



The Corporation of the City of London 2019 - 2021 Internal Audit plan

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Background

Overview

The City of London ("City") continues to focus its efforts on creating a City that is connected to the world as a leader in commerce, culture and innovation. The City of London continues to build a respected and inspired public service partnership with the following initiatives:

- Strengthening the City of London community;
- Building a sustainable City;
- Growing the City economy; and
- Leading in public service.

As result of these priorities for the City, the Internal Audit Plan focuses on assessing the impact of these and other changes on the control frameworks for the City. The enclosed Audit Plan is for the period January 2019 - December 2021 and was developed using a combination of critical end-to-end business process coverage, understanding of the City of London environment, understanding of key industry risks, discussions with the Senior Leadership Team (SLT) and members of the Audit Committee, and past audit coverage and results.

The 2019 budget for the proposed plan is \$250,000.00. The plan includes utilizing core business process and IT auditor resources, supplemented by Deloitte subject matter advisors for certain audits to assist with providing value-added recommendations to the Audit Committee and management.

Objectives

Our overall objectives in executing the proposed 2019 internal audit plan include the following:

- Assist the City Audit Committee and SLT in fulfilling their oversight responsibilities; and
- Provide independent, objective audit and advisory services designed to add value and improve the effectiveness of the City's control, compliance and governance processes.

This will be achieved through the execution of the internal audit plan, which could include a variety of projects covering areas such as:

- Validating that the tone of leadership as set by SLT reflects appropriate risk and control consciousness and accountability, consistent with the City's values;
- Monitoring and evaluating the effectiveness of the City's control activities;
- Validating that management in each division provides effective monitoring and oversight of processes and activities while balancing risk, cost and benefit;
- Reviewing the reliability and integrity of financial and operating information, and the means used to identify, measure, classify and report such information;
- Reviewing the systems and processes established to ensure compliance with those policies, plans, procedures, laws and regulations which could have a significant impact on City of London operations;
- Assessing whether resources and assets are adequately protected against loss or misappropriation;
- Reporting on observations raised during the course of our audits and reviews and on any identified incidents of internal and/or management fraud; and
- Facilitating the proper level of coordination between Internal Audit, the Audit Committee, external auditors, service reviews and Lean Six Sigma reviews.

Role of Internal Audit

As defined by the Institute of Internal Auditors (IIA), "Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes."

It is management's responsibility to establish, maintain and provide primary assurance to the Committee that appropriate internal control, risk management and governance practices have been put in place within the organization, to reduce business risks to an acceptable level and to ensure that programs are delivered and transactions are executed in accordance with applicable acts, legislation and corporate policies. Internal Audit's role is to provide independent assessment that the practices have been designed appropriately and are operating effectively.

The Institute of Internal Auditors notes that the internal audit function can conduct both assurance services as well as advisory services. Assurance services involve the provision of an objective assessment of internal control, risk management and/or governance practices, often involving the assessment of compliance with policies, procedures and standard operating practices. Advisory services typically involve the conduct of broader business process and efficiency reviews as well as providing support to management in executing its strategies and initiatives, and improving business process performance. When performing advisory services, the internal audit function must maintain objectivity and not assume management responsibility for decision-making.

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Internal Audit plan methodology and risk framework

Internal Audit plan methodology

The Internal Audit plan methodology and approach draws upon the results of the risk assessment activities and audit risk universe development activities. As part of our approach, we have inquired through discussion about the current priorities at the City to determine the higher risk audit universe areas and developed a prioritized audit plan to address those risks. Our Internal Audit approach also supports a risk-based approach.

Risk framework

The Internal Audit program is designed to provide a more systematic means for determining whether risks are effectively assessed, measured, managed, aggregated, and reported. Below is the risk framework developed by Internal Audit based on our industry knowledge and information gained through the risk assessment process, built to identify the key risks to the City. Based on the internal audit planning process the bolded risks are the highest priority for the City.

Please see Appendix A: Risk framework for risk definitions of the risks depicted below.

