



*The Corporation of the
City of London*

Proposed Risk Assessment
and 2016 Performance-Based
Audit Plan

January 13, 2016

Agenda

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Team Members



Chirag Shah

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Profile

Chirag is a Partner in the Audit and Assurance Group and is also the London Market Leader. He has over 23 years of audit experience across a broad range of clients and industries. Chirag's experience extends through municipal, public, private as well as not-for-profit enterprises from diverse industries including manufacturing, retail, education, financial services and investment management. He has led a variety of engagements including internal audit reviews, acquisition and divestiture assistance, controls assurance reviews, due diligence exercises, financial modeling and financing assistance.

Experience with the City of London

Chirag is the lead engagement partner for the internal audit outsourced services for the City of London. Chirag has led the development of our risk assessment, project development, scoping and execution of internal audit with a focus on value added findings and a collaborative approach with management.



Duncan McLean

Manager, PricewaterhouseCoopers LLP

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Profile

Duncan is a Manager in the Audit and Assurance Group and has over 8 years experience working with clients that range in both size and industry, with a particular depth of clients in the not-for-profit sector including registered charities and housing co-operatives. This diverse experience helps create a broad understanding and skillset which is particularly valuable for assignments involving value added recommendations and innovative thinking.

Experience with the City of London

Duncan has been involved with several projects and assignments for the City of London beginning in 2015. Duncan's role as interim Director of Finance for the London Middlesex Housing Corporation in 2013 has helped develop knowledge and appreciation of the challenges and opportunities that exist in the unique public sector environment.

Team Members...continued



Christopher O'Connor

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Profile

Christopher is the leader of PwC's Consulting practice in Southwest Ontario. Christopher is based in our Waterloo office. With more than 18 years of experience, Christopher's extensive knowledge has enabled him to specialize in governance, risk and internal controls assurance and advisory services to both public and private companies with a focus on the public sector (education, municipalities, healthcare and crown corporations) and technology.

Experience with the City of London

Christopher has significant experience with internal audit and the public sector and is relied upon as a resource for the PwC team in performing our internal audit services for the City. Christopher has led internal audit and other consulting projects at the City, primarily relating to IT.

Risk Assessment Summary

Engineering & Environmental Services

Regional Water Supply

- Treatment and transmission operations, compliance and maintenance management
- Treatment transmission engineering construction and optimization



Lake Huron and Elgin Areas Board of Management*

* The City has an administration role

Water & Wastewater

- Pollution control operations
- Wastewater and drainage engineering
- Sewer operations
- Construction administration
- Water operations
- Water engineering




Roads & Transportation

- Roadway lighting and traffic control
- Transportation planning and design
- Transportation and roadside operations
- Geomatics
- Stormwater management
- Industrial development

Environment, Fleet & Solid Waste

- Environmental programs
- Solid waste management
- Solid waste operations
- Fleet services

Relative Division Risk Assessment:

-  Higher risk
-  Moderate risk
-  Low Risk

Risk Assessment Summary, Continued

Development & Compliance Services

Building

- Inspections
- Plans examinations
- Property standards
- Property compliance and zoning
- Minor variances

Licensing & By-Law Enforcement

- Municipal by-law enforcement
- Business licensing
- Parking enforcement
- Animal care and control




Development Compliance Services

- Site plans
- Engineering review
- Consents
- Condominiums
- Subdivisions

Business Services

- Operational support and administration
- Cash handling
- Customer call centre

Relative Division Risk Assessment:

-  Higher risk
-  Moderate risk
-  Low Risk

Risk Assessment Summary, Continued

Planning

Environmental & Park Planning

- Natural heritage planning
- Environmentally Significant Area conservation master plans
- Parks and pathway project design and management
- Parkland dedication negotiation
- Community projects collaboration

Urban Forestry

- Forestry master planning
- Pest and disease strategies
- Planting plans and programs




Policy Planning & Programs

- Official plan policy development and stewardship
- Policy projects
- Heritage planning
- Downtown and business district revitalization
- Incentive program administration

Community Planning & Design

- Urban design
- Official plan amendment processing
- Zoning by-law amendment processing
- Secondary plans and community improvement plans

Relative Division Risk Assessment:

-  Higher risk
-  Moderate risk
-  Low Risk

Risk Assessment Summary, Continued

Corporate Services – Finance & IT

Finance

- Purchasing
- Tangible capital assets
- Financial systems controls
- Accounting
- Taxation and revenue
- Payroll
- Development financing
- Asset management

