMENTED Currently in development, with ownership being transitioned to a different department.
2021-02 - Executive Expenses Review (1 item)			
	01 - Travel & Education Expenses 01.1 - Support for Converted Amount of Out of Country Expenses	2021/12/31	NOT FULLY IMPLEMENTED As a result of Internal Audit findings resulting from the Purchasing Card audit, further review and revision of Administrative Directive for Employee Business Expenses (FIN-160) will be required. In addition, benchmarking analysis will be conducted to inform any additional updates to this Administrative Directive. All required changes will then be provided to Corporate Policy Team for review and for the Chief Administrative Officer (CAO) approval.
2021-03 - Vendor Performance Audit (2 items)			
	01 - Vendor Performance Evaluation Effectiveness	2022/03/31	NOT FULLY IMPLEMENTED

Audit Name	Finding and Action	Due Date	Status Update
	01.1 - Vendor Performance Evaluation (VPE) Training Program		Due to priority of addressing backlog projects and Purchasing and Information Technology resource capacity, the targeted completion date has been amended to Q4 2025. Due to the Purchasing Manager vacancy (July 2024), Vendor Performance Evaluation (VPE) training has not advanced. A new Purchasing Manager is anticipated to be in place by end of Q1 2025 and the update of VPE standard operating procedure, Training and Program will restart. Target completion remains unchanged - Q4 2025.
	02 - Oversight and Utilization of Vendor Performance Evaluation Data

02.1 - Implementation of Electronic Vendor Performance | 2022/12/31 | NOT FULLY IMPLEMENTED

Due to prioritizing backlog projects and Purchasing and Information Technology resource capacity, the targeted completion date has been amended to Q4 2025. |
| **2022-01 - Procurement and Sole Source Purchasing (2 items)** | | | |
| | 1 - Limited Tendering Award Authority Limits

1.3 - Digitizing Limited Tendering Approval Process | 2023/03/31 | NOT FULLY IMPLEMENTED

Purchasing is working on digitizing the Limited Tendering form, however, a different approach has been taken focused on simplification, user-friendliness, and seamless integration on all procurement methods from inception to reporting to Council. In collaboration with Information Technology, a project plan needs to be established, and potential additional funding required. We anticipate Q1 2026 for completion of the form. |
| | 3 - Complaint and Dispute Resolution

3.1 - Formalized Complaint and Dispute Resolution Process | 2023/06/30 | NOT FULLY IMPLEMENTED

Staff met with the Corporate Projects, Policy and Liaison team. Benchmarking has been conducted and a standard operating procedure (SOP) is being drafted for review by relevant stakeholders. Feedback has been |

Audit Name	Finding and Action	Due Date	Status Update
			received by stakeholders and from departmental leadership, draft to be finalized and rolled out end of Q4 2024. Owing to management transitions and changes related to the Purchasing Manager and Purchasing Supervisor positions and subsequent vacancies, this activity has not progressed since July 2024. A new Purchasing Manager will be in place during Q1 of 2025 and finalizing the SOP and deploying it will be a key priority. Anticipated to be completed by end of Q3 2025.

2022-05 - Realty Services (3 items)

Audit Name	Finding and Action	Due Date	Status Update
	02 - Policies and standard operating procedures (SOP) 02.1 - Update SOP	2023/12/31	NOT FULLY IMPLEMENTED Realty had nine standard operating procedures (SOP)to be updated. All have been approved and completed. Additionally, the Real Estate Policy is being updated, with a target for council reporting by Q2 2025.
	09 - Agreements with third-party vendors 09.1 - Confidentiality Agreement	2023/03/31	NOT FULLY IMPLEMENTED Realty will consult the Procurement team to prepare RFP for property appraisers and surveyors in Q1' 2023. This will address the potential exposure by including a confidentiality agreement.
	10 - Integrated Workplace Management System (IWMS) 10.1 - File Management	2023/03/31	NOT FULLY IMPLEMENTED Realty staff worked with the Summer students for 16 weeks to complete 80% of the backlogged files/ records (electronic and physical). We are targeting to complete this item in Q1 2025.

2022-11 - IT Infrastructure & Cloud Management (4 items)

Audit Name	Finding and Action	Due Date	Status Update
	Closed session report		Details are available upon request.

2022-12 - User Fees Audit (17 items)

Audit Name	Finding and Action	Due Date	Status Update
	01 - The City does not have a comprehensive user fee	2023/06/30	NOT FULLY IMPLEMENTED

Audit Name	Finding and Action	Due Date	Status Update
	framework 01.0 - Develop a user fee framework		A draft policy was developed to guide Departments in setting and administering user fees, which is scheduled for Council in Q2 2025.
	01 - The City does not have a comprehensive user fee framework 01.2 - User Fee Policy - Recreation	2024/12/31	NOT FULLY IMPLEMENTED Community Services have retained Blackline Consulting to conduct a user fee study, estimated Q1-Q2 2025 completion and will support 2026 user fee recommendations with cost recovery analysis. General recommendations have been adopted for 2025 user fees.
	01 - The City does not have a comprehensive user fee framework 01.3 - User Fee Policy - Parks	2024/12/31	NOT FULLY IMPLEMENTED Community Services has retained Blackline Consulting to conduct a user fee study, estimated Q1-Q2 2025 completion and will support 2026 user fee recommendations with cost recovery analysis. General recommendations have been adopted for 2025 user fees.
	02 - Full Cost recovery 02.1 - Review User Fee - Parks	2023/12/31	NOT FULLY IMPLEMENTED Consulting services have been retained for the Community Services User Fee Study and is in progress, estimated Q1-Q2 2025 completion and will support 2026 user fee recommendations with cost recovery analysis. Note that changes are expected to be phased in over multiple years to minimize resident impacts, where deemed to be significant.
	02 - Full Cost recovery 02.2 - Review User Fee - Recreation	2023/12/31	NOT FULLY IMPLEMENTED Consulting services have been retained for the Community Services User Fee Study and is in progress, estimated Q1-Q2 2025 completion and will support 2026 user fee recommendations with cost recovery analysis. Note that changes are expected to be phased in over multiple years to minimize resident impacts, where deemed to be significant. For 2025, Recreation is introducing a 50%

Audit Name	Finding and Action	Due Date	Status Update
			surcharge on Non-Resident program, membership and rental fees to improve cost recovery efforts.
	03 - User Fees Reviews 03.2 - Full Cost Recovery - Parks	2024/12/31	NOT FULLY IMPLEMENTED Consulting services have been retained for the Community Services User Fee Study and is in progress, estimated Q1-Q2 2025 completion and will support 2026 user fee recommendations with cost recovery analysis.
	03 - User Fees Reviews 03.3 - Full Cost Recovery - Recreation	2024/12/31	NOT FULLY IMPLEMENTED Consulting services have been retained for the Community Services User Fee Study and is in progress, estimated Q1-Q2 2025 completion and will support 2026 user fee recommendations with cost recovery analysis. Recreation is on track and expected to continue providing higher subsidies for youths, seniors, and designated community sport groups for youths. The 70+ Free Recreation memberships was launched in June 2024 as per Council direction; i) 2024: Ages 70 and above; ii) 2025: Ages 65 and above.
	04 - Conduct comprehensive user fee studies every four years 04.1 - User Fee Studies Every Four Years: Office of the Chief Administrative Officer (CAO)	2024/12/31	NOT FULLY IMPLEMENTED The Divisions retained consultants to review user fees and develop program area-specific user fee policies.
	04 - Conduct comprehensive user fee studies every four years 04.2 - User Fee Studies Every Four Years: Fire	2024/12/31	NOT FULLY IMPLEMENTED Hemson Consulting has been awarded the User Fee review contract. Review has started, with completion date of Q4 2025.
	04 - Conduct comprehensive user fee	2024/12/31	NOT FULLY IMPLEMENTED

Audit Name	Finding and Action	Due Date	Status Update
	studies every four years 04.3 - User Fee Studies Every Four Years: Parks		Consulting services have been retained for the Community Services User Fee Study and is in progress, estimated Q1-Q2 2025 completion and will support 2026 user fee recommendations with cost recovery analysis.
	04 - Conduct comprehensive user fee studies every four years 04.4 - User Fee Studies Every Four Years: Recreation	2024/12/31	NOT FULLY IMPLEMENTED Consulting services have been retained for the Community Services User Fee Study and is in progress, estimated Q1-Q2 2025 completion and will support 2026 user fee recommendations with cost recovery analysis.
	04 - Conduct comprehensive user fee studies every four years 04.5 - User Fee Studies Every Four Years: Development Services Division	2025/12/31	NOT FULLY IMPLEMENTED Staff support this recommendation but note that funding will likely be required to obtain consulting services to determine the items noted above.
	05 - Annual User Fees Update 05.1 - Annual User Fee Updates: Office of the Chief Administrative Officer (CAO)	2023/06/30	NOT FULLY IMPLEMENTED The draft policy includes a review of user fees, including a timeline.
	05 - Annual User Fees Update 05.3 - Annual User Fee Updates: Parks	2023/12/31	NOT FULLY IMPLEMENTED Consulting services have been retained for the Community Services User Fee Study and is in progress, estimated Q1-Q2 2025 completion and will support 2026 user fee recommendations with cost recovery analysis. General recommendations have been adopted for 2025 user fees.
	05 - Annual User Fees Update 05.4 - Annual User Fee Updates: Recreation	2023/12/31	NOT FULLY IMPLEMENTED On track. Update will include the impact of the 65+ Free Recreation memberships and high level recommendations from the User Fee Study by Consultants.