Environment risk

Stakeholder wants	Technological innovation	Government Policy
Regulatory	Capital availability	Catastrophic loss

Process risk

Operations	Empowerment	Financial
Citizen satisfaction	Leadership	Liquidity
Citizen fraud	Authority	
Human resources	Change readiness	
Capacity	Accountability	
Partnering	Culture	
Compliance	Integrity	Information processing/ technology
Business interruption	Illegal acts	Relevance
Health and safety	Reputation	Integrity
Security		Access/Security breach
Legal		Infrastructure
		Cyber

Information for decision-making risk

Process/operational	Organizational reporting	Environment/strategic
Contract commitment	Budget and planning	Environmental scan
Performance measurement	Accounting information	Performance measurement
Organizational alignment	Taxation	Planning
	Regulatory reporting	
	Compensation and benefits	

Audit universe

Internal Audit performs audits and reviews from a process and departmental standpoint. In order to organize and better report on results of internal audits, we have prepared an Internal Audit Universe with an initial mapping of the Universe to the key risks in the risk framework for the City.

This universe is also meant to depict the full scope of areas that could be audited by Internal Audit. Going forward, this universe can be used to demonstrate the coverage provided by the Internal Audit function over time.

Please see Appendix A: Risk framework for risk definitions.

Internal Audit Universe Areas		Risks	
Corporate Services	Solicitor	<ul style="list-style-type: none"> Regulatory Government Policy Reputation 	<ul style="list-style-type: none"> Compliance Illegal Acts Catastrophic loss
	Human Resources	<ul style="list-style-type: none"> Human Resources Health and Safety Reputation Accountability Security 	<ul style="list-style-type: none"> Compensation and Benefits Illegal Acts Capacity Leadership Organizational alignment
	Finance and Treasury	<ul style="list-style-type: none"> Liquidity Taxation Capital Availability Reputation 	<ul style="list-style-type: none"> Budgeting and Planning Accounting Information Regulatory Reporting
	Information Technology	<ul style="list-style-type: none"> Relevance Integrity Change Readiness Reputation Cyber 	<ul style="list-style-type: none"> Access/Security Breach Infrastructure Technological Innovation Business interruption
	Corporate Communication	<ul style="list-style-type: none"> Partnering Reputation 	<ul style="list-style-type: none"> Contract Commitment
	Economic Innovation	<ul style="list-style-type: none"> Partnering Reputation 	<ul style="list-style-type: none"> Change Readiness
	Emergency Planning	<ul style="list-style-type: none"> Partnering Reputation 	<ul style="list-style-type: none"> Change Readiness Health and Safety

Internal Audit Universe Areas		Risks	
Administration	Planning	<ul style="list-style-type: none"> • Planning 	<ul style="list-style-type: none"> • Environmental Scan
	Development and Compliance Services	<ul style="list-style-type: none"> • Regulatory • Government Policy • Reputation 	<ul style="list-style-type: none"> • Compliance • Partnering • Contract Commitment
	Environmental	<ul style="list-style-type: none"> • Regulatory • Government Policy 	<ul style="list-style-type: none"> • Government Policy • Reputation
	Engineering	<ul style="list-style-type: none"> • Planning • Environmental scan 	<ul style="list-style-type: none"> • Regulatory • Reputation
Services	Housing	<ul style="list-style-type: none"> • Health and Safety • Stakeholder wants • Reputation 	<ul style="list-style-type: none"> • Government Policy • Infrastructure
	Social Services	<ul style="list-style-type: none"> • Health and Safety • Reputation 	<ul style="list-style-type: none"> • Government Policy
	Dearness Home	<ul style="list-style-type: none"> • Health and Safety • Reputation 	<ul style="list-style-type: none"> • Stakeholder wants
	Neighbourhood & Children services	<ul style="list-style-type: none"> • Health and Safety • Reputation 	<ul style="list-style-type: none"> • Stakeholder wants
	Fire	<ul style="list-style-type: none"> • Health and Safety • Reputation 	<ul style="list-style-type: none"> • Citizen Satisfaction • Partnering
	Service London	<ul style="list-style-type: none"> • Reputation 	<ul style="list-style-type: none"> • Citizen Satisfaction
Parks & Recreation	Parks & Recreation	<ul style="list-style-type: none"> • Health and Safety • Reputation 	<ul style="list-style-type: none"> • Stakeholder wants • Citizen satisfaction