Information Technology




- Information security
- Information system security and software
- Computer controls and hardware
- Business system analysis

Facilities

Financial Planning & Policy

Investment & Partnerships

Relative Division Risk Assessment:

-  Higher risk
-  Moderate risk
-  Low Risk

Risk Assessment Summary, Continued

Corporate Services – Human Resources

Human Resources

- RTW and attendance support
- Employee and client relations
- Occupational health and safety and corporate training
- Labour relations
- Rewards and recognition
- Human resources information system (HRIS)

Human Rights

Corporate Security

Emergency Management

Communications

Corporate Services - Legal




Clerks

- Records and information services
- Court administration
- Legislative services
- Licensing and elections

Legal Services

Risk Management

Relative Division Risk Assessment:

-  Higher risk
-  Moderate risk
-  Low Risk

Risk Assessment Summary, Continued

Housing & Social Services & Dearness Home

Long-term Care

(Dearness Home)

Housing

- Housing access centre
- Social housing administration
- Oversight of LMHC
- Affordable housing program

Ontario Works & Employment




Neighbourhood, Children & Fire Services

Fire

Neighbourhoods & Children's Services

- Area recreation services
- Community development and funding
- Children services
- Homelessness

Relative Division Risk Assessment:

-  Higher risk
-  Moderate risk
-  Low Risk

Risk Assessment Summary, Continued

Parks & Recreation

Parks & Community Support

- Parks operations
- Golf
- Allocations and support services
- Special events




Arenas, Aquatics and Attractions

- Arena operations
- Aquatics operations
- Storybook Gardens

Administration

- Customer service
- Business solutions

Relative Division Risk Assessment:

-  Higher risk
-  Moderate risk
-  Low Risk

Ongoing projects from 2015 Performance Based Audit Plan

	Project	Key Focus
1	<i>Development & Compliance Services:</i> Development Services - processes and approvals surrounding site plans and subdivisions	- Review of development services processes and approvals surrounding site plans and subdivisions - Compliance with document retention policies
2	<i>Housing, Social Services & Dearness Home:</i> Long-term care – oversight and cost structure review	- Process review for efficiency and effectiveness, including communications with key stakeholder groups - Compliance with key regulatory requirements

Proposed 2016 Performance-Based Internal Audit Plan

	Project	Key Focus
1	<i>Corporate services – Finance & IT/ Environmental & Engineering Services:</i> Construction and procurement of higher risk assets	<ul style="list-style-type: none"> - Review of process, approvals, and risk assessment related to the procurement or construction of higher risk assets - Review of procurement process related to Normal School
2	<i>Engineering & Environmental Services:</i> Fleet asset management follow-up review	<ul style="list-style-type: none"> - Follow-up review of action plans determined from previous internal audit engagement, including updated evaluation of fleet rental rates and vehicle utilization (2012)
3	<i>Corporate Services – Finance & IT:</i> Project management and prioritization	<ul style="list-style-type: none"> - Process-based management of projects supported by adequate planning, monitoring and controlling activities - Prioritization of projects based on lifecycle renewal and timing of related projects
4	<i>Corporate Services – Finance & IT:</i> Segregation of duties	<ul style="list-style-type: none"> - Evaluate the design and implementation of IT security initiatives, including access controls and segregation of duties
5	<i>Corporate Services – Finance & IT:</i> Software utilization, consistency and integration (deferred from 2015)	<ul style="list-style-type: none"> - Review of number and types of software applications to assess for redundancies/overlap and opportunities for streamlining and improving integration - Assessment of software/module utilization
6	<i>Corporate Services:</i> Review of inter-municipal agreements	<ul style="list-style-type: none"> - Review of agreements with other municipalities for provision of services
7	<i>Corporate Services – Human Resources:</i> Succession planning follow-up review (deferred from 2015)	<ul style="list-style-type: none"> - Follow up review of action plans determined from previous internal audit engagement, including updated summary of critical positions, available talent pool, and talent pool's career goals and aspirations (2013)
8	<i>Engineering & Environmental Services:</i> Review of allocation of administrative costs to Lake Huron & Elgin Areas Water Supply Boards	<ul style="list-style-type: none"> - Review the determination of cost allocation (or recovery) to/ from the Lake Huron & Elgin Areas Water Supply Boards
9	<i>Development and Compliance Services:</i> Building control	<ul style="list-style-type: none"> - Review the design and operating effectiveness of controls surrounding cash handling