Audit Name	Finding and Action	Due Date	Status Update
	05 - Annual User Fees Update 05.5 - Annual User Fee Updates: Development Services Division	2025/12/31	NOT FULLY IMPLEMENTED Staff support this recommendation. The Department could grow its current annual activity reporting to include additional analysis with respect to fees to provide a comprehensive overview on the state of the Divisions operations.
	06 - Ensure staff track user fees in designated accounts and, when possible, allocate revenues for detailed fee analysis. 06.2 - Track User Fee/Accounts: Recreation	2023/12/31	NOT FULLY IMPLEMENTED On track. During annual budget process will continue to identify areas for improvement. 2024 improvements include budget tracking for Aquatic Leadership, Chinguacousy Park, Sport Leagues, and Community Engagement initiatives.

2022-13 - Workplace Health & Safety Audit (1 item)

Audit Name	Finding and Action	Due Date	Status Update
	04 - Processes for Health & Safety Activities are not consistent across the City 04.1 - Occupational Health and Safety Management System solution	2024/12/31	NOT FULLY IMPLEMENTED Workplace Inspection Form: Added a "Save" button to support Joint Health and Safety Committee inspections in areas with poor connectivity. Workplace Incident Report (WIR) Form: Enhanced the form to improve incident investigation and streamline the Manager and Director Approval process. Transit Supervisor of Service Delivery personnel received training and now have access to the WIR in preparation for their pilot program aimed at automating incident reporting and investigation. Job Hazard Assessment Form: Business requirements have been created and submitted to Information Technology.

2023-01 - Development Charges (6 items)

Audit Name	Finding and Action	Due Date	Status Update
	01 - Processing invoices where development charge rates have been frozen is manual & inefficient	2024/03/31	NOT FULLY IMPLEMENTED The Development Charges area is currently transitioning management. A

Audit Name	Finding and Action	Due Date	Status Update
	01.1 - Automate the Process		more detailed update will be provided in the next scheduled report.
	02 - System control to automatically apply current rates is not functioning when rates decrease 02.1 - Automate the Process	2024/03/31	NOT FULLY IMPLEMENTED The Development Charges area is currently transitioning management. A more detailed update will be provided in the next scheduled report.
	03 - Process for updating development charge rates in the system is incomplete 03.1 - Comparison Report	2024/03/31	NOT FULLY IMPLEMENTED The Development Charges area is currently transitioning management. A more detailed update will be provided in the next scheduled report.
	03 - Process for updating development charge rates in the system is incomplete 03.2 - Segregation of Duty	2023/12/31	NOT FULLY IMPLEMENTED The Development Charges area is currently transitioning management. A more detailed update will be provided in the next scheduled report.
	04 - Current certificates of insurance are not always on file 04.1 - Obtain Certificates of Insurance	2024/03/31	NOT FULLY IMPLEMENTED The Development Charges area is currently transitioning management. A more detailed update will be provided in the next scheduled report.
	05 - Standard Operating Procedures (SOP) are not current 05.1 - Update SOPs	2023/12/31	NOT FULLY IMPLEMENTED The Development Charges area is currently transitioning management. A more detailed update will be provided in the next scheduled report.
2023-02 - Business and Property Taxes (3 items)			
	01 - Lack of electronic billing and online enrolment for pre-authorized payment plans 01.3 - Budget	2023/12/31	NOT FULLY IMPLEMENTED In Process. Met numerous times with Information Technology to discuss the requirements, process and Information Technology involvement as this project is driven by Information Technology's capabilities and resources. Provided

Audit Name	Finding and Action	Due Date	Status Update
			Information Technology with business requirements and benchmarking based on other municipal TXM, taxation system, users. Currently the Treasurer initiated discussions with Information Technology leadership to expedite. Finance will engage with the Budget and Financial Planning teams to allocate funds for the project.
	01 - Lack of electronic billing and online enrolment for pre-authorized payment plans 01.4 - Project Execution	2026/12/31	NOT FULLY IMPLEMENTED In Process. Met numerous times with Information Technology to discuss the requirements, process and Information Technology involvement as this project is driven by Information Technology's capabilities and resources. Provided Information Technology with business requirements and benchmarking based on other municipal TXM, the taxation system, users. Currently the Treasurer initiated discussions with Information Technology leadership to expedite. Finance will engage with the Budget and Financial Planning teams to allocate funds for the project.
	02 - Building permit data transmitted to Municipal Property Assessment Corporation (MPAC) is not always complete or timely. 02.1 - Implement a Balancing Process	2023/12/31	NOT FULLY IMPLEMENTED In Process - Per Information and Technology, they are in the middle of a migration project for the Building Department to move to a new platform concerning all Building Plan and Building Permit information. They advise an automated solution from the Municipal Property Assessment Corporation (MPAC) will be tested upon the completion of the migration project. Though a date that this will be done has not be provided, communication is ongoing.
2023-05 - Asset Management (Small Equipment & Operating Tools) Audit (31 items)			
	01 - Lack of policies and procedures for the management of small	2024/12/31	NOT FULLY IMPLEMENTED Policies are being formalize for the

Audit Name	Finding and Action	Due Date	Status Update
	equipment operating tools 01.1 - Review Asset Ownership and Asset Lifecyle Program Management-Fleet		acquisition, disposal and life cycle process for small equipment. Current standard operating procedures will be updated to include acquisition and disposal. Q1 2025
	01 - Lack of policies and procedures for the management of small equipment operating tools 01.2 - Review Process of Entering Fleet Special Tools in M5 -Fleet	2024/12/31	NOT FULLY IMPLEMENTED Fleet services is in the process of reviewing all small assets and finalizing the process to enter them in M5, asset management system.
	01 - Lack of policies and procedures for the management of small equipment operating tools 01.4 - Review and Develop SOP - Facility	2024/09/30	NOT FULLY IMPLEMENTED The majority of the processes are in place but require documentation, and a formal Standard Operating Procedure (SOP) needs to be developed. Collaboration with the Fleet team will occur once a central committee is established, as Fleet is a Subject Matter Expert (SME) in small equipment and their procurement.
	01 - Lack of policies and procedures for the management of small equipment operating tools 01.5 - Develop Standard Operating Procedures - Parks	2024/12/31	NOT FULLY IMPLEMENTED Parks is working with Fleet to formalize policies for the acquisition, disposal and life cycle process for small equipment. Current standard operating procedures will be updated to include acquisition and disposal. Q1 2025
	01 - Lack of policies and procedures for the management of small equipment operating tools 01.6 - Develop Standard Operating Procedures - Recreation	2024/12/31	NOT FULLY IMPLEMENTED Background information from all facilities on small tool tracking has been collected. A standard operating procedure is currently being formulated and will include information on tracking, counts, condition assessments, disposals and usage of the asset.

Audit Name	Finding and Action	Due Date	Status Update
	03 - Lack of central planning in the acquisition of commonly used small equipment 03.1 - Central Planning - Fleet	2024/12/31	NOT FULLY IMPLEMENTED Policies are being finalized in conjunction with all effected stakeholders for the acquisition, disposal and life cycle for small assets/equipment. Q1 2025
	03 - Lack of central planning in the acquisition of commonly used small equipment 03.2 - Central Planning - Facility	2024/12/31	NOT FULLY IMPLEMENTED Collaborate with Fleet/Road Operations to establish a centralized team. - Work with the team to develop effective strategies. Centralized processes are already in place for most materials through the Contract Services Team. A process exists for less frequently used materials (e.g., confined space equipment, various testers), but it still needs to be documented.
	03 - Lack of central planning in the acquisition of commonly used small equipment 03.3 - Central Planning - Parks	2024/12/31	NOT FULLY IMPLEMENTED Parks is working with Fleet to formalize policies for the acquisition, disposal and life cycle process for small equipment. Current standard operating procedures will be updated to include acquisition and disposal. Q1 2025
	03 - Lack of central planning in the acquisition of commonly used small equipment 03.4 - Central Planning - Recreation	2024/12/31	NOT FULLY IMPLEMENTED Recreation will be having central oversight of each facilities small tool tracking files, which will be housed on an internal SharePoint site. Facilities will be responsible for inputting their purchases. Recreation manages a limited number of small engine equipment such as power tools, lawn mowers, snow blowers string trimmers.
	03 - Lack of central planning in the acquisition of commonly used small equipment	2024/12/31	NOT FULLY IMPLEMENTED Policies are being finalized in conjunction with all effected stakeholders for the