Internal Audit Universe Areas		Risks	
Agencies, Boards, Commissions and Corporations	Argyle Business Improvement Area Board of Management	<ul style="list-style-type: none"> • Health and Safety • Reputation 	<ul style="list-style-type: none"> • Citizen Satisfaction • Organizational alignment
	Covent Garden Market Corporation		
	Eldon House Corporation		
	Housing Development Corporation		
	London Convention Centre Corporation		
	Downtown London Business Improvement Area		
	London Hydro Inc.		
	London & Middlesex Community Housing		
	London Police Services Board		
	London Public Library Board		
	London Transit Commission		
	Middlesex-London Health Unit		
	Museum London		
	Old East Village Business Improvement Area		
	Elgin Area Water Primary Water Supply System		
Lake Huron Primary Water Supply System			

Summary 2019-2021 Audit Plan by audit universe area

The following table outlines the audit plan summary by Audit Universe area for each of the three years. A full scoping exercise will be performed and documented at the planning stage for each Internal Audit project that will prioritize risk areas to be audited within the allocated budget. The list of projects identified in FY 2020 and FY 2021 is not yet final and will be revisited with the Senior Leadership Team and Audit Committee in late 2019 to select 6-7 projects in accordance with the internal audit budget.

Internal Audit Universe Areas		FY 2019 January 2019 to December 2019	FY 2020 January 2020 to December 2020	FY 2021 January 2021 to December 2021
Corporate Services	Solicitor		Clerks Office Assessment: Assess the operational controls and management oversight controls within the Clerks Office.	
	Human Resources		Recruitment Process Assessment: Assess the recruiting and hiring processes for the City with emphasis on controls, adherence to government requirements, the timeliness and effectiveness of the hiring process.	HRIS Project Pre-implementation Review: Should the City decide to implement a new HRIS system Internal Audit would evaluate and assess the scope, user requirements and the design of the proposed controls to be established.
	Finance and Treasury	FY2018 project in progress: Construction Procurement Process Assessment: Assess the operational processes and controls in place related to consulting and construction procurement including the selection/engagement of consultants and management of their contracts.		Environment and Asset Retirement Obligations Assessment: Assess the processes and controls in place related to the identification, monitoring and reporting of environmental and financial asset retirement obligations, including compliance with requirements under Section PS 3280.

Internal Audit Universe Areas		FY 2019 January 2019 to December 2019	FY 2020 January 2020 to December 2020	FY 2021 January 2021 to December 2021
		<p>Electronic Fund Transfer Compliance Assessment: Assess compliance of the processes and controls in place for electronic fund transfers inbound/outbound against policy and City requirements.</p>		
	<p>Information Technology</p>	<p>FY2018 project carry forward: IT Security Assessment: Based on the Cyber workshop and first year experiences perform a more focused evaluation of one or a select number of IT security areas.</p> <p>IT Cyber Risk Workshop: A one-day workshop to inventory the key cyber security threats for the City and identify the high-level processes and technology in place to address the threats.</p>		<p>IT Risk Identification Process Assessment: Evaluate and assess the IT risk identification and assessment process to understand how risks are mitigated and reported.</p>
	<p>Corporate Communication</p>	<p>Corporate Communication will be included as parts of other audits, as necessary.</p>		
	<p>Emergency Planning</p>			<p>Emergency Planning Process Review: Assess the procedures and controls in place related to the City's emergency planning process. Elements of business continuity and disaster recovery will be considered including the evaluation of end-user requirements.</p>

