



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

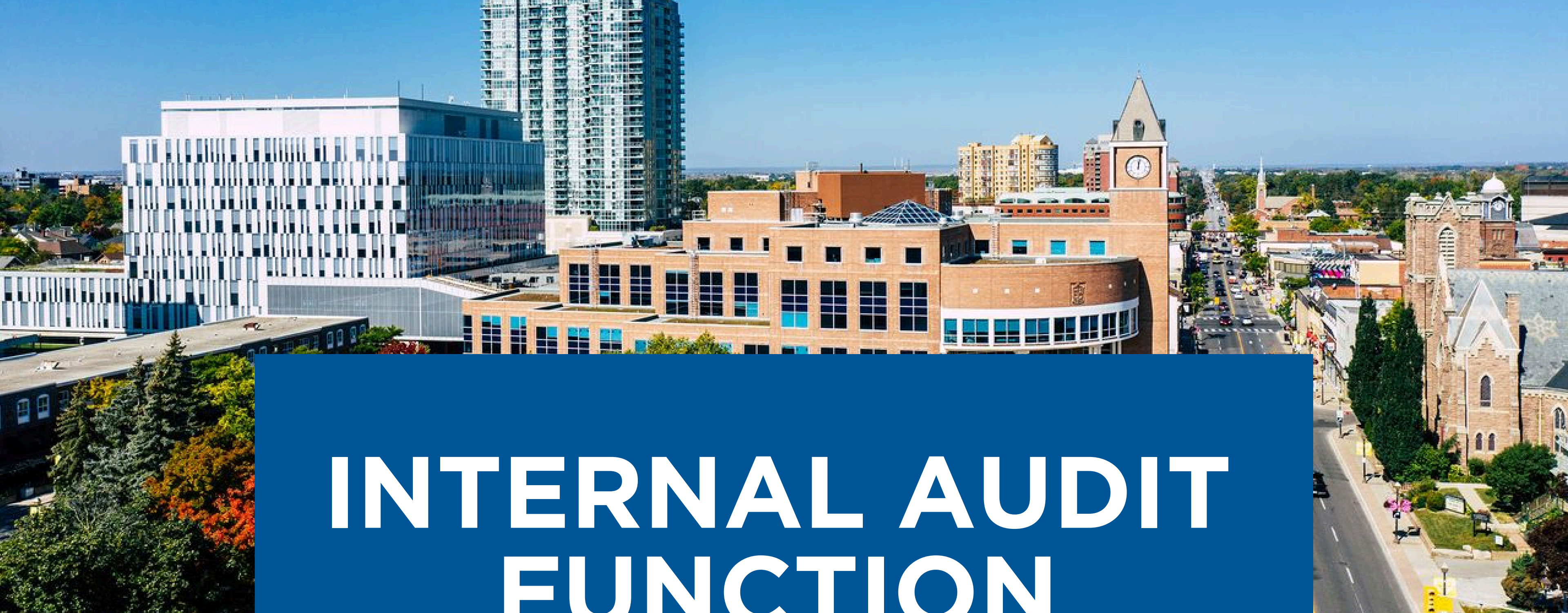
Greetings from the Director

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.