Audit Name	Finding and Action	Due Date	Status Update
	03.5 - Central Planning - Roads		acquisition, disposal and life cycle for small assets/equipment. Q1 2025
	04 - Lack of proper controls in the purchases of small equipment and operating tools 04.1 - Determine Asset Ownership and Proper Control - Fleet	2024/12/31	NOT FULLY IMPLEMENTED Policies are being finalized in conjunction with all effected stakeholders for the acquisition, disposal and life cycle for small assets/equipment. Q1 2025
	04 - Lack of proper controls in the purchases of small equipment and operating tools 04.2 - Develop SOP - Fleet	2024/12/31	NOT FULLY IMPLEMENTED Roads is capitalizing on Fleet services is in the process of reviewing all small assets and finalizing the process to enter them in M5, asset management system.
	04 - Lack of proper controls in the purchases of small equipment and operating tools 04.3 - Review Process - Fleet	2024/12/31	NOT FULLY IMPLEMENTED Policies are being finalized in conjunction with all affected stakeholders for the acquisition, disposal and life cycle for small assets/equipment. Q1 2025 Fleet is currently working with Information Technology to add all small assets to M5, the asset management system. Q1 2025
	04 - Lack of proper controls in the purchases of small equipment and operating tools 04.4 - Establish Standardized Procedures - Facility	2024/12/31	NOT FULLY IMPLEMENTED Purchase requests are discussed and reviewed with the supervisor or manager prior to acquisition. Accounting policies are reviewed in collaboration with the Finance team. A confirmation process needs to be developed and documented.
	04 - Lack of proper controls in the purchases of small equipment and operating tools 04.5 - Develop Standards Operating Procedure (SOP) – Parks	2024/12/31	NOT FULLY IMPLEMENTED Parks is working in conjunction with Fleet to finalize policies for the acquisition, life cycle maintenance and disposal of small engine equipment. Q1 2025

Audit Name	Finding and Action	Due Date	Status Update
	04 - Lack of proper controls in the purchases of small equipment and operating tools 04.6 - Update Standards Operating Procedure (SOP) - Recreation	2024/12/31	NOT FULLY IMPLEMENTED The new SOP will state that each purchase between $200-$1000 be recorded in an internal SharePoint file and a copy of the receipt will be uploaded, as well as where the asset is to be stored. Reasoning for purchase must be included for each purchase (i.e. replacement/new business).
	04 - Lack of proper controls in the purchases of small equipment and operating tools 04.7 - Review Process - Roads	2024/12/31	NOT FULLY IMPLEMENTED Roads is capitalizing on Fleet services is in the process of reviewing all small assets and finalizing the process to enter them in M5, the asset management system.
	05 - Lack of small equipment and tools receipt verification 05.1 - Determine Asset Ownership and Procurement Policies - Fleet	2024/12/31	NOT FULLY IMPLEMENTED Policies are being finalized in conjunction with all affected stakeholders for the acquisition, disposal and life cycle for small assets/equipment. Q1 2025
	05 - Lack of small equipment and tools receipt verification 05.2 - Review Process - Fleet	2024/12/31	NOT FULLY IMPLEMENTED Fleet is currently working with Information Technology and fleet staff to add all small assets to M5, the asset management system. Q1 2025
	05 - Lack of small equipment and tools receipt verification 05.3 - Establish Standardized Procedures - Facility	2024/12/31	NOT FULLY IMPLEMENTED - Purchases are discussed with the supervisor prior to acquisition. - Receipts are reviewed during the reconciliation of invoices and Mastercards, with clear segregation between the reviewer and approver roles. - Processes for verifying items upon receipt need to be developed, and corresponding documentation created.

Audit Name	Finding and Action	Due Date	Status Update
	05 - Lack of small equipment and tools receipt verification 05.4 - Determine Asset ownership and Procurement Policies	2024/12/31	NOT FULLY IMPLEMENTED Parks is working in conjunction with Fleet to finalize policies for the acquisition, life cycle maintenance and disposal of small engine equipment. Q1 2025
	05 - Lack of small equipment and tools receipt verification 05.5 - Update Standards Operating Procedure (SOP) - Recreation	2024/12/31	NOT FULLY IMPLEMENTED As segregation of these duties is not practical in several scenarios, there will be central oversight on what small tools are purchased at the facilities. The facilities will be responsible for inputting their own purchases.
	05 - Lack of small equipment and tools receipt verification 05.6 - Review Process - Roads	2024/12/31	NOT FULLY IMPLEMENTED Roads is capitalizing on Fleet services is in the process of reviewing all small assets and finalizing the process to enter them in M5, the asset management system.
	06 - Lack of asset inventorying, periodic counts and usage tracking 06.4 - Develop Guidelines - Facility	2024/12/31	NOT FULLY IMPLEMENTED Guidelines for tracking of smaller assets need to be documented. Guidelines for maintaining inventory of smaller assets need to be documented.
	06 - Lack of asset inventorying, periodic counts and usage tracking 06.6 - Annual Inventory Count - Recreation	2024/12/31	NOT FULLY IMPLEMENTED Recreation has developed a dollar value threshold from $200-$1000. As mentioned, the new standards operating procedure (SOP) will include information on tracking, counts, condition assessments, disposals, recording documentation and usage of the asset.
	07 - Lack of safe storage for some small equipment and operating tools 07.3 - Improve Storage Safe - Facility	2024/09/30	NOT FULLY IMPLEMENTED Access to storage areas is already controlled.

Audit Name	Finding and Action	Due Date	Status Update
			Many storage entrances are monitored by cameras; will collaborate with security to assess options for remaining locations. High-value equipment is stored centrally and not in remote areas. Labeling processes need to be standardized. Will collaborate with the working group to establish a formal protocol.
	07 - Lack of safe storage for some small equipment and operating tools 07.5 - Determine Proper Storage and Access Process - Recreation	2024/12/31	NOT FULLY IMPLEMENTED Facilities will do their best to ensure small tools are properly stored, were space available. Storage space at the facilities is limited, but staff will ensure tools are kept in an appropriate area.
	08 - Lack of formalized processes for small asset maintenance, repair, and disposal 08.3 - Update Standard Operating Procedure (SOP) - Fleet	2024/12/31	NOT FULLY IMPLEMENTED Standard Operating Procedures and Policies are being finalized in conjunction with all affected stakeholders for the acquisition, disposal and life cycle for small assets/equipment. Q1 2025
	08 - Lack of formalized processes for small asset maintenance, repair, and disposal 08.4 - Establish Internal System - Facility	2024/12/31	NOT FULLY IMPLEMENTED A process for equipment repairs is in place but needs to be documented. Inventory management and related processes still need to be developed. Collaboration with the working group is planned to create a standardized disposal procedure.
	08 - Lack of formalized processes for small asset maintenance, repair, and disposal 08.5 - Determine Asset Ownership - Parks	2024/12/31	NOT FULLY IMPLEMENTED Parks is working in conjunction with Fleet to finalize policies for the acquisition, life cycle maintenance and disposal of small engine equipment. Q1 2025

Audit Name	Finding and Action	Due Date	Status Update
	08 - Lack of formalized processes for small asset maintenance, repair, and disposal 08.6 - Update Standard Operating Procedure - Recreation	2024/12/31	NOT FULLY IMPLEMENTED Processes will be established in the newly developed standard operating procedure, which will be enforced throughout the recreation division.

2023-06 - Cyber Security Audit (4 items)

	Closed session report		Details are available upon request.

2023-07 - Data Security and Privacy (6 items)

	Closed session report		Details are available upon request.

2023-08 - Bovaird Barn Audit (3 items)

	01 - Friends of the Historic Bovaird House (FHBH) Reporting Relationship with the City 01.1 - Develop Terms of Reference for An Expression of Interest	2024/03/31	NOT FULLY IMPLEMENTED The agreement was completed and approved by Council on March 27, 2024, and shared with the Friends of the Historic Bovaird House.
	03 - The City's Conflict of Interest Policies 03.1 - Explore Appropriate Method to Address the Conflict of Interest of Volunteers	2024/06/30	NOT FULLY IMPLEMENTED The Employee Code of Conduct is being updated to include volunteers. Updated draft is currently with external legal for review. Target Completion Date is 2025/03/31.
	04 - The City's Conflict of Interest Policies 04.1 – Education	2024/06/30	NOT FULLY IMPLEMENTED The update of the Council Handbook, in relation to pecuniary and non-pecuniary disclosures, will be completed following the adoption of the revised Code of Conduct, as both are pursuant to the Municipal Conflict of Interest Act. The review of the Code of Conduct has been completed by the Integrity Commissioner, and a draft Code has been provided. After incorporating feedback and revisions from the Integrity Commissioner and the

Audit Name	Finding and Action	Due Date	Status Update
			Clerk's office, the revised Code will be presented to Council for consideration in Q1 2025.
2024-01 - By-Law Enforcement (8 items)			
	01 - Service requests added onto existing requests are not being actioned 01.4 - Alternative Solutions to Email Notifications for Open Files with Additional Information	2024/06/30	NOT FULLY IMPLEMENTED Continue with the email notification, reiterated to staff the importance of actioning all files, the report and new standard operating procedure (SOP) will address.
	02 - A consistent process for reviewing open service requests is not in place 02.5 - Review of All Open Driveway Files	2024/06/30	NOT FULLY IMPLEMENTED As noted in the audit, changes coming to the zoning by-law for driveway allowances for mature neighbourhoods, next scheduled meeting with Planning January 23rd, 2025.
	02 - A consistent process for reviewing open service requests is not in place 02.6 - Automated Process	2024/09/30	NOT FULLY IMPLEMENTED For 2025, we are creating a development opportunity for an officer to be upgraded to acting supervisor of our summer inspector team. It was identified there is currently no standard operating procedure (SOP) for any summer inspector function, the acting supervisor in conjunction with full time supervisors and the managers will be creating an SOP, the transferring of files once the summer team leaves will be captured in this SOP. Acting Supervisor discussion scheduled with Director Higgs Feb 18th, 2025. Student posting currently out, start date of May 5th. SOP deadline for approval April 1st, 2025.
	04 - Staff does not track service request response time against the targeted time line. 04.1 - Review of Response Times	2024/09/30	NOT FULLY IMPLEMENTED 1. Service Delivery Committees established, priority function was reviewing current standard operating procedures (SOP)to ensure accuracy and adjust keeping service delivery in mind.