Internal Audit Universe Areas		FY 2019 January 2019 to December 2019	FY 2020 January 2020 to December 2020	FY 2021 January 2021 to December 2021
Administration	Planning	<p>Smart City Strategy Implementation: In accordance with the Smart City Strategy, work with Staff and the IBI Group to develop an approach for creating a strong smart city culture within the Corporation. Help develop a governance model for advancing the strategy in the community.</p>	<p>Resiliency Planning Governance and Monitoring: Work with Staff through the preparation of the City's Resiliency Strategy to develop a meaningful monitoring and measuring program. Work with staff to establish an appropriate governance model for implementation of the Strategy.</p>	<p>Industrial Community Improvement Plan Incentives: Review Industrial Community Improvement Plan incentives to review best practices, assess value for money generated by these incentives and reviewing the potential for reducing or eliminating these incentives.</p>
	Development and Compliance Services	<p>Parking Enforcement Assessment: Assess the control framework currently in place for enforcement (under contract) and recommend areas for improvement. The review will also identify efficiencies to improve the process.</p>	<p>Assumption and Securities Assessment: Assess the control framework and processes currently in place for new development and securities.</p>	<p>Permit of Approved Works Program Review: Assess the permit of approved works process and control framework in place for issuing permits. Including booking grants for eligible development projects in the permit reporting system.</p>
	Environmental		<p>Public Works Process Assessment: Assess the effectiveness of processes and controls in place for operational and financial processes within public works.</p>	
	Engineering	<p>FY2018 project in progress: Construction Procurement Process Assessment: (See description under Finance) Computerised Maintenance Management System (CMMS) Pre-implementation Review: Evaluate and assess the controls framework proposed and being established.</p>	<p>Traffic Management Project Pre-implementation Review: Evaluate and assess the proposed scope, user requirements and controls to be established for the Traffic Management system.</p>	<p>Strategic Investment Project: Assess a facet of the strategic investment project based on the milestones reached within the project. Possible assessment areas of focus include project management controls and effectiveness, an assessment of the tendering, awarding and procurement process, construction auditing, and contract compliance auditing and communications assessment.</p>

Internal Audit Universe Areas		FY 2019 January 2019 to December 2019	FY 2020 January 2020 to December 2020	FY 2021 January 2021 to December 2021
Services	Housing			
	Social Services		Social Services Process Assessment: Assess the effectiveness of processes and controls in place for operational and financial processes within social services.	
	Dearness Home	Dearness Home Process Assessment: Review the processes and controls in place for operational and financial processes within Dearness Home. The assessment will include policy, scheduling and staff training.		
	Neighbourhood and Children services			
	Fire		Fire Process Assessment: Assess the processes and controls in place for operational and financial processes within fire services. This audit will evaluate the effectiveness of data reporting and monitoring of key performance indicators.	
	Service London		Service London Process Assessment: Review the effectiveness of processes and controls in place for operational and financial processes within Service London.	
Parks & Recreation	Parks & Recreation	Ongoing Project: Class Replacement Project Pre-implementation Review: Evaluate and assess the controls framework established for the Class system.		

Internal Audit Universe Areas		FY 2019 January 2019 to December 2019	FY 2020 January 2020 to December 2020	FY 2021 January 2021 to December 2021
Agencies, Boards, Commissions and Corporations*	Argyle Business Improvement Area Board of Management			
	Covent Garden Market Corporation			
	Eldon House Corporation			
	Housing Development Corporation			
	London Convention Centre Corporation			
	Downtown London Business Improvement Association			
	London Hydro Inc.			
	London & Middlesex Community Housing			
	London Police Services Board			
	London Public Library Board			
	London Transit Commission			

Internal Audit Universe Areas		FY 2019 January 2019 to December 2019	FY 2020 January 2020 to December 2020	FY 2021 January 2021 to December 2021
	Middlesex-London Health Unit			
	Museum London			
	Old East Village Business Improvement Area			
	Tourism London			
	Elgin Area Water Primary Water Supply System			
	Lake Huron Primary Water Supply System			
<p>* - Agencies, Boards, Commissions and Corporations are not within Internal Audit's scope with the Corporation of the City of London. Internal audits of Agencies, Boards, Commissions and Corporations would be recommended separate from this Internal Audit Plan and approved by Audit Committee.</p>				

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Summary January to December 2019

The Audit Plan has been developed with a view of addressing the highest areas of risk for the City based on our understanding of risks from discussions with the Audit Committee members, Senior Leadership and past audit results and our understanding of industry. Internal Audit will review the results of the risk assessment when reviewing the plan on a quarterly basis to determine if changes are required to the plan to address higher priority risks and any changes to the plan will be presented to the Audit Committee for approval. The following table outlines the audit projects for January to December 2019 with associated budgets.