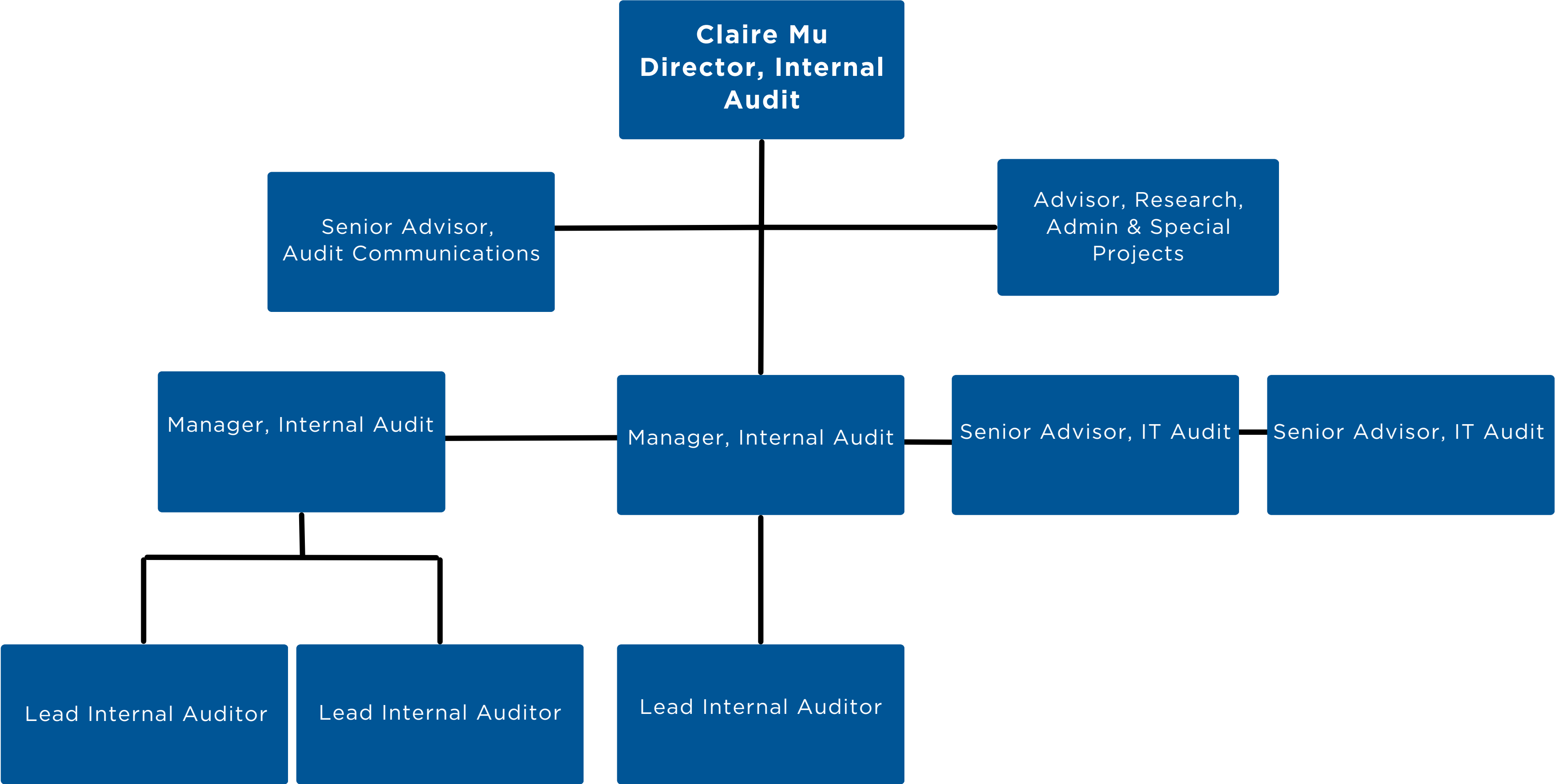


TEAM OVERVIEW



Introducing the Internal Audit Team!