Audit Name	Finding and Action	Due Date	Status Update
			Bimonthly metrics reviews have started with our Analyst, yesterday being the kick off meeting looking at all Property Standards (PS) metrics. Established response time not yet identified, conversation ongoing. 2. PS18- Property Standards. Service Delivery Standards standard operating procedure (SOP) approved and to be rolled out to PS supervisors during our Enforcement Management training day January 21, 2025. A report is not required for this request, our analyst is able to generate a live pivot table showing unactioned files. This will be apart of our ongoing metrics meetings and will be discussed at the supervisors 1 on 1's with their staff. 3. Staff stabilization model currently underway, 6 new Property Standards Officers have joined, active recruitment for 2 vacant positions as well active recruitment for (3) 12-month contract positions. Prioritization of by-law complaints files under review to aid will service delivery. Status - on track
	06 - Service requests that have been cancelled do not always contain complete information in Amanda 06.1 - Standardize A Process for Cancelling Files	2024/09/30	NOT FULLY IMPLEMENTED This finding has not yet been actioned. 311 working group meeting scheduled for this afternoon, will table with Service Brampton. Preliminary review shows it is being utilized for duplicate calls, will review the Knowledge Base Articles (KBAs) for when to cancel a call.
	06 - Service requests that have been cancelled do not always contain complete information in Amanda 06.2 - Standardize A Process for Referring Files	2024/09/30	NOT FULLY IMPLEMENTED 311 working group established, new Amanda call referred attempt results added indicating what department the file is being referred to. 14 new attempt results added to Amanda to better capture what department the file is being referred to. Training provided to staff October 3rd, 2024, and table of new

Audit Name	Finding and Action	Due Date	Status Update
			attempts shared following the training. Our service delivery standard operating procedure (SOP) speaks to utilizing the appropriate attempt results, all other Property Standards (PS) SOPs under review and will touch on this as well. Supervisors are to review officers' files and will ensure a consistent approach to closing files call referred.
	07 - Service requests for exterior offences are not always assigned to the correct offence category 07.1 - Review Internal Knowledge Base Articles to Assist 311 Staff with Call Intake Processes	2024/09/30	NOT FULLY IMPLEMENTED Most Knowledge Base Articles (KBAs) have been reviewed, changes have been made, further review and potential for more changes required. Service Brampton staff held this as a discussion item for working group meeting January 20, 2025.
	07 - Service requests for exterior offences are not always assigned to the correct offence category 07.3 - Streamline Process	2024/12/31	NOT FULLY IMPLEMENTED No action initiated yet with the breakdown of Property Standards (PS) exterior offences. Internal staff training for this will ensure the appropriate sub type is used. Online submissions are a different challenge, online under the property concern tab, there are different categories for weeds, refuse and then poorly maintained property. Weeds and Refuse are purposely before the poorly maintained property. Discussions about exploring how to review for correct sub types ongoing.
2024-02 - Purchasing Card Management Audit (1 item)			
	Closed session report		Details are available upon request.
2024-07 - Red Team Engagement (1 item)			
	Closed session report		Details are available upon request.

Report
Staff Report
The Corporation of the City of Brampton
2/11/2025

Date: 2025-02-04

Subject: **Internal Audit 2024 Annual Report**

Contact: Claire Mu, Director, Internal Audit

Report number: CAO's Office-2025-142

RECOMMENDATIONS:

1. That the report from Claire Mu, Director, Internal Audit to the Audit Committee Meeting of February 11, 2025, re: **Internal Audit 2024 Annual Report**, be received;

Overview:

- The Annual Report provides an overview of the work conducted by Internal Audit in 2024; and

- This report aims to update the Audit Committee on Internal Audit's achievements in 2024 and key initiatives for 2025. Additionally, it fulfills the annual reporting requirement for periodic self-assessment.

Background:

This report provides the Audit Committee with key insights into the division's activities and accomplishments. While audit reports and Management Action Plans (MAPs) are presented quarterly, this report offers a consolidated summary of audits and MAPs, along with an overview of the division's initiatives and achievements in 2024. It also outlines planned audit and non-audit projects for 2025.

Current Situation:

Standard 12.1 Internal Quality Assessment requires the CAE to "*communicate the results of periodic self-assessments and action plans to the board and senior management.*" The annual report serves as one of the key channels for meeting this requirement.

Please refer to the attached Internal Audit 2024 Annual Report (Appendix 1).

Corporate Implications:

Financial Implications:

N/A

Other Implications:

N/A

Strategic Focus Area:

Government & Leadership: Focusing on service excellence with equity, innovation, efficiency, effectiveness, accountability, and transparency.

Conclusion:
Internal Audit provides a systematic, disciplined approach to evaluate and improve the effectiveness of the City's governance, risk management, and internal controls and processes. The 2024 Annual Report offers the Audit Committee a comprehensive overview of the division's activities and achievements. Committed to transparency and accountability, Internal Audit ensures the Audit Committee receives regular updates with timely information to support effective oversight.

Authored by:

Cynthia Kenth, Senior Advisor, Audit
Communications
Internal Audit

Approved by:

Claire Mu, Director
Internal Audit

Attachments:

Appendix 1: Internal Audit 2024 Annual Report

INTERNAL AUDIT ANNUAL REPORT

January - December 2024

Agenda

1. Director's Message

2. Internal Audit Function

3. Team Overview

4. Key Metrics

5. Accomplishments

6. Common Themes of Audit Reports

7. MAPs Results

8. Looking Ahead

Greetings from the Director

Claire Mu
Director, Internal Audit

Reflections on our journey and vision for the future.
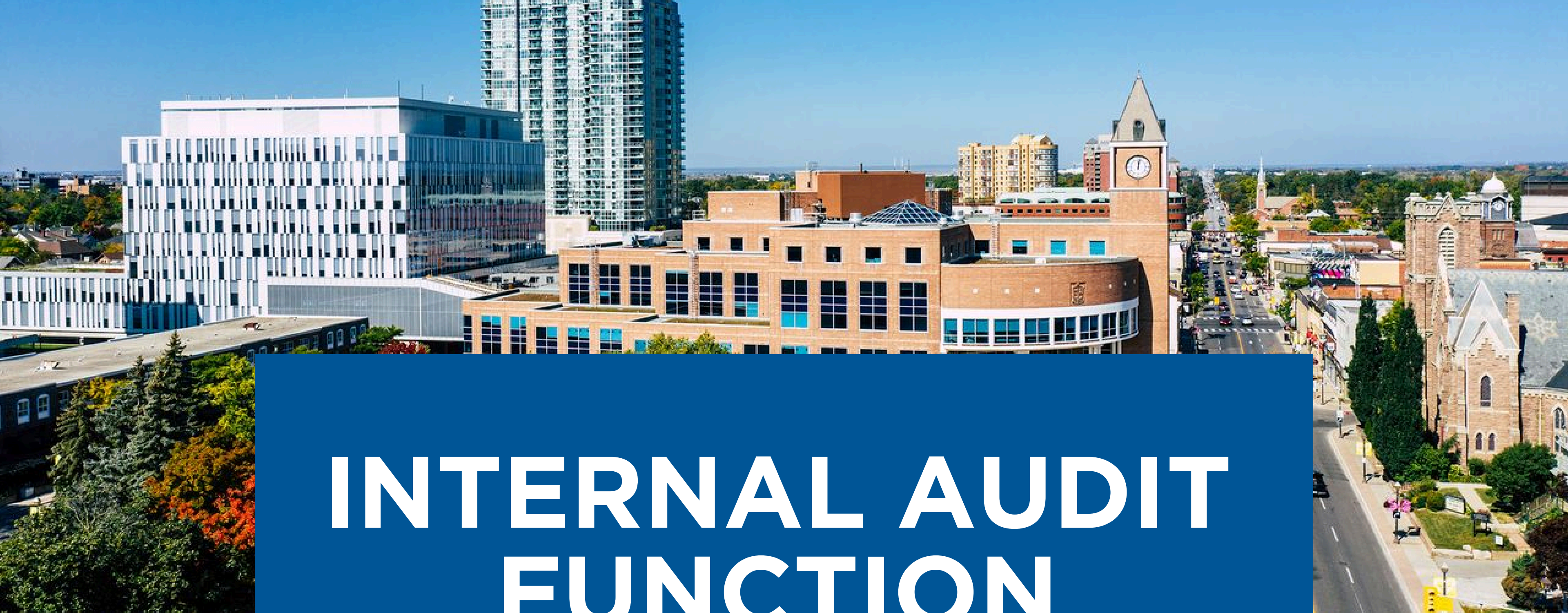
INTERNAL AUDIT FUNCTION

Internal Audit Function

Council (Municipal Act)

City Council's primary role is that of stewardship and oversight ensuring policies, practices and procedures are in place to implement the decisions of Council while ensuring accountability, transparency, and maintaining financial integrity.