Internal Audit Plan January 2019 to December 2019	
Projects	Budget
Electronic Fund Transfer Compliance Assessment	\$40,000
Smart City Office (pre-implementation) Assessment	40,000
Parking Enforcement Assessment	40,000
Computerised Maintenance Management System (CMMS) Pre-implementation Review	35,000
Dearness Home Process Assessment	40,000
One Day Cyber-intelligence Workshop	5,000
Project Management, management meetings and Audit Committee reporting and attendance	35,000
Follow-up of outstanding observations *	15,000
Annual Internal Audit Plan	Nil
Total 2019 Internal Audit Budget	\$250,000
Actual incurred expenses will be billed in accordance with the engagement letter terms	
* Internal Audit Follow-ups for 2017 to present will be performed in advance of each Audit Committee meeting for outstanding observations that are due and will include verbal updates, validation of status and summary reporting on results of the follow-up.	

Appendix A – Risk framework

The following details the risk definitions by risk type that have been mapped in the Audit Universe.

Environmental

Environment risk arises when there are external forces that could affect the viability of the City, including the fundamentals that drive the overall objectives and strategies.

Stakeholder wants risk. Pervasive stakeholder needs and wants change and the City is not aware (e.g., citizens, employees, government, regulatory bodies, etc.).

Technological innovation risk. The City is not leveraging advancements in technology in organizational activities to achieve advantages

Capital availability risk. Insufficient access to government capital threatens the City's capacity to grow and execute on strategic priorities.

Regulatory risk. Changing regulations threaten the City's position and its capacity to efficiently offer programs and services.

Catastrophic loss risk. A major disaster threatens the City's ability to sustain operations.

Government policy risk. Changes in government policy threaten the City's position and its capacity to efficiently offer programs and services.

Process Risks

Process risk is the risk that the City processes are not effectively providing programs and services; are not clearly defined; are poorly aligned with the City strategies and are not performing effectively and efficiently in satisfying citizen needs.

Operations risk

Citizen satisfaction risk. A lack of focus on citizens threatens the City's capacity to meet expectations.

Citizen fraud risk. Fraudulent activities perpetrated by citizens expose the City to financial loss.

Human resources risk. The risk that we do not have the right people or that our people do not have the necessary skills, knowledge and expertise to allow the City to successfully achieve objectives.

Capacity risk. Insufficient capacity threatens the City's ability to meet demands, or excess capacity threatens the City's ability to offer programs and services.

Partnering risk. Inefficient or ineffective alliance, outsourcing, affiliate and other external relationships affect the City's capability to deliver; these uncertainties arise due to choosing the wrong partner, poor execution and failing to capitalize on partnering opportunities.

Compliance risk. Non-compliance with prescribed policies and procedures or laws and regulations may result in lost reputation, penalties, fines, etc.

Business interruption risk. Business interruptions stemming from the unavailability of labour, information technologies or other resources threaten the City's capacity to continue operations.

Health and safety risk. The risk that the City's infrastructure is not safe for citizens, employees and other stakeholders thereby interrupting the operation of the City or threatening the delivery of programs and services.

Security. The City's security measures fail to prevent damage, injury or loss.

Legal risk. Actions of City employees increase exposure to lawsuits or other legal action.

Empowerment risk

Leadership risk. The risk that the City's staff are not being effectively led, which may result in a lack of direction, focus, motivation to perform, executive credibility and trust throughout the organization.

Authority/limit risk. Failure to establish or enforce limits on personnel actions may cause employees to commit unauthorized or unethical acts, or to assume unauthorized or unacceptable risks.

Change readiness risk. Staff are unable or unwilling to implement process and program or service improvements to keep pace with changes.

Accountability risk. Management and front-line staff are not held directly accountable for their actions and/or the results of their performance.

Culture risk. Created when there is misalignment between the City's values and leader actions, employee behaviours, or organizational systems.

Integrity risk

Illegal acts risk. Illegal acts committed by management and front-line staff expose the City to fines, and sanctions.

Reputation risk. Damage to the City's reputation exposes it to citizen dissatisfaction and unnecessary media attention.

