KPMG

City of Brampton

Internal audit assessment and development of audit universe

November 2021

KPMG LLP

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Contacts

The contacts at KPMG in connection with this report are:

Nick Rolfe, Partner
T: (416) 777-3543
E: nicholasrolfe@kpmg.ca

Rob Hacking, Senior Manager
T: (416) 777-5247
E: robhacking@kpmg.ca

Helena Booth, Manager
T: (416) 549-7865
E: hbooth@kpmg.ca

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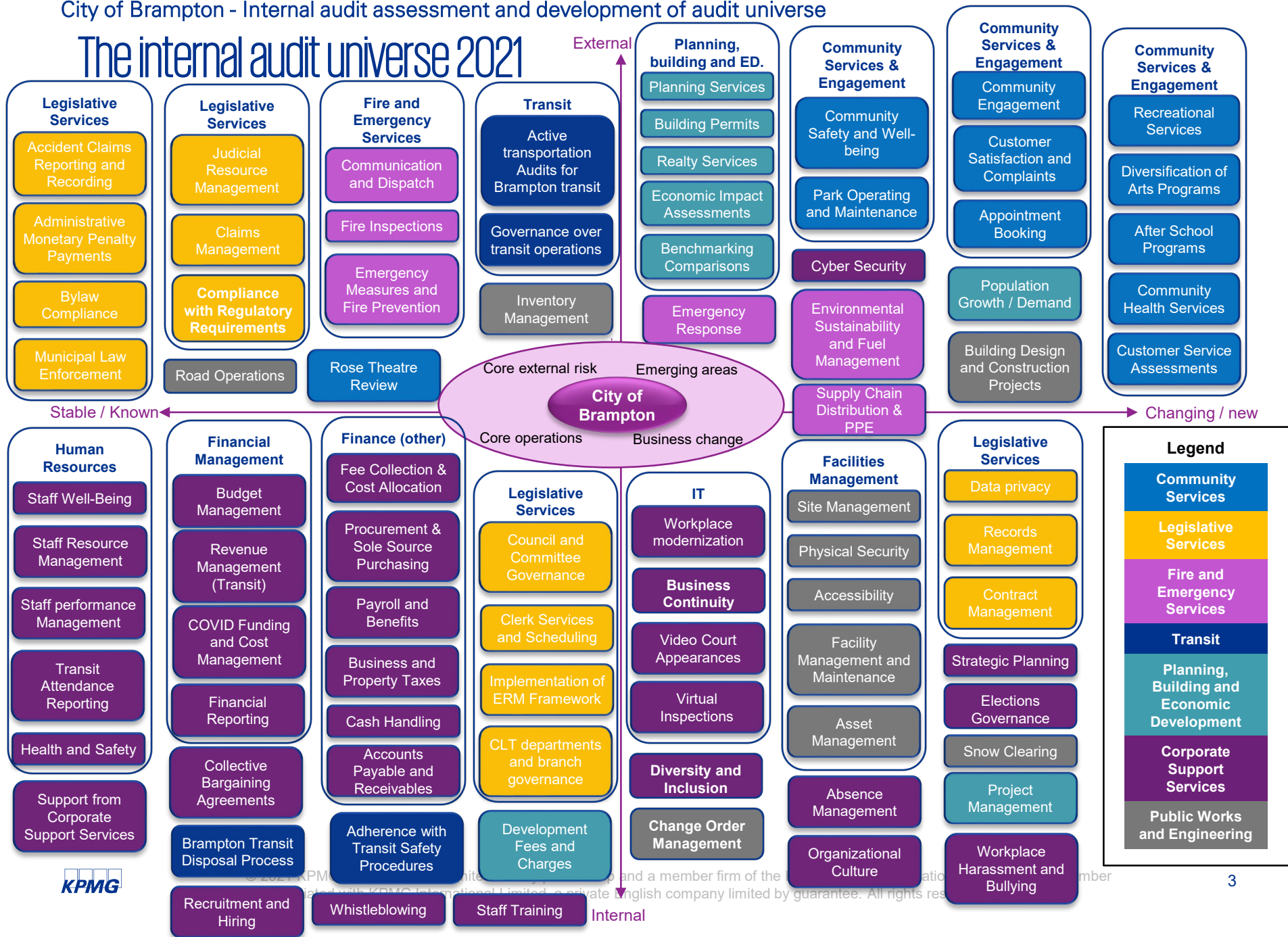Sponsor: Richard Gervais – Director of Internal Audit

To (for action):
- Richard Gervais – Director of Internal Audit
- Gurpreet Singh – Internal Audit Manager

cc (for information):
- David Barrick – Chief Administrative Officer
- Audit Committee

