

Date: 2020-11-03

Subject: **Internal Audit Work Plan – 2021**

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Report Number: CAO's Office-2020-383

Recommendations:

That the report titled: **Internal Audit Work Plan- 2021**, to the Audit Committee Meeting of November 24, 2020, be received.

Overview:

- The 2021 Internal Audit work plan is developed using a risk-based approach which included input from senior management, issues from previous audits, evaluation of audit results and risk assessments;
- The objective of performing audits is to add value to improve the operations of the City as well as assist the City in accomplishing its objectives;
- On a regular basis, Internal Audit reviews and updates the work plan as needed based on current information, concerns and discussions with the leadership team, issues identified and risk reviews;
- This report provides Audit Committee the Audit Work Plan for 2021; and
- Internal Audit is in the process of completing a corporate wide Risk Assessment with the assistance of a third party. Plan is subject to change as per the results of Risk assessment. Any changes to the plan will seek approval from Audit Committee.

Background:

The Internal Audit annual work plan was developed using a risk-based approach as outlined in the Internal Audit Charter. Several factors are taken into consideration in developing the Audit work plan, such as:

- Risk assessment with Senior Management results;
- Last time the area/process was audited; and
- Results of previous audits.

Internal Audit is focused on performing an objective assessment of evidence to provide an independent opinion as to the effectiveness and efficiency of a process or system in order to assist departmental management in achieving their business objectives and goals.

The results of audits performed are communicated to the Audit Committee and the Leadership Team to provide information to assist them in carrying out their governance responsibilities.

Internal Audit also conducts consulting engagements at the request of management. Consulting services include advice, facilitation, and training. For this activity, the nature and scope of the engagement are agreed upon between management and Internal Audit. The objective is for Internal Audit to add value and help improve an organization's risk management and control processes without assuming management responsibility. The results of consulting engagements are reported to departmental management. All consulting engagements will be communicated to Audit Committee in advance.

The annual audit work plan will be reviewed on a regular basis and may be adjusted based on any information, issues, or concerns that have been identified. Updates and changes to the audit work plan will be communicated to the Audit Committee.

Current Situation:

The 2021 audit work plan (**Appendix 1**) sets out the priorities of the Internal Audit function that are reflective of the City of Brampton's strategic goals, objectives, concerns, and priorities, integrated and coordinated with a corporate risk assessment. The annual audit work plan is comprised of operational audits, investigations, and follow-up reviews.

Any changes to the audit work plan may require the removal or deferral of a project identified within this report, or alternatively, the hiring of an outside auditor to perform the audit. Any changes throughout the year will be communicated to the Audit Committee.

Internal Audit activities will be conducted in accordance with the International Standards for the Professional Practice of Internal Auditing. The specific scope of each project will be determined during the engagement's planning phase.

Corporate Implications:

Financial Implications:

N/A

Other Implications:

N/A

Term of Council Priorities:

This report achieves the Strategic Plan priority of Good Government through the support of the Corporate Fraud Prevention Policy and Fraud Hotline which promotes Corporate accountability, our Corporate Values, and governance best practices.

Conclusion:

The Internal Audit work plan will be reviewed on a regular basis and updated if needed. Our intention is to keep the Audit work plan agile and flexible, ensuring that identified risks are appropriately addressed. The Audit work 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.

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Attachments:

Appendix 1: Internal Audit Work Plan 2021