Financial risk

Liquidity risk. Liquidity risk is the exposure to loss as a result of the inability to meet cash flow obligations in a timely and cost-effective manner.

Information processing/technology risk

Relevance risk. Irrelevant information created or summarized by an application system may adversely affect users' decisions.

Integrity risk. All of the risks associated with the authorization, completeness and accuracy of transactions as they are entered into, processed by, summarized by and reported by the various application systems deployed by the City.

Access risk/ breach of security. Failure to adequately restrict access to information (data or programs) may result in unauthorized knowledge and use of confidential information, or overly restrictive access to information may preclude personnel from performing their assigned responsibilities effectively and efficiently.

Infrastructure risk. The risk that the City does not have the information technology infrastructure (e.g., hardware, networks, software, people and processes) it needs to effectively support the current and future information requirements of the City in an efficient, cost-effective and well-controlled fashion.

Cyber risk. The risk of financial loss, disruption or damage to the reputation of an organization from some sort of failure of its information technology systems.

Information for decision-making risk

Information for decision-making risk is the risk that information used to support the execution of the operating model, the internal and external reporting on performance and the continuous evaluation of the effectiveness of the City is not relevant or reliable.

Process/operational information for decision-making risk

Contract commitment risk. The risk that contract commitments are not captured and documented exposing the City to multiple or duplicate contracts or commitments.

Performance measurement risk. Performance is not measured or performance measures are not aligned with City strategies and business objectives.

Organizational alignment risk. Failure to align process objectives and performance measures with objectives and strategies may result in conflicting, uncoordinated activities throughout the City.

Reporting information for decision making risk

Budget and planning risk. Non-existent, unrealistic, irrelevant or unreliable budget and planning information may cause inappropriate financial conclusions and decisions.

Accounting information risk. Overemphasis on financial accounting information to manage the City may result in the manipulation of outcomes to achieve financial targets at the expense of not meeting satisfaction, quality and efficiency objectives.

Taxation risk. Failure to accumulate and consider relevant tax information may result in non-compliance with tax regulations or adverse tax consequences that could have been avoided had transactions been structured differently.

Regulatory reporting risk. Incomplete, inaccurate and/or untimely reporting of required financial and operating information to regulatory agencies may expose Davis + Henderson to fines, penalties and sanctions.

Compensation and benefits risk. Incomplete and/or inaccurate information pertaining to compensation and benefits (i.e., pension plans, deferred compensation plans, benefit plans, etc.) may preclude the City from meeting its defined obligations to employees on a timely basis and result in a loss of morale and reputation, work stoppages, litigation and additional funding requirements.

Environment/strategic information for decision-making risk

Environmental scan risk. Failure to monitor the external environment or formulation of unrealistic or erroneous assumptions about environment risks may cause the City to retain strategies long after they have become obsolete.

Performance measurement risk. Non-existent, irrelevant or unreliable performance measures that are inconsistent with established business objectives threaten the City's ability to execute its business objectives.

Planning risk. An unimaginative and cumbersome strategic planning process may result in irrelevant information that threatens the City's capacity to formulate viable strategies.

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Appendix B – 2019 Audit plan rationale

The following table outlines the specific audit projects and rationale for inclusion in the 2019 Internal Audit plan scheduled for execution from January to December 2019.

Projects	Project description	Rationale for inclusion in plan			
		Key inherent business risk	Suggested by Audit Committee	Suggested by Management	Not audited recently
Finance and Treasury					
Electronic Fund Transfer Compliance Assessment:	Assess compliance of the processes and controls in place for electronic fund transfers inbound/outbound against policy and City requirements.	X	X	X	X
Information Technology					
IT Cyber Risk Workshop	A one day workshop to inventory the key cyber security threats for the city and identify the process and technology in place to address the threats.	X		X	X

Project description		Rationale for inclusion in plan				
Projects		Key inherent business risk	Suggested by Audit Committee	Suggested by Management	Aligned with key Initiatives	Not audited recently
Planning						
Smart City Office (pre-implementation) Assessment:	In accordance with the Smart City Strategy, work with Staff and the IBI Group to develop an approach for creating a strong smart city culture within the Corporation. Help develop a governance model for advancing the strategy in the community.	X		X	X	X