City of Brampton - Internal audit assessment and development of audit universe

The internal audit universe 2021

External ↑ · Internal ↓ · Stable / Known ← · Changing / new →

Core external risk · **Emerging areas**
City of Brampton
Core operations · **Business change**

Legislative Services
- Accident Claims Reporting and Recording
- Administrative Monetary Penalty Payments
- Bylaw Compliance
- Municipal Law Enforcement

Legislative Services
- Judicial Resource Management
- Claims Management
- **Compliance with Regulatory Requirements**
- Road Operations

Fire and Emergency Services
- Communication and Dispatch
- Fire Inspections
- Emergency Measures and Fire Prevention
- Rose Theatre Review

Transit
- Active transportation Audits for Brampton transit
- Governance over transit operations
- Inventory Management

Planning, building and ED.
- Planning Services
- Building Permits
- Realty Services
- Economic Impact Assessments
- Benchmarking Comparisons
- Emergency Response

Community Services & Engagement
- Community Safety and Well-being
- Park Operating and Maintenance
- Cyber Security
- Environmental Sustainability and Fuel Management
- Supply Chain Distribution & PPE

Community Services & Engagement
- Community Engagement
- Customer Satisfaction and Complaints
- Appointment Booking
- Population Growth / Demand
- Building Design and Construction Projects

Community Services & Engagement
- Recreational Services
- Diversification of Arts Programs
- After School Programs
- Community Health Services
- Customer Service Assessments

Human Resources
- Staff Well-Being
- Staff Resource Management
- Staff performance Management
- Transit Attendance Reporting
- Health and Safety
- Support from Corporate Support Services

Financial Management
- Budget Management
- Revenue Management (Transit)
- COVID Funding and Cost Management
- Financial Reporting
- Collective Bargaining Agreements
- Brampton Transit Disposal Process
- Recruitment and Hiring

Finance (other)
- Fee Collection & Cost Allocation
- Procurement & Sole Source Purchasing
- Payroll and Benefits
- Business and Property Taxes
- Cash Handling
- Accounts Payable and Receivables
- Adherence with Transit Safety Procedures
- Whistleblowing

Legislative Services
- Council and Committee Governance
- Clerk Services and Scheduling
- Implementation of ERM Framework
- CLT departments and branch governance
- Development Fees and Charges
- Staff Training

IT
- Workplace modernization
- **Business Continuity**
- Video Court Appearances
- Virtual Inspections
- **Diversity and Inclusion**
- **Change Order Management**

Facilities Management
- Site Management
- Physical Security
- Accessibility
- Facility Management and Maintenance
- Asset Management
- Absence Management
- Organizational Culture

Legislative Services
- Data privacy
- Records Management
- Contract Management
- Strategic Planning
- Elections Governance
- Snow Clearing
- Project Management
- Workplace Harassment and Bullying

Legend
- **Community Services**
- **Legislative Services**
- **Fire and Emergency Services**
- **Transit**
- **Planning, Building and Economic Development**
- **Corporate Support Services**
- **Public Works and Engineering**

Risk areas and priority ratings

In this section we have shown the priority rating of each auditable area outlined in the audit universe. This was identified based on our:

- Knowledge of risks impacting the municipal government sector;

- Review of City of Brampton documentation such as the fire master plan, active transportation master plan and other documentation available on the City's website; as well as prior year internal audit workplans and risks documented in the City's audit management software

- Discussions with management on their portfolios, risks facing the City and any other challenges noted.

We have provided indicative priority ratings for each area to support the City's Internal Audit Function in developing an internal audit plan. The Internal Audit Team should use this document and its intimate knowledge of the City to develop its risk-based Internal Audit Plan for 2022 and future years.

We have grouped our auditable areas into four sections based on the quadrants shown in the audit universe on the previous slide (core operations, business change, emerging areas and core external risk). In each of the four sections we have broken down the auditable areas by priority rating, as shown below:

- High priority*

- Medium priority highlighted by one or more departments during our analysis*

- Other medium priority areas

- Low priority

*Further rational and context for the high priority auditable areas and medium priority areas highlighted by one or more department has been provided in the tables on slides 5-12

We have included definitions of the priority ratings on slide 13.