Audit Committee Mandate

The Audit Committee is a committee of City council and was established to enable members of Council to further enhance oversight capabilities and stewardship responsibilities. Roles and Responsibilities are further defined in the Audit Committee Terms of Reference.

Internal Audit Mandate (Internal Audit Charter/By-Law)

The purpose of the City of Brampton's Internal Audit Division is to provide independent and objective assurance services designed to add value and improve the operations of the City.

Internal Audit helps the City accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management and control processes.

TEAM OVERVIEW

Introducing the Internal Audit Team!

Organizational Structure

Claire Mu
Director, Internal Audit

Senior Advisor, Audit Communications

Advisor, Research, Admin & Special Projects

Manager, Internal Audit

Manager, Internal Audit

Senior Advisor, IT Audit

Senior Advisor, IT Audit

Lead Internal Auditor

Lead Internal Auditor

Lead Internal Auditor
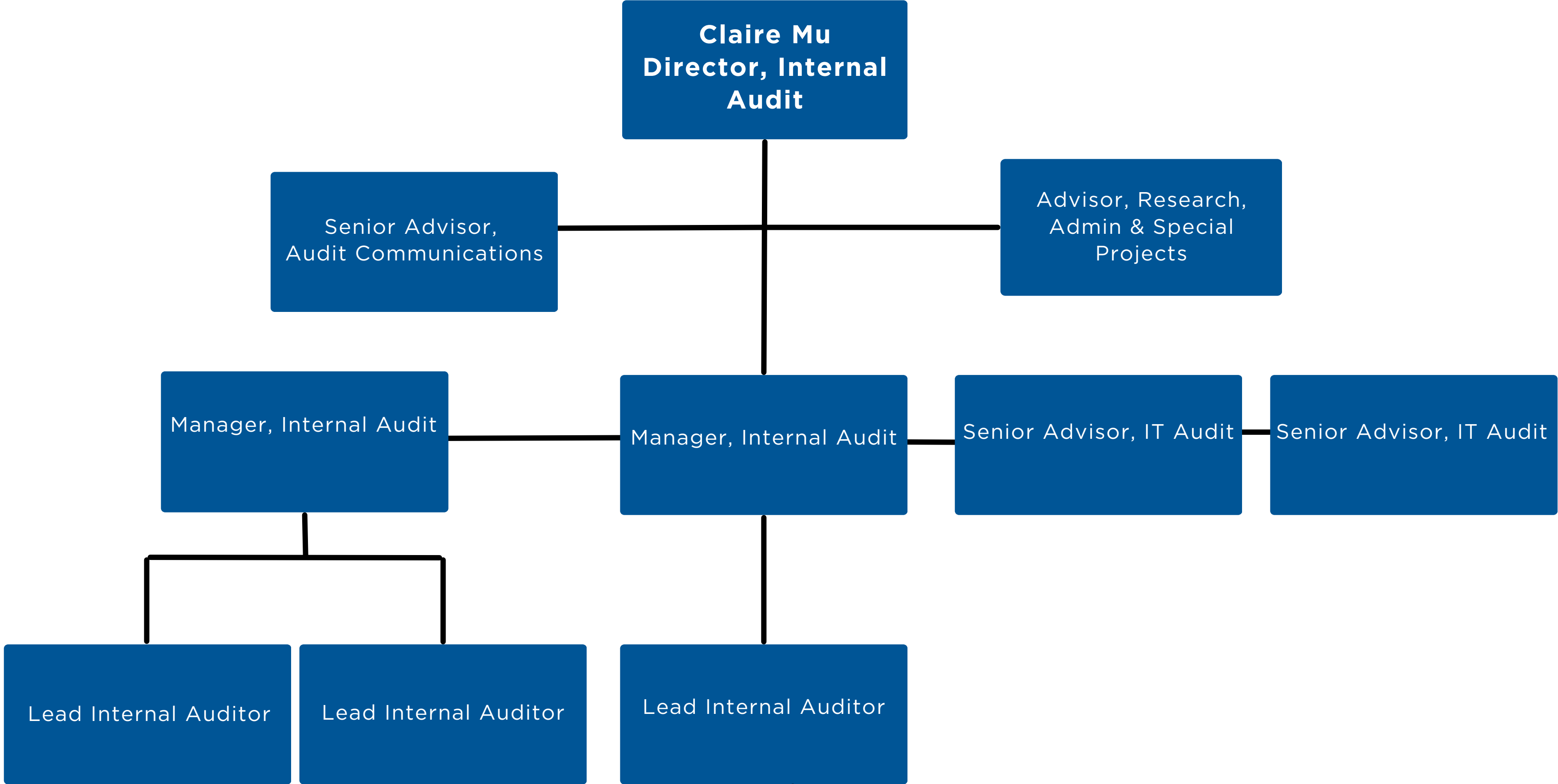
Team Profile and Focus

| POSITION	EXPERIENCE IN AUDIT (YRS.)	SPECIALTIES /AREAS OF RESPONSIBILITIES	EDUCATION / CERTIFICATIONS
Director	21	Leadership, Budget, HR/Staff Development, Stakeholder Liaison, Annual Work Plan, Quality Assurance, Communications, Fraud	MPPA (MBA Acctg.) MFin, CPA (US), CISA, CFA, CIA, CGAP
Advisor, Research, Admin & Special Projects	N/A	Administration, Project Management, Stakeholder Liaison, Audit Timekeeping, Professional Association and Membership, RFP Writer	BA Honours Political Science
Manager 1	16	Audit Mentorship, Manage Audits, Audit Work Plan	CPA, CIA
Manager 2	20	Audit Mentorship, Manage Audits, Quality Assurance & Improvement Program (QAIP), Risk Assessment	CPA, CIA
Senior Advisor, IT	21	IT Audits, Automation of Management Action Plans, IT Audit Work Plan, RFP Writer	CISA, CISSP
Senior Advisor, IT	12	IT Audit Work Plan, IT Audits, Audit Analytics, SharePoint and Pentana System Administrator	CISA
Senior Advisor, Communications	N/A	Communications, Stakeholder Engagement	BA Honours Communication
Project Lead 1	11	Lead Audits, Data Analytics, Pentana System Administrator, QAIP	CPA, CIA
Project Lead 2	9	Lead Audits, Training Coordinator, Select IIA Standards/QAIP Initiatives	CPA
Project Lead 3	7	Lead Audits, Management Action Plan Follow up	CPA (USA and Canada) ACCA (UK)

KEY METRICS

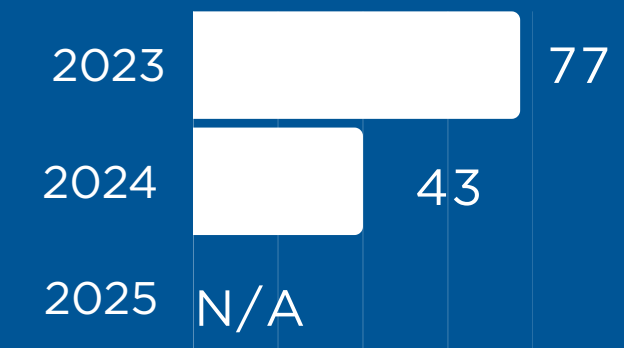# Internal Audit KPI Highlights

Internal Audits Planned

2023 — 8
2024 — 7
2025 — 6
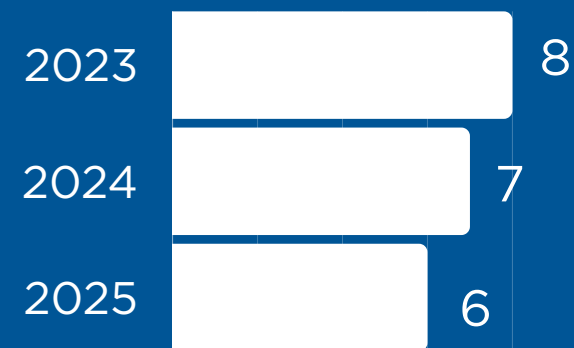
This measure tracks the number of audits included in our annual audit work plan.