Organizational Structure



Team Profile and Focus

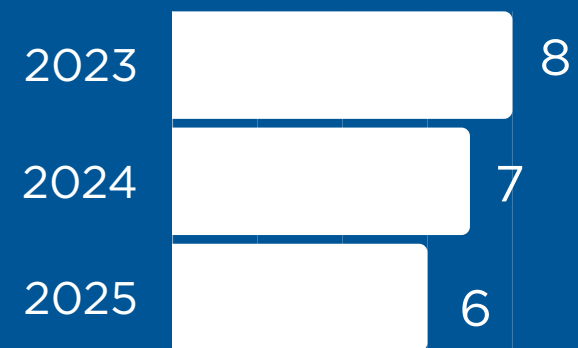
POSITION	EXPERIENCE IN AUDIT (YRS.)	SPECIALTIES /AREAS OF RESPONSIBILITIES	EDUCATION / CERTIFICATIONS
Director	21	Leadership, Budget, HR/Staff Development, Stakeholder Liaison, Annual Work Plan, Quality Assurance, Communications, Fraud	MPPA (MBA Acctg.) MFin, CPA (US), CISA, CFA, CIA, CGAP
Advisor, Research, 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

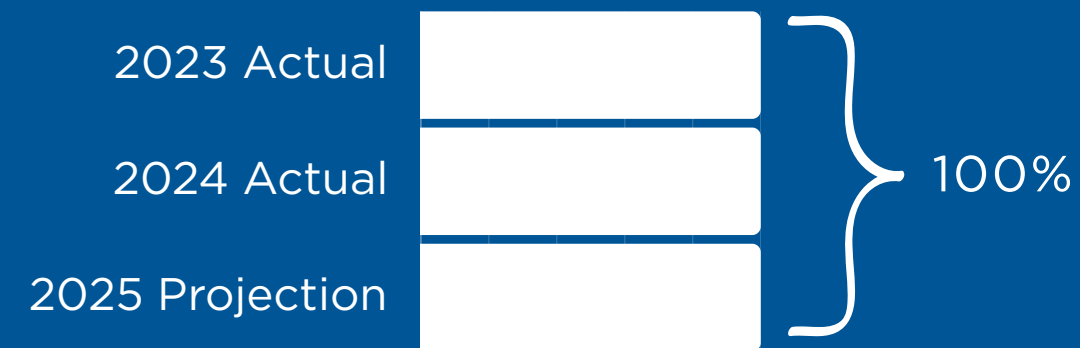
Internal Audit KPI Highlights

Internal Audits Planned



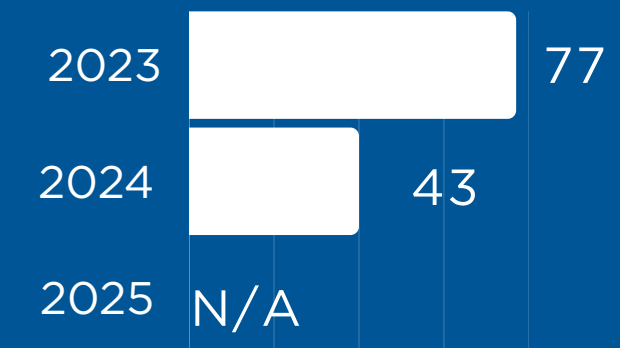
This measure tracks the number of audits included in our annual audit work plan.

% of Audit Work Plan Completed



This measure shows the completion rate of the approved annual audit work plan. Staff vacancies can impact the overall number of audits delivered.