Risk areas and priority ratings

Name	Priority Rating	Rationale for Ranking
Core Operations (High priority)		
Procurement and Sole Source Purchasing	H	Ensuring compliance with procurement by-law around procurement transactions including competitive bids and sole sourced purchases
Support from Corporate Support Services	H	Multiple departments have experienced challenges with obtaining back-end support from corporate services in a timely manner. Opportunity to review the efficiency and consistency of support provided.
Transit Revenue Management	H	Managing revenue shortfalls across Transit due to decreased routes during the course of the pandemic. Further opportunity to better leverage presto cards and move away from cash.
Development Fees and Charges	H	Ensuring fees and charges are appropriate and collected in full

Name	Priority Rating	Rationale for Ranking
Core Operations (Medium priority areas highlighted by one or more departments)		
Staff Well - Being	M	Pandemic first responders have experienced significant stress/pressure which may impact mental health and well-being.
Staff Resource Management	M	Ensuring sufficient resources are available to manage ridership and route growth post-pandemic across Transit. Ensuring future staff needs are identified across the organization
Whistleblowing	M	Opportunity to review processes and controls in light of third party investigation report
Health and Safety	M	In particular for staff engaging with the public (e.g. transit).
Staff Recruitment and Hiring	M	Opportunity to review processes and controls in light of third party investigation report
COVID Funding and Cost Management	M	Ensuring compliance with provincial/federal reporting requirements for pandemic funding, and that appropriate controls are in place to manage costs due to impact of pandemic (e.g. running Transit system with reduced driver numbers).

City of Brampton - Internal audit assessment and development of audit universe

Risk areas and priority ratings

Name	Priority Rating	Rationale for Ranking
Core Operations (Medium priority areas highlighted by one or more departments)		
Clerk Services and Scheduling	M	Ensuring processes for delegation schedules are appropriately followed.
Staff Planning Collective Bargaining Agreements	M	Review short term management of staff absences/changes.
Staff Training	M	Ensuring consistency of training provided to staff, in particular within Corporate Support Services.
Implementation of an ERM Framework	M	Previous ERM framework implementation for legislative services delayed due to staff turnover.
Business and Property Taxes	M	Represents a significant portion of City revenue
Payroll and Benefits	M	Represents a significant portion of City expenditure

Below we have shown other auditable areas for internal audit to consider which were not found to be prioritized based on our current assessment.

Name	Priority Rating
Core Operations (Other medium priority and low priority areas)	
Brampton Transit Disposal Process	M
Fee Collection and Cost Allocation	M
Cash Handling	M
Staff Performance Management	M
Transit Attendance Reporting	M
Accounts Payable and Receivables	M
Adherence with Transit Safety Procedures	M
Budget Management	M
Financial Reporting	M
Council and Committee Governance	M
CLT Departments and Branch Governance	L

Risk areas and priority ratings

Name	Priority Rating	Rationale for Ranking
Business Change (High priority)		
Workplace Modernization	H	Managing additional risk factors due to COVID-19 including hybrid work models (working from home and the office), connectivity to municipal systems and post-COVID planning. Furthermore, there are opportunities to implement IT updates to facilitate integration across departments and improve data management and oversight. In addition, there are opportunities to enhance IT literacy amongst City staff.
Data Privacy	H	Ensuring data privacy due to process changes as a result of COVID-19, and privacy around recent system implementations. e.g. new computer dispatch and 911 system in Fire Services, and CRM system for tracking and resolving customer complaints in Transit. Furthermore, opportunities to review privacy and integrity of systems within Economic Development, and processes around personal data privacy and security.
Asset Management	H	Ensuring proactive and central management of asset repair and maintenance planning

Name	Priority Rating	Rationale for Ranking
Business Change (Medium priority areas highlighted by one or more departments)		
Organizational Culture	M	Opportunity to review processes and controls in light of third party investigation report
Workplace Harassment and Bullying	M	Opportunity to review processes and controls in light of third party investigation report
Video Court Appearances	M	Ensuring appropriate controls in place around video court appearances including data privacy and IT controls
Virtual Inspections	M	Ensuring the efficacy of inspections in a virtual environment
Diversity and Inclusion	M	Ensuring the City are adopting best practices across its operations to promote an inclusive and diverse workplace
Accessibility	M	Review of accessibility across City facilities to ensure consistency

Risk areas and priority ratings

Name	Priority Rating	Rationale for Ranking
Business Change (Medium priority areas highlighted by one or more departments)		
Records Management	M	Review efficiency and effectiveness of current document management practices and consider opportunities to procure a new document management system for legislative services
Contract Management	M	Opportunities to improve oversight of ongoing contracts and ensuring compliance with contract terms are being met, in particular across planning, building and economic development department.
Facility Management and Maintenance	M	Review opportunities to manage costs within Fire Services through shared spaces and smaller physical locations
Strategic Planning	M	Coordination of Council strategy with City Council
Project Management	M	Review management of transit capital projects and overall coordination of capital projects across the City, in particular across Economic Development where a new system has been implemented for tracking development projects.

Below we have shown other auditable areas for internal audit to consider which were not found to be prioritized based on our current assessment.