% of Audit Work Plan Completed

2023 Actual
2024 Actual
2025 Projection
100%
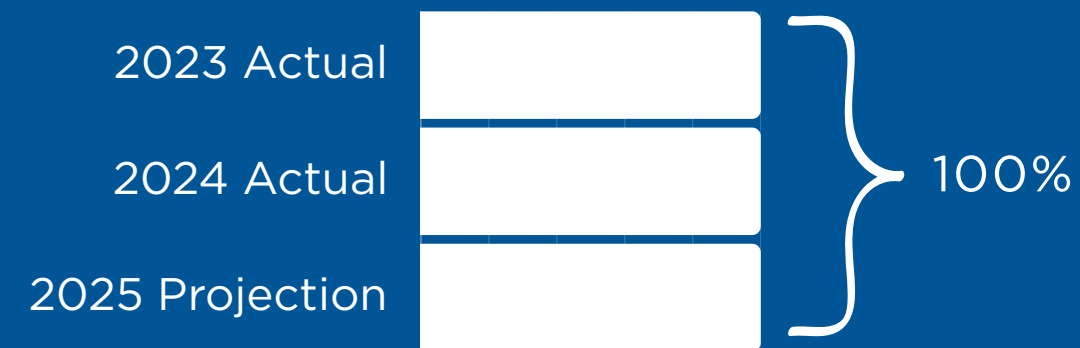
This measure shows the completion rate of the approved annual audit work plan. Staff vacancies can impact the overall number of audits delivered.
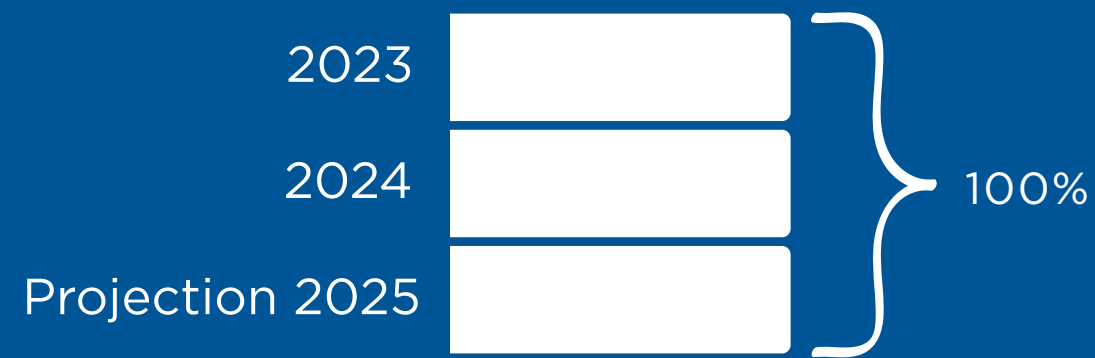
Audit Recommendations Issued

2023 — 77
2024 — 43
2025 — N/A

This measure indicates the total number of recommendations put forward annually in all audit reports.

Internal Audit KPI Highlights

% of Recomendations Accepted By Clients

2023
2024
Projection 2025
} 100%

This measure reflects the percentage of audit recommendations accepted by auditees.

Average Years of Services

2022 — 1.63
2023 — 1.42
2024 — 2.30
Projection 2025 — 3.00
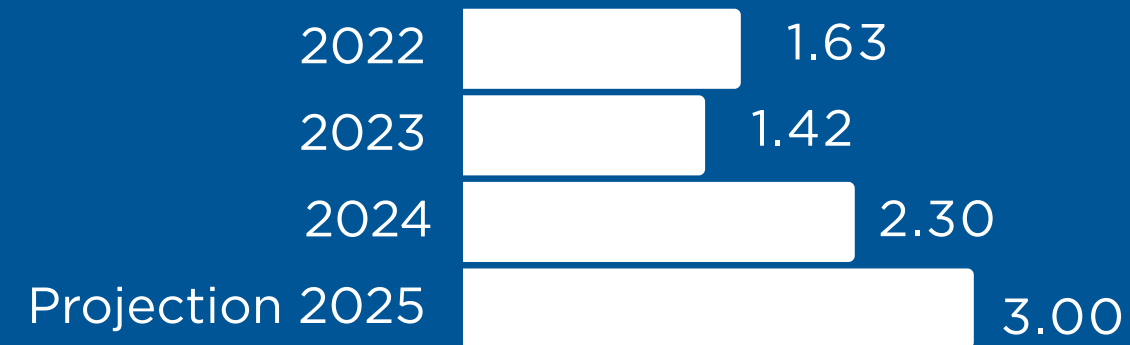
This measure reflects the average years of service of Internal Audit staff.

CPE Requirement Fulfllment (%)

2023
2024
Projection 2025
} 100%
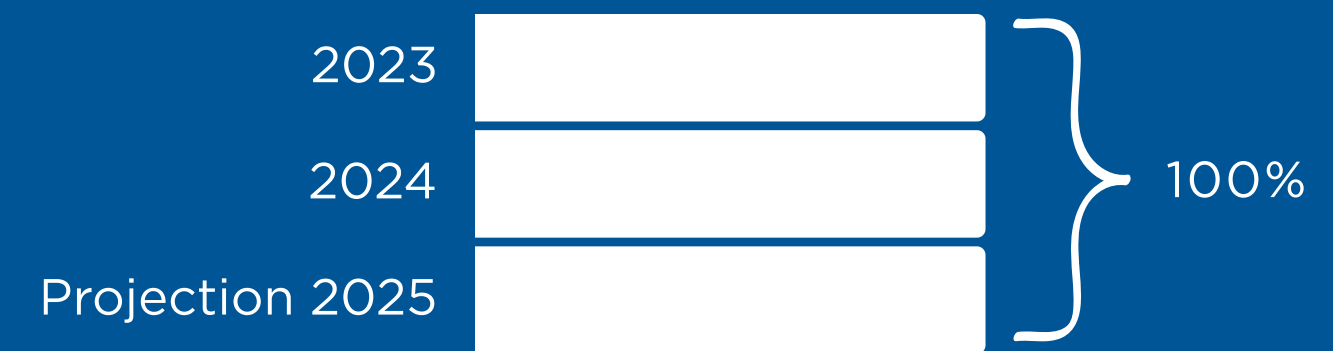
This measure reflects the rate of audit staff that have fulfilled their annual 40 hours of Continuing Professional Development.

Internal Audit 2025 Service Plan (Page 706-711)
https://www.brampton.ca/EN/City-Hall/Budget/Documents/2025%20Proposed%20Budget_FINAL_acc.pdf

Post-Engagement Survey

📣 **Reintroducing Auditee Feedback**

- Post-engagement surveys were reintroduced in Fall 2024 to gather auditee insights on our audit practices and effectiveness.

- Management's feedback is crucial in evaluating our audit engagements and identifying areas for continuous improvement.

- The feedback confirms that we're on the right track, demonstrating strong collaboration and satisfaction with the Internal Audit team's support throughout the process.

Survey Participation

The survey provided valuable insights into 12 audits conducted in 2023 and 2024, highlighting key management perspectives and areas for improvement.