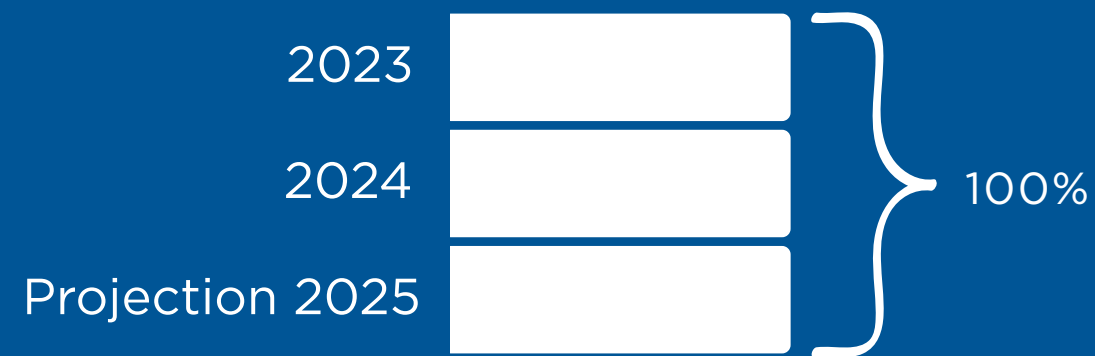
Audit Recommendations Issued



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

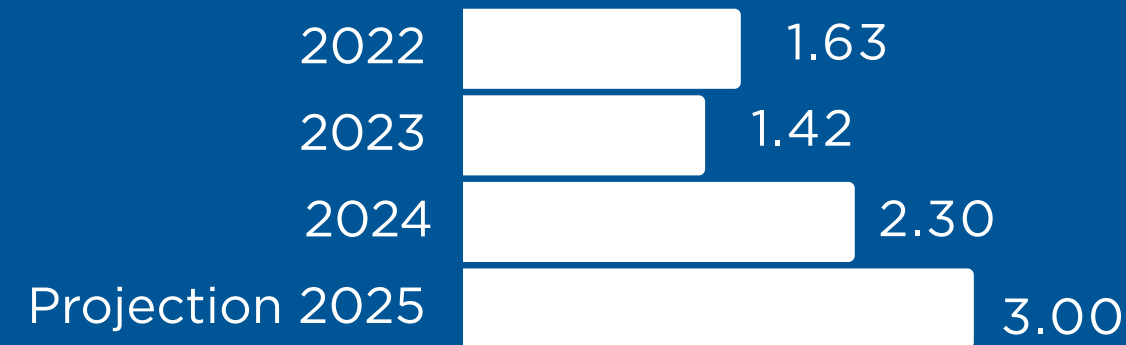
Internal Audit KPI Highlights

% of Recommendations Accepted By Clients



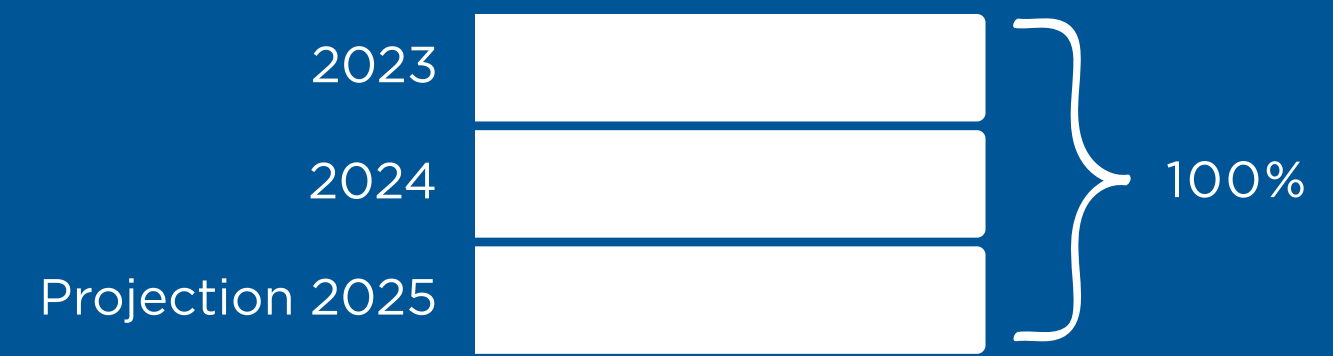
This measure reflects the percentage of audit recommendations accepted by auditees.

Average Years of Services



This measure reflects the average years of service of Internal Audit staff.

CPE Requirement Fulfillment (%)



This measure reflects the rate of audit staff that have fulfilled their annual 40 hours of Continuing Professional Development.