Project description		Rationale for inclusion in plan				
Projects		Key inherent business risk	Suggested by Audit Committee	Suggested by Management	Aligned with key Initiatives	Not audited recently
Development and Compliance Services						
Parking Enforcement Assessment:	Assess the control framework currently in place for enforcement (under contract) and recommend areas for improvement. The review will also identify efficiencies to improve the process.	X		X		X

Projects	Project description	Rationale for inclusion in plan				
		Key inherent business risk	Suggested by Audit Committee	Suggested by Management	Aligned with key Initiatives	Not audited recently
Engineering						
Computerised Maintenance Management System (CMMS) Pre-implementation Review:	Evaluate and assess the controls framework proposed and being established.	X		X	X	

Projects	Project description	Rationale for inclusion in plan				
		Key inherent business risk	Suggested by Audit Committee	Suggested by Management	Aligned with key Initiatives	Not audited recently
Dearness Home						
Dearness Home Process Assessment:	Review the processes and controls in place for operational and financial processes within Dearness Home. The assessment will include policy, scheduling and staff training.	X		X	X	X

Appendix C – Risk Prioritization and Audit Universe Coverage

The following table outlines the coverage by Internal Audit Universe Area since 2012 and the planned coverage from 2019-2021. Also included is Internal Audit’s initial risk prioritization of the Audit Universe Area based on our planning interviews with management and our understanding of the inherent risks and current controls in place and residual risks. Our risk prioritization will be updated as Internal Audit’s work progresses.

		Previous Outsourced IA Function					Deloitte Outsourced IA Function				
Internal Audit Universe Areas	Prioritization	FY 2012 January 2012 to December 2012	FY 2013 January 2013 to December 2013	FY 2014 January 2014 to December 2014	FY 2015 January 2015 to December 2015	FY 2016 January 2016 to December 2016	FY 2017 June 2017 to December 2017	FY 2018 January 2018 to December 2018	FY 2019 January 2019 to December 2019	FY 2020 January 2020 to December 2020	FY 2021 January 2021 to December 2021
Corporate Services	Solicitor	Medium					Freedom of Information process Assessment			Clerks Office Assessment	
	Human Resources	High	Succession Planning				Management Compensation Process Assessment	Health and Safety Assessment		Recruitment Process Assessment	HRIS Project Pre-implementation Review
	Finance and Treasury	High	Purchasing Cards Expenditure Approval and Payment Payroll Administration	Budgeting Process Facilities and Property Utilization Property Tax Assessments & Collections			Construction and Procurement of Higher Risk Assets, including Normal School	Procurement Process Assessment	Electronic Fund Transfer Compliance Assessment		Environment and Asset Retirement Obligations Assessment
	Information Technology	High		Project Management and Utilization			IT Cyber Risk Workshop IT Project Portfolio and Project Management Assessment	Class Replacement Project Post-implementation Review IT Security Assessment	IT Cyber Risk Workshop		IT Risk Identification Process Assessment

		Previous Outsourced IA Function					Deloitte Outsourced IA Function					
Internal Audit Universe Areas		Prioritization	FY 2012 January 2012 to December 2012	FY 2013 January 2013 to December 2013	FY 2014 January 2014 to December 2014	FY 2015 January 2015 to December 2015	FY 2016 January 2016 to December 2016	FY 2017 June 2017 to December 2017	FY 2018 January 2018 to December 2018	FY 2019 January 2019 to December 2019	FY 2020 January 2020 to December 2020	FY 2021 January 2021 to December 2021
	Corporate Communication	Medium						Corporate Communication will be included as parts of other audits, as necessary.				
	Economic Innovation	Low										
	Emergency Planning	Medium										Emergency Planning Process Review
Administration	Planning	Low		Urban Forestry and Planning Application Process						Smart City Strategy Implementation	Resiliency Planning Governance and Monitoring	Industrial Community Improvement Plan Incentives
	Development and Compliance Services	Medium	Building Control Compliance		By-law Enforcement & Licensing	Processes and Approvals Surrounding Inspection Phase of Site Plans and Subdivisions	Building Cash Controls		Parking Revenue Generation Assessment	Parking Enforcement Assessment	Assumption and Securities Assessment	Permit of Approved Works Program Review
	Building	Low						Building Permit Process Assessment	Restructured into Development and Compliance Services			
	Environmental	Low	Contract and Tendering Administration	Urban Forestry and Planning Application Process	Solid Waste - Landfill Process Review Solid Waste (Garbage) Collection and Recycling Process Review						Public Works Process Assessment	
	Engineering	High	Contract and Tendering Administration Fleet Asset Management		Roads & Transportation - Project Management and Resource Utilization Roads & Transportation - Capital Budget Development and Project Costing		Construction and procurement of higher risk assets, including Normal School Allocation of Administrative Costs to Lake Huron & Elgin Areas Water Supply Boards		Construction Procurement Process Assessment	Computerised Maintenance Management System (CMMS) Pre-implementation Review	Traffic Management Project Pre-implementation Review	Strategic Investment Project Review