📋 **Surveys Respondents: 18**

🔍 **Audits Covered: 12**

Survey Questions

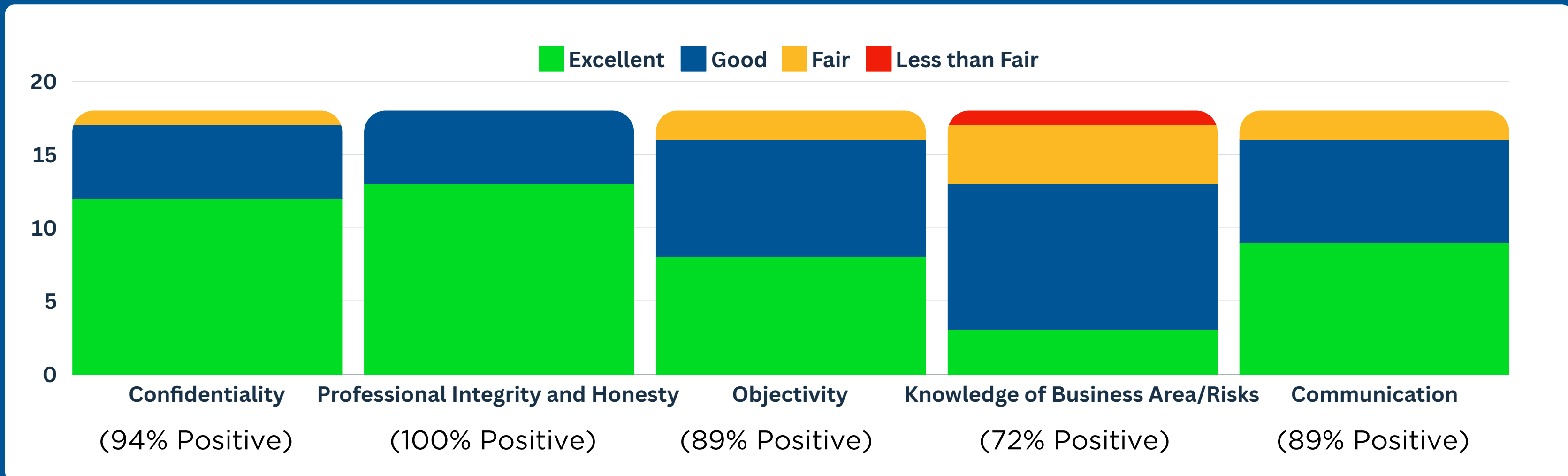| #	Category	Focus Area	Survey Question
1	**Overall Added Value**	Audit Added Value	The audit engagement added value to my department/division by improving my awareness and understanding of risks, controls, and governance.
2		Clear Audit Scope and Objectives	The final audit scope and objectives were clearly communicated and discussed.
3		Audit Completed on Time	The audit was completed within the communicated timeframe.
4	**Audit Staff**	Minimize Disruptions	Audit staff took all reasonable steps to minimize disruptions to operations.
5		Audit Team Performance	How do you rate the Internal Audit team on the following attributes?
6		Keeping Auditee Informed	The audit team kept you informed of key issue throughout the audit.
7		Professional Courage	Did the internal audit team demonstrate professional courage by communicating findings and recommendations truthfully and openly, even in challenging or sensitive situations?
8	**Audit Reporting**	Receptive to Auditee Feedback	The audit team was willing to listen to my point of view regarding the findings.
9		Report Accuracy	The audit report was accurate, and the findings were easy to understand.
10		Recommendation Impact	The recommendations will lead to improvements in our programs/operations or the accountability of our programs/operations.
11	**Additional Comments**	Additional Feedback	Please provide any other comments or feedback on how we can improve our audit processPage 184 of 202

Audit Team Performance

The survey results indicate a generally positive perception of the Internal Audit team, with most respondents rating key attributes as "Excellent" or "Good." However, areas such as business knowledge and communication received mixed ratings, including some "Fair" and "Less than Fair" responses. While the team is well-regarded overall, these findings indicate opportunities to deepen auditors' understanding of City operations. As part of our ongoing efforts to enhance auditor retention and professional development, this knowledge gap is expected to improve over time as staff tenure increases.

Legend: Excellent, Good, Fair, Less than Fair

| Confidentiality	Professional Integrity and Honesty	Objectivity	Knowledge of Business Area/Risks	Communication
(94% Positive)	(100% Positive)	(89% Positive)	(72% Positive)	(89% Positive)

Audit Team Performance Cont.d

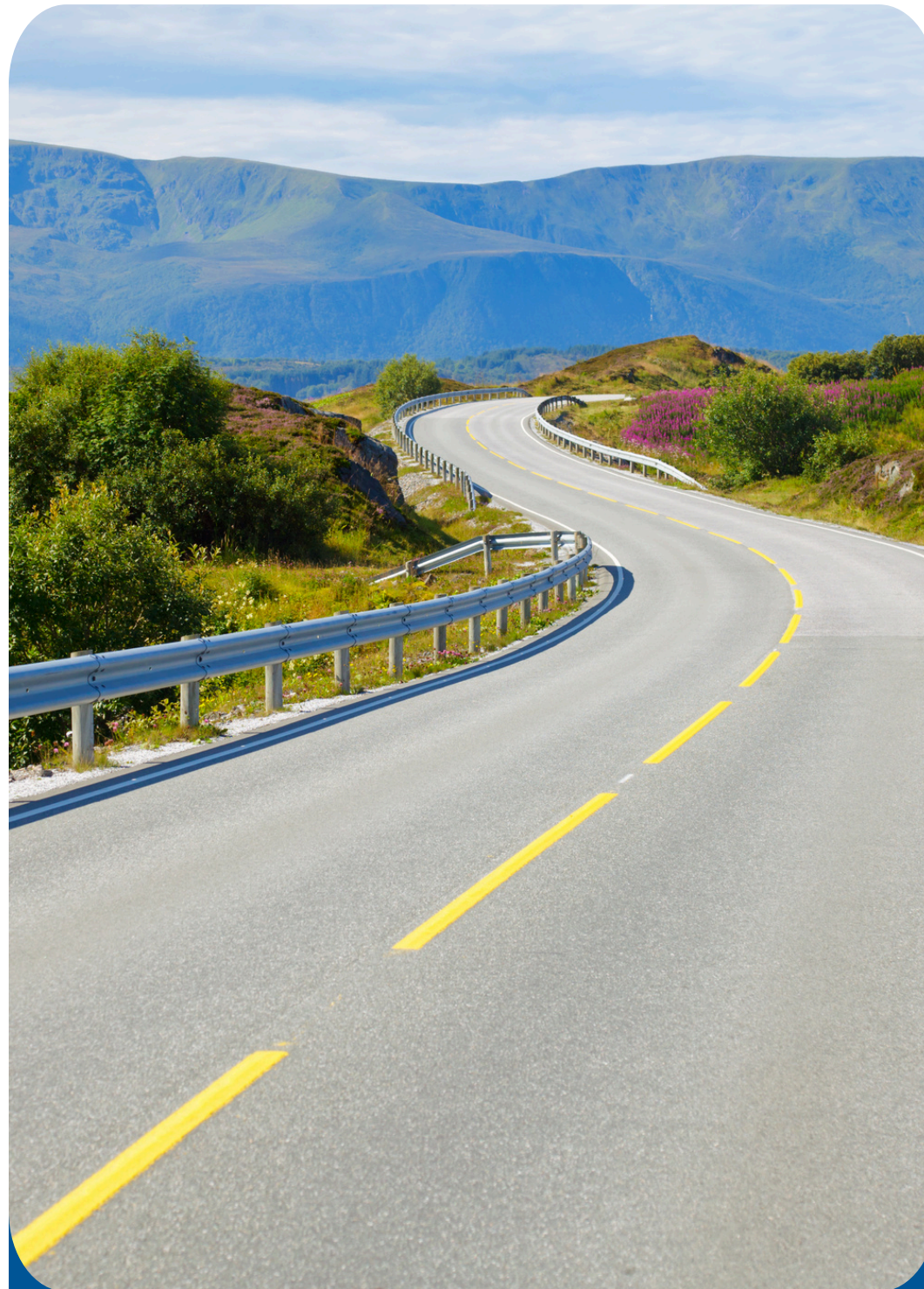## 100% Demonstrate Professional Courage

100%

Internal Audit Staff communicated findings openly and transparently, even in challenging and sensitive situations.

ACCOMPLISHMENTS
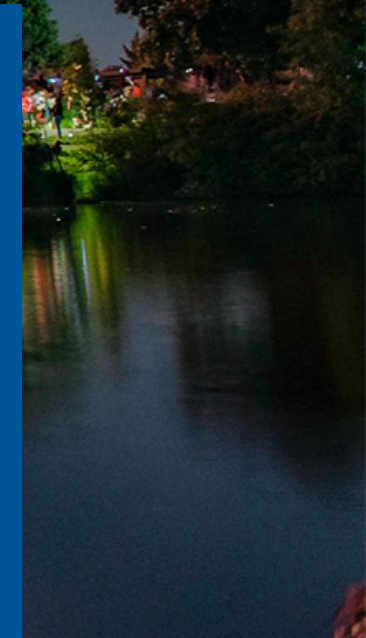
2024 Achievements and Highlights

1 Completed MAPs Automation Project

2 Developed a Risk-based 2025 Audit Work Plan

3 Completed the 2024 Annual Audit Work Plan

4 Grasped 2024 IIA Standards and Provided Education to Stakeholders

5 Embarked a Journey to Revamp Audit Practices to Align with Updated IIA Standards

6 Compile an Internal Audit Strategy and Revamp Key Performance Measures

Driving continuous improvement and achieving impactful results.

Thanks to the continued support of the CAO's Office and the Audit Committee

Accomplishment #1

Completed MAPs Automation Project

- Successfully concluded this 3-year initiative that included:
  - Collaborating with Ideagen and City IT to stabilize UAT and PROD environments
  - Migrating all MAPs to Pentana
  - Implementing automated reporting
  - Business user training materials were finalized
  - MAPs ownership was clarified with business units

These advancements modernize our tracking and reporting processes, benefiting the City. In 2025, we will finetune the automated management action plan follow-up process.