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**

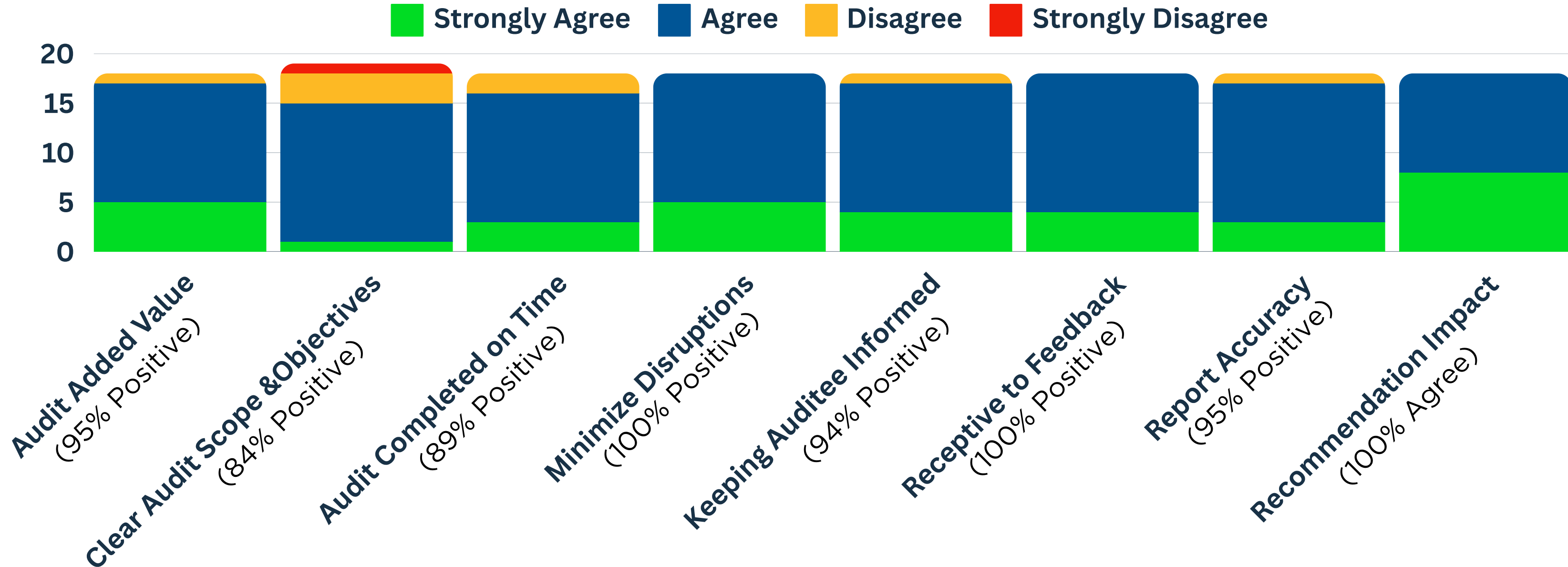
Survey Questions

#	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 process.

Management Survey Results

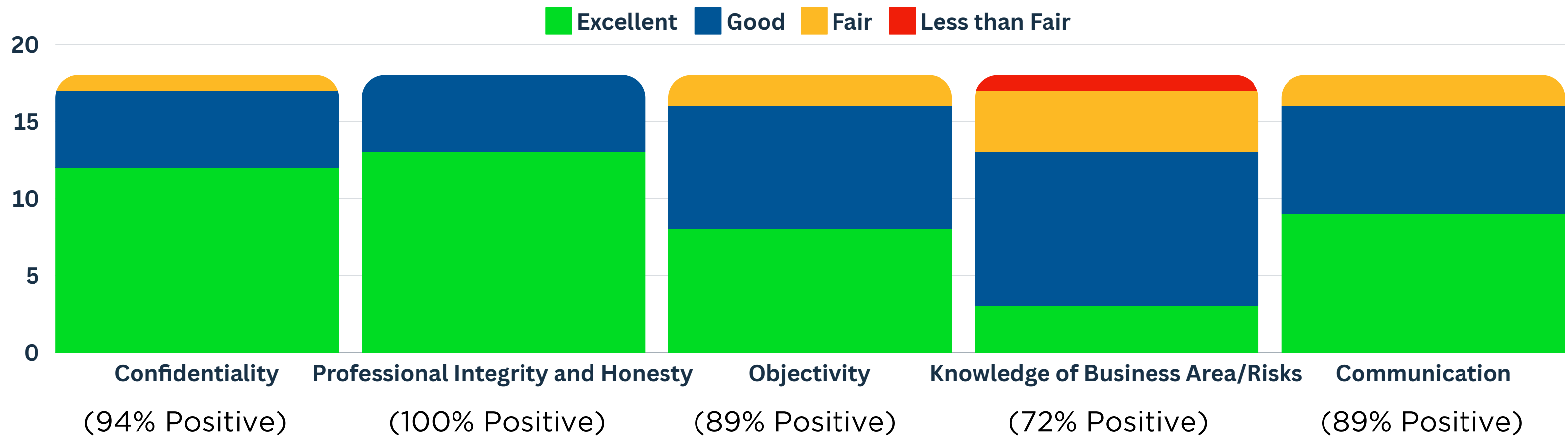
Audit Process Feedback Summary

Management thought the audit engagement added value to their department/division by improving their awareness and understanding of risks, controls and governance.



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.