		Previous Outsourced IA Function					Deloitte Outsourced IA Function					
Internal Audit Universe Areas		Prioritization	FY 2012 January 2012 to December 2012	FY 2013 January 2013 to December 2013	FY 2014 January 2014 to December 2014	FY 2015 January 2015 to December 2015	FY 2016 January 2016 to December 2016	FY 2017 June 2017 to December 2017	FY 2018 January 2018 to December 2018	FY 2019 January 2019 to December 2019	FY 2020 January 2020 to December 2020	FY 2021 January 2021 to December 2021
Services	Housing	Medium			Housing Access Centre Process Review			Homelessness Prevention Management Process Assessment	Housing Process Assessment			
	Social Services	Medium	Financial Management and Ontario Works Claims Review	London Public Library Public base and Fee Structure		Long-term Care - Governance, Oversight and Structure Review					Social Services Process Assessment	
	Dearness Home	Low							Dearness Home Process Assessment			
	Neighbourhood and Children	Medium										
	Fire	Medium									Fire Process Assessment	
	Service London	Medium									Service London Process Assessment	
Parks & Recreation	Medium	Health and Safety	Revenue Strategies		Cost Structure and Delivery Model		Cash Handling Process Review	Class Replacement Project Post-implementation Review				
Agencies, Boards, Commissions and Corporations	Argyle Business Improvement Area Board of Management											
	Covent Garden Market Corporation											
	Eldon house Corporation											
	Housing Development Corporation							Housing Process Assessment				

		Previous Outsourced IA Function					Deloitte Outsourced IA Function				
Internal Audit Universe Areas	Prioritization	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
		January 2012 to December 2012	January 2013 to December 2013	January 2014 to December 2014	January 2015 to December 2015	January 2016 to December 2016	June 2017 to December 2017	January 2018 to December 2018	January 2019 to December 2019	January 2020 to December 2020	January 2021 to December 2021
London Convention Centre Corporation			Revenue & Growth Opportunities								
London Downtown Business Association											
London Hydro Inc.											
London & Middlesex Housing Corporation			Organizational Review Purchased Services Review					Housing Process Assessment			
London Police Services Board											
London Public Library			Revenue Base and Fee Structure								
London Transit Commission			Payroll & Time-off Provisions								
Middlesex-London Health Unit			Efficiency & Shared Services Review								
Museum London											
Old East Village Business Improvement Area											
Public Utility Commission of the City of London											

		Previous Outsourced IA Function					Deloitte Outsourced IA Function				
Internal Audit Universe Areas	Prioritization	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
		January 2012 to December 2012	January 2013 to December 2013	January 2014 to December 2014	January 2015 to December 2015	January 2016 to December 2016	June 2017 to December 2017	January 2018 to December 2018	January 2019 to December 2019	January 2020 to December 2020	January 2021 to December 2021
Elgin Area Water Primary Water Supply System						Allocation of Administrative Costs to Lake Huron & Elgin Areas Water Supply Boards					
Lake Huron Primary Water Supply System						Allocation of Administrative Costs to Lake Huron & Elgin Areas Water Supply Boards					

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