Name	Priority Rating
Business Change (Other medium priority and low priority areas)	
Snow Clearing	M
Change Order Management	M
Site Management	M
Physical Security	M
Business Continuity	M
Absence Management	M
Elections Governance	L

Risk areas and priority ratings

Name	Priority Rating	Rationale for Ranking
Emerging Areas (High priority)		
Cyber Security	**H**	Ensuring appropriate cyber security measures across newly implemented and City-wide systems, and managing cyber security risks due to remote working
Environmental Sustainability and Fuel Management	**H**	Review shift to electric vehicles for fire and transit fleets. Opportunity to review compliance with environmental regulations around fuel consumption.

Name	Priority Rating	Rationale for Ranking
Emerging Areas (Medium priority areas highlighted by one or more departments)		
Economic Impact Assessments	**M**	Opportunity to develop a standard framework to better ensure consistency across assessments
Benchmarking Comparisons	**M**	Opportunities to benchmark key metrics against other divisions/municipalities across Community Services and Economic Development
Park Operating and Maintenance	**M**	Opportunities to streamline park maintenance activities and review resource allocations of maintenance tasks
Supply Chain Distribution and PPE	**M**	Review supply chain management processes for provision of PPE across Fire Services and the impact of costs for supplies if available inventory is limited.
Community Engagement	**M**	Opportunities to improve community education across Fire Services and enhance educational programs for local communities. Furthermore, opportunities to improve processes to track and monitor feedback from public.
Customer Satisfaction and Complaints	**M**	In particular across Transit due to impact of reduced services due to COVID 19 and the implementation of new CRM system.
Customer Service Assessments	**M**	Review consistency and effectiveness of customer service offered
Building Design and Construction Projects	**M**	Ensuring appropriate costing, budgeting and project management.

Risk areas and priority ratings

Name	Priority Rating	Rationale for Ranking
Emerging Areas (Medium priority areas highlighted by one or more departments)		
Population Growth / Demand	**M**	Review efficiency of development application process to help manage increase in applications. Furthermore, opportunities to asses impact of ridership growth across transit, considering increase in post-pandemic activity.
Appointment Booking	**M**	Review opportunities to move to a centralized booking system for economic development.
Community Health Services	**M**	Opportunities to improve coordination of health services with Peel Health
Recreation Services	**M**	Review of health and safety and risks associated with direct public contact

Below we have shown other auditable areas for internal audit to consider which were not found to be prioritized based on our current assessment.

Name	Priority Rating
Emerging Areas (Other medium priority and low priority areas)	
Planning Services	**M**
Building Permits	**M**
Realty Services	**M**
Emergency Response	**M**
Community Safety and Well-Being	**M**
Diversification of Arts Program	**L**
After School Programs	**L**

Risk areas and priority ratings

Name	Priority Rating	Rationale for Ranking
Core External Risk (High priority)		
Claims Management	**H**	Review claims management practices and impact of legal fees and settlement pay-outs as a result of the pandemic.

Name	Priority Rating	Rationale for Ranking
Core External Risk (Medium priority areas highlighted by one or more departments)		
Administrative Monetary Penalties	**M**	Increase of payments during the course of the pandemic
Judicial Resource Management	**M**	The City are experiencing a backlog of requests with a number of cases delayed due to limited resources in place. Opportunity for the City to review judicial processes for improved process efficiencies and streamlining of activity.
Communications and Dispatch	**M**	Review effectiveness and efficiency of new dispatch system across Fire Services.
Governance over Transit Operations	**M**	Opportunity to review service efficiency during and post pandemic.
Inventory Management	**M**	Opportunities to move towards more centralized oversight/management of City inventory.

On the next slide we have shown other auditable areas for internal audit to consider which were not found to be prioritized based on our current assessment.

Risk areas and priority ratings

Name	Priority Rating
Core External Risk (Other medium priority and low priority areas)	
Compliance with Regulatory Requirements	M
Road Operations	M
Fire Inspections	M
Emergency Measures and Fire Prevention	M
Accident Claims Reporting and Recording	M
By-law Compliance	M
Municipal Law Enforcement	M
Rose Theatre Review	L
Active Transportation Audits	L

Priority Rating Definitions

Below we have provided definitions of the priority ratings used across this report.

High	Refers to areas of highest priority to the City based on our discussions with City staff and the potential risks associated with the auditable area. These areas should be investigated further and prioritized by Internal Audit to ensure the appropriate measures, processes and controls are in place across City operations
Medium	Refers to medium priority auditable areas based on our discussions with City staff. These areas may not require immediate attention however should be closely monitored by Internal Audit and assessed on a periodic basis. Those with further rational provided are areas which were specifically highlighted by management across one or more departments. Other medium priority areas were not specifically highlighted by management however should be monitored by Internal Audit going forward.
Low	Refers to lower priority areas based on discussions with City staff and the potential risk exposure. These areas are not considered significant nor fundamental towards the City achieving its strategic objectives.

Disclaimer

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