Audit Team Performance Cont.d

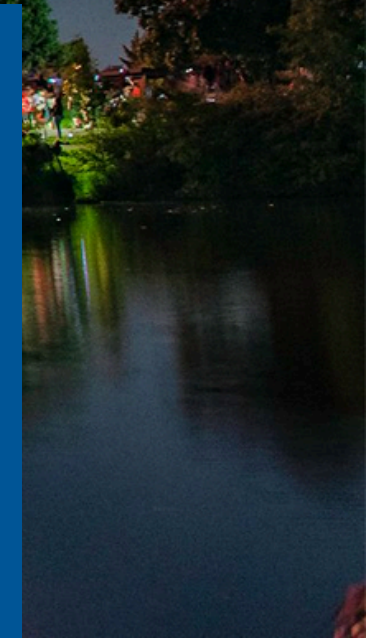
100% Demonstrate Professional Courage



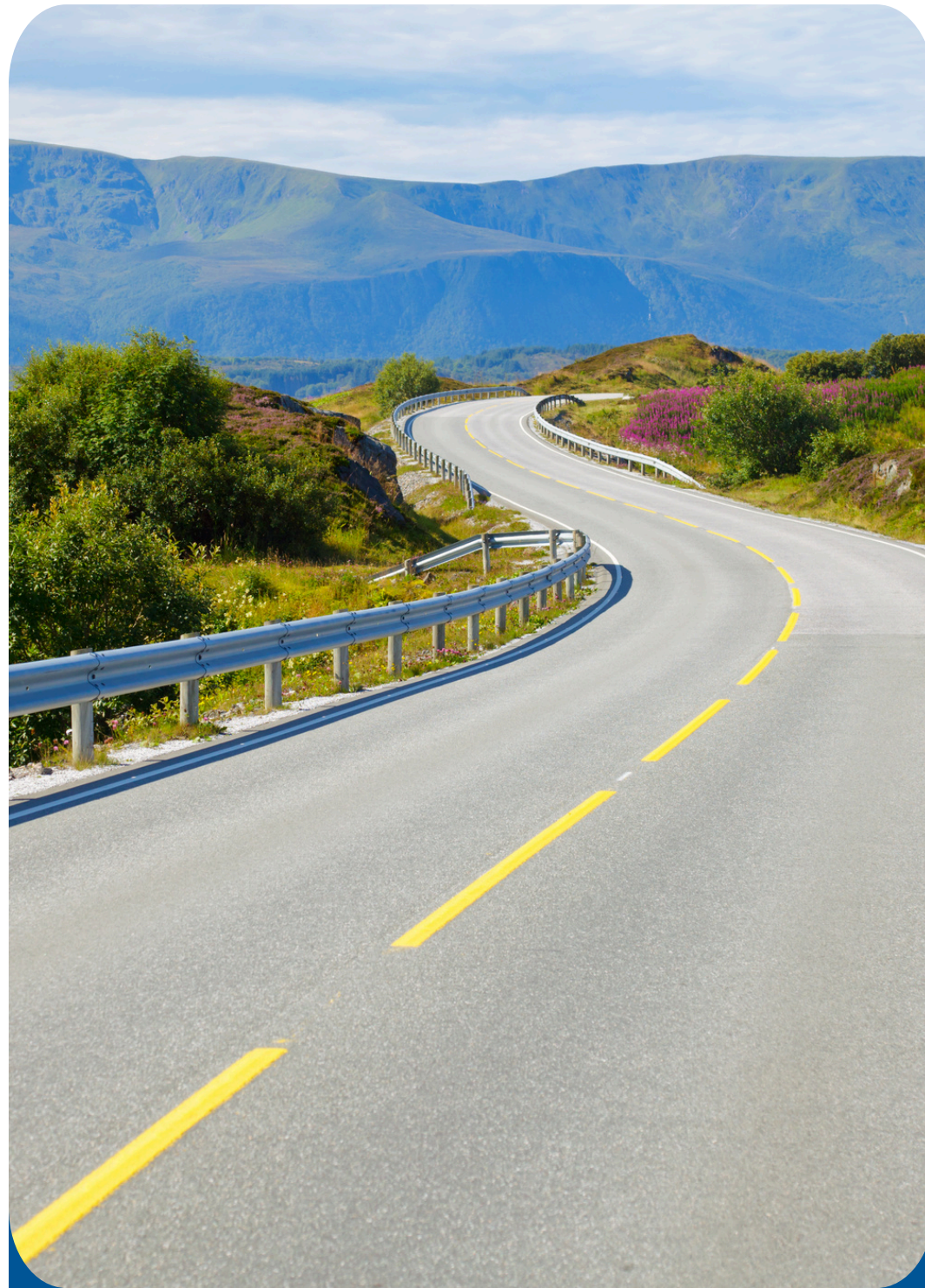
Internal Audit Staff communicated findings openly and transparently, even in challenging and sensitive situations.



ACCOMPLISHMENTS



2024 Achievements and Highlights



Driving continuous improvement
and achieving impactful results.

- 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

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

Accomplishment #4 and #5

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.”*

Accomplishment #6

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

Additional Accomplishments

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

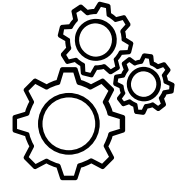


COMMON THEMES OF AUDIT REPORTS

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.

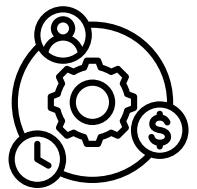
(Relevant Audits: Fire Fleet, Building Permits, Road Resurfacing)



- **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.

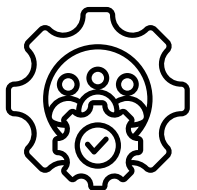
(Relevant Audits: Fire Fleet, Road Resurfacing, Development Charges)



