

Date: 2022-09-23

Subject: **Internal Audit Work Plan – September 2022 Status Update**

Contact: Claire Mu, Director, Internal Audit, 905-874-2215,
fang.mu@brampton.ca

Report Number: CAO's Office-2022-923

Recommendations:

1. That the report titled **Internal Audit Work Plan – September 2022 Status Update** to the Audit Committee Meeting of September 27, 2022, be received.
2. That the updated 2022 Audit Work Plan, as set out in **Appendix 1** to this report, be approved.

Overview:

- Provide an update regarding the Internal Audit Work Plan and progress against the plan, as set out in **Appendix 1**
- Six of the eleven audits in the 2022 Internal Audit Work Plan are complete
- Propose adjustments to the Internal Audit Work Plan

Background:

The Director of Internal Audit submits, at least annually, to the Audit Committee a risk-based Internal Audit Work Plan for review and approval. The Work Plan sets out the priorities for Internal Audit and lists all planned engagements in the current year.

As set out in the Internal Audit Charter, the Director of Internal Audit is also required to report periodically to the Audit Committee regarding the Internal Audit Work Plan and progress against the plan. The Director is also responsible for communicating the impact of resource limitations on the Work Plan, adjustments, and significant changes to the Work Plan.

Current Situation:

Internal Audit Work Plan Report

The progress update and audit schedule are set out in **Appendix 1**.

Work Plan Adjustments

The following sets out proposed changes to the 2022 Internal Audit Work Plan. Some of these changes are recent, and Internal Audit must still assess the feasibility of proceeding with the "Replacement Audits". A list of alternative audits is set in section 4, "Other Audits to Consider," for the Audit Committee's consideration.

1. Deferred Audit: *Identity and Access Management*

Internal Audit proposes removing the planned *Identity and Access Management Audit* from the 2022 work plan. We determined during the planning stage that an audit at this time would not identify new issues. The IT Infrastructure and Cloud Management Audit conducted in 2022 identified relevant access management issues, and management has plans to address the findings. In addition, an audit would divert resources already working on initiatives to strengthen the City's access and security controls. We will defer the *Identity and Access Management Audit* to a later date.

2. Deferred Audits: *Business and Property Taxes*, and *Development Fees and Charges*

Management requested deferring the planned *Business and Property Taxes* and *Development Fees and Charges* Audits from the 2022 work plan to Q2 2023. The deferral was requested due to unplanned staff changes, coupled with the timing of the audit, and year-end deliverables.

3. Replacement Audits: *User Fees* and *Health and Safety*

Internal Audit proposes that a *User Fees* audit and a *Health and Safety* audit replace the *Business and Property Taxes*, and *Development Fees and Charges* audits. These will be performed in Q4 2022. Neither of the activities has been audited and were rated as high risk in the 2021 Corporate Risk Assessment.

- The *User Fees* audit will review the framework, determination and revision, and application of user fees.
- The *Health and Safety* audit will review the roles and responsibilities of Health and Safety across the City, including training, monitoring of programs and the role of the Joint Health and Safety Committee.

4. Other Audits to Consider

The following table lists audits that are on the horizon for Internal Audit, and we may turn to these audits in the short term if we need to make further adjustments to the audit work plan.

Audit	Description
Asset Management - Public Works	Review of processes in place to procure, store, monitor, dispose and safeguard assets used in City operations.
Accessibility	Review the current state of compliance with accessibility laws and highlight opportunities to implement best practices.
By-law Enforcement	Review of By-law enforcement (proactive, reactive) of building, licenses and other relevant areas.

Risk Summary

Risk Area	Comments
Internal Audit Resources	<p>There are two vacant positions in Internal Audit:</p> <ul style="list-style-type: none"> • Senior Auditor • Coordinator, Research and Admin Services <p>Based on current information, Internal Audit estimates it can complete the remaining work as planned.</p> <p>Internal Audit can outsource or contract work to third parties should it be needed.</p>
Corporate Resources	<p>There is a corporate resource availability risk associated with the municipal election. As a result, Internal Audit adapted the 2022 work plan to account for this risk. However, should resource conflicts arise, the municipal election will take priority.</p>
Client/Auditee Resources	<p>We have identified potential resource availability risks associated with some planned audit areas due to competing work priorities and staff experience on the clients' side.</p> <p>This may impact the progress of some audits and require further adjustments of the work plan.</p>

Corporate Implications:

Financial Implications:

n/a

Other Implications:

n/a

Term of Council Priorities:

This report achieves the Term of Council Priority of 'Brampton is a well-run city' through ongoing monitoring and reporting of the Internal Audit Work Plan, which promotes corporate accountability, values, and governance best practices.

Conclusion:

Internal Audit will continue to monitor and report on the status of the Internal Audit Work Plan at Audit Committee meetings to ensure that risks to the Internal Audit Work Plan are identified, managed, and reported.

Authored by:

Richard Gervais
Senior Advisor, Internal Audit

Reviewed by:

Claire Mu
Director, Internal Audit

Approved by:

Claire Mu
Director, Internal Audit

Submitted by:

Paul Morrison
Interim Chief Administrative Officer

Attachments:

Appendix 1: Internal Audit September 2022 Work-Plan Status