Accomplishment #2 and #3

**Developed a Risk-based 2025 Audit Work Plan &
Completed the 2024 Annual Audit Work Plan**

- Refreshed risk assessments with 11 business units, resulting in a 2024 plan approved by the Audit Committee in February 2024

- Successfully completed the audit plan despite resource challenges from the implementation of the 2024 Global Audit Standards, with the final audit presented at the Q1 Audit Committee Meeting on February 11, 2025

Grasped 2024 IIA Standards and Align with Updated IIA Standards

- Addressed challenges posed by the IIA's new, stringent standards by engaging consultants for a gap assessment and realigning processes

- Developed training materials for Audit Committee members and Senior Leadership Team, including innovative videos

- Ensured compliance progress while delivering the audit work plan

The external Quality Assessor commended our efforts *"The City of Brampton's IAF (Internal Audit Function) is set firmly on the path to improving the effectiveness of its operation and is actively striving for a high level of quality and professionalism within its organization, as evidenced by this gap assessment."*

Compile an Internal Audit Strategy and Revamp Key Performance Measures

- Developed an Internal Audit Strategy incorporating best practices, benchmarking, and alignment with the City's strategic goals

- Looking ahead, this strategic plan will guide us in building a quality and resilient internal audit function, enabling us to fulfill our mandate while supporting Brampton's vision for the future

Redesign of Audit Workpaper and Report Templates

- Redesigned audit report templates for clearer and more impactful reports

- Applied best practices from award-winning internal audits (ALGA)

- Aligned reports with Global Internal Audit Standards

COMMON THEMES OF AUDIT REPORTS

2024 Audits

#	AC Date	Audit	Division	Recommendations
1	June 10, 2024	By-Law Enforcement	By-Law Enforcement (Property Standards)	7
2	October 7, 2024	Purchasing Card	Purchasing	9
3	October 7, 2024	IT Asset Management	IT	4
4	December 3, 2024	Road Resurfacing	Capital Works, Public Works and Engineering	6
5	December 3, 2024	Fire Fleet Asset Management	Apparatus & Maintenance	6
6	December 3, 2024	Cyber Security	IT	4
7	February 11, 2025	Building Permits	Planning, Building and Growth Management	7
			Total Recommendations	43

Common Themes
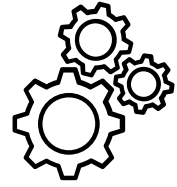
- **Process Efficiency**
  Improve processes to enhance efficiency and reduce errors.
  (Relevant Audits: Development Charges, Road Resurfacing, Building Permits)

- **Compliance with Standards**
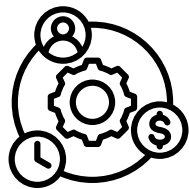 Ensure adherence to regulations and policies to mitigate risks.
  (Relevant Audits: Fire Fleet, Building Permits, Road Resurfacing)

- **Risk Mitigation**
  Reduce vulnerabilities to prevent financial, operational, and security risks.
  (Relevant Audits: Cybersecurity, Fire Fleet, Development Charges)

- **Resource Optimization**
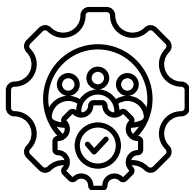 Maximize resource utilization for cost-effectiveness.
  (Relevant Audits: Fire Fleet, Road Resurfacing, Development Charges)

- **Data & Security Enhancements**
  Strengthen IT controls and protect sensitive information.
  (Relevant Audits: Cybersecurity, IT Asset Management)

- **Service Quality Improvement**
  Enhance delivery of services to residents through better practices.
  (Relevant Audits: Building Permits, Road Resurfacing, Fire Fleet)

Standard 11.3 Communicating Results

"Themes: The findings and conclusions of multiple engagements, when viewed holistically, may reveal patterns or trends, such as root causes. When the chief audit executive identifies themes related to the organization's governance, risk management, and control processes, the themes must be communicated timely, along with insights, advice, and/or conclusions, to the board and senior management".

"Such trends also may lead to additional engagements that focus on the theme across the organization."

MAPS RESULTS

Management Action Plans as of December 31, 2024

Background:

This data represents City management's response to audit findings and recommendations contained in audit reports.

Management is responsible for implementing these plans, while Internal Audit monitors their progress. The data tracks 23 audit reports issued in 2020 or later that still have outstanding recommendations.
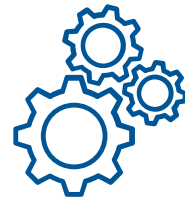
Note: This report has not been validated by Internal Audit. Validation will be conducted and reported to the Audit Committee in June 2025. Management has reported that 97 recommendations have been implemented since the October 7, 2024, Audit Committee meeting.

Total	326
Fully Implemented	198
Not Fully Implemented	128
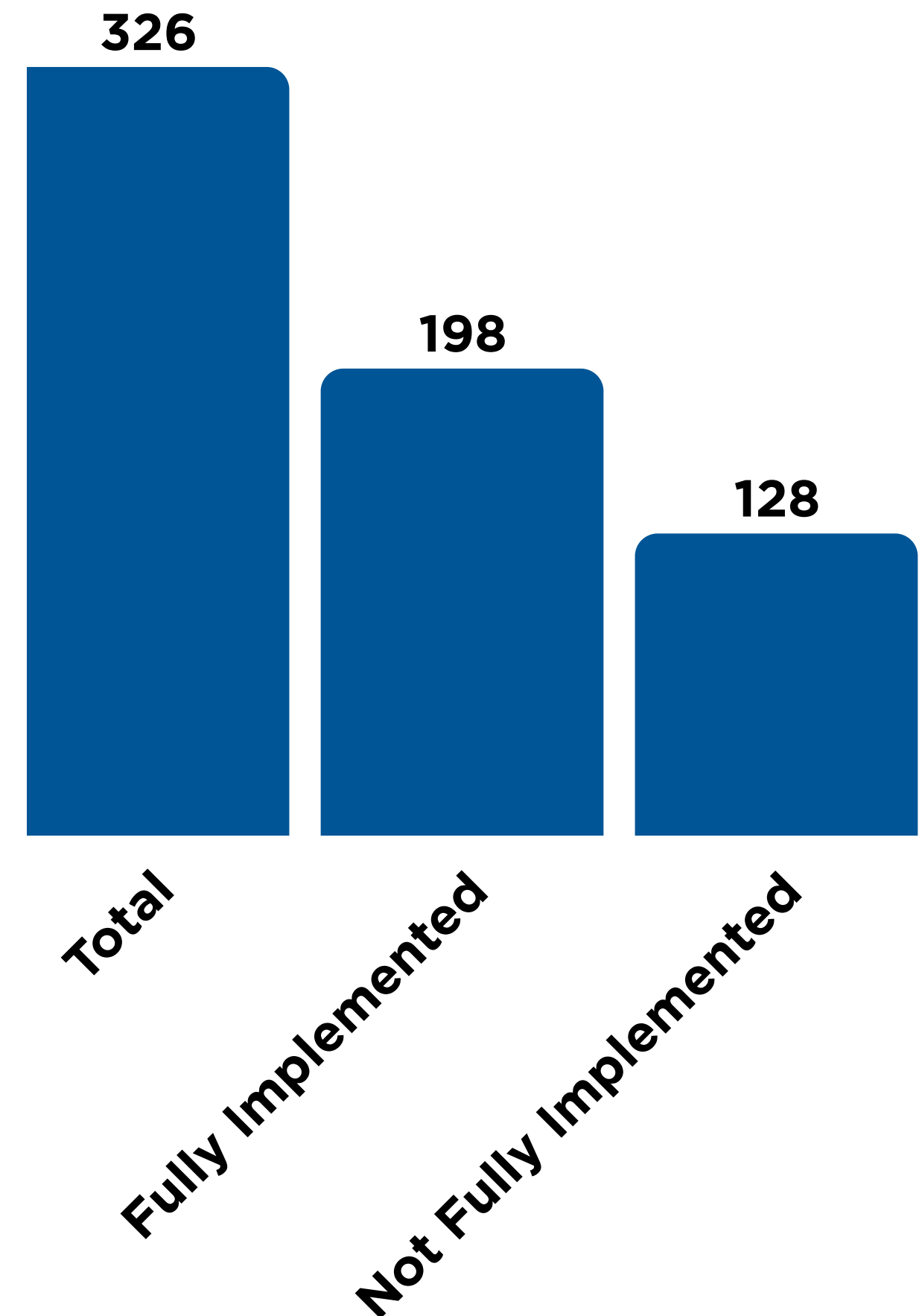
LOOKING AHEAD

2025 Main Initiatives

External Quality Assessment

Prepare for the next external quality assessment in 2025, by impelmenting a QAIP program and refining audit practices to align with the 2024 IIA Standards and industry best practices.

5-Yr. Audit Work Plan and Risk Assessment

Conduct a city-wide risk assessment to inform the 2026–2030 Audit Work Plan, incorporating input from the Board and Senior Management.

Audit Timekeeping

Enhance timekeeping by implementing a streamlined system to improve tracking, efficiency, and accountability.

Stakeholder Engagement

Enhance engagement through a redesigned public-facing website and structured, transparent and consistent communication with the Audit Committee, senior management, and auditees.

Staff Retention and Development

Prioritize staff retention and growth by promoting work-life balance and enhancing team competencies through structured training, leadership development, and rotational assignments to adapt to evolving risks.

Expand Audit Analytics

Expand the use of data analysis techniques, tools, and technology to enhance transparency, accuracy, and the overall effectiveness of Internal Audit, including risk identification, trend analysis, continuous monitoring, process efficiency, and decision support.

Stay Informed

Audits

brampton.ca/audit

FAQs

brampton.ca/audit