- **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

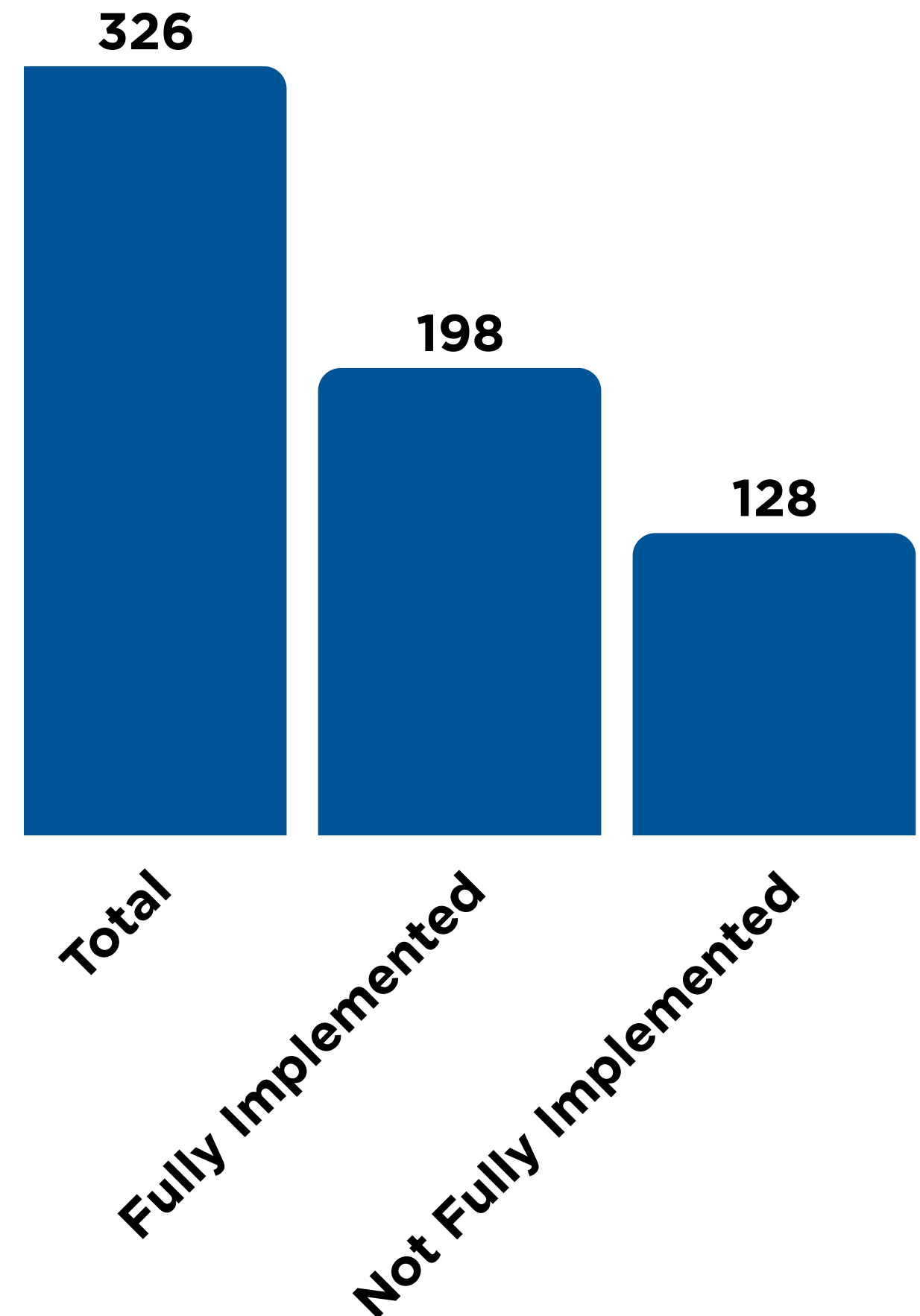
Management Action Plans as of December 31, 2024

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.

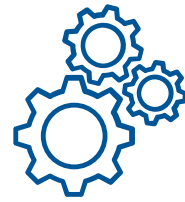
Note: This report has not been validated by Internal Audit. Validation will be conducted and reported to the Audit Committee in June 2025. Management has reported that 97 recommendations have been implemented since the October 7, 2024, Audit Committee meeting.





LOOKING AHEAD

2025 Main Initiatives



External Quality Assessment

Prepare for the next external quality assessment in 2025, by implementing 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

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