



The Corporation of the City of London 2020 - 2022 Internal Audit plan

Approved by Audit Committee: November 6, 2019

Table of contents

Background	1
Internal Audit plan methodology and risk framework	3
Audit universe	5
Summary 2020-2022 Audit Plan by audit universe area	8
Summary January to December 2020	13
Appendix A – Risk framework	14
Appendix B – 2020 Audit plan rationale	18
Appendix C – Multi-Year Budget Coverage	20
Appendix D – Summary of changes from FY2019 IA plan to FY2020 IA plan	22

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
- Creating a Safe London for women and girls
- 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 2020 - December 2022 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 2020 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 2020 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.

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 • Revenue Generation
	Emergency Planning	<ul style="list-style-type: none"> • Partnering • Reputation 	<ul style="list-style-type: none"> • Change Readiness • Health and Safety
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
	Engineering	<ul style="list-style-type: none"> • Planning • Environmental scan 	<ul style="list-style-type: none"> • Regulatory • Reputation

Internal Audit Universe Areas		Risks	
Services	Housing	<ul style="list-style-type: none"> • Health and Safety • Stakeholder wants • Reputation 	<ul style="list-style-type: none"> • Government Policy • Infrastructure
	Environmental	<ul style="list-style-type: none"> • Regulatory • Government Policy 	<ul style="list-style-type: none"> • Government Policy • Reputation
	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
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		
	Hamilton Road Business Improvement Area		
	Housing Development Corporation		
	Hyde Park Business Improvement Area		
	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			

Internal Audit Universe Areas	Risks
Old East Village Business Improvement Area	
Elgin Area Water Primary Water Supply System	
Lake Huron Primary Water Supply System	

Summary 2020-2022 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. Furthermore; the list of projects identified in FY 2021 and FY 2022 is not final and is meant to be a repository of potential projects that internal audit could undertake. This listing will be revisited with the Senior Leadership Team and Audit Committee in late 2020 to select internal audit projects in accordance with the internal audit budget.

Internal Audit Universe Areas	FY 2020 Jan 1 2020 to Dec 31 2020	FY 2021 Jan 1 2021 to Dec 31 2021	FY 2022 Jan 1 2022 to Dec 31 2022
Corporate Services	Solicitor Clerks Office Assessment: Assess the effectiveness and efficiency, and as required value for money, of selected processes. The review will also look at operational 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 Post-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	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,	

Internal Audit Universe Areas		FY 2020 Jan 1 2020 to Dec 31 2020	FY 2021 Jan 1 2021 to Dec 31 2021	FY 2022 Jan 1 2022 to Dec 31 2022
			including compliance with requirements under Section PS 3280.	
	Information Technology		IT Risk Identification Process Assessment: Evaluate and assess the IT risk identification and assessment process to understand how risks are mitigated and reported.	
	Emergency Planning			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.
Administration	Planning	Ongoing project: 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.		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.
	Development and Compliance Services		Assumption and Securities Assessment: Assess the control framework and processes currently in place for new development and securities.	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.
	Engineering	Traffic Management Project Review: Evaluate and assess the proposed scope, user requirements and controls established for the Traffic Management system.		Public Works Process Assessment: Assess the effectiveness and efficiency of processes and controls in place for

Internal Audit Universe Areas		FY 2020 Jan 1 2020 to Dec 31 2020	FY 2021 Jan 1 2021 to Dec 31 2021	FY 2022 Jan 1 2022 to Dec 31 2022
		Ongoing Project: Computerised Maintenance Management System (CMMS) Pre-implementation Review: Evaluate and assess the controls framework proposed and being established.		operational and financial processes within public works.
Services	Housing			
	Environmental			
	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			
	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 &	Parks & Recreation	Ongoing Project: Class Replacement Project Pre-implementation Review: Evaluate		

Internal Audit Universe Areas		FY 2020 Jan 1 2020 to Dec 31 2020	FY 2021 Jan 1 2021 to Dec 31 2021	FY 2022 Jan 1 2022 to Dec 31 2022
		and assess the controls framework established for the Class system.		
Agencies, Boards, Commissions and Corporations*	Argyle Business Improvement Area Board of Management			
	Covent Garden Market Corporation			
	Eldon House Corporation			
	Hamilton Road Business Improvement Area			
	Housing Development Corporation			
	Hyde Park Business Improvement Area			
	London Convention Centre Corporation			
	Downtown London Business Improvement Association			
	London Hydro Inc.			
	London & Middlesex			

Internal Audit Universe Areas	FY 2020 Jan 1 2020 to Dec 31 2020	FY 2021 Jan 1 2021 to Dec 31 2021	FY 2022 Jan 1 2022 to Dec 31 2022
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			
Tourism London			
Elgin Area Water Primary Water Supply System			
Lake Huron Primary Water Supply System			

* - 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.

Summary January to December 2020

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 2020 with associated budgets.

Internal Audit Plan January 2020 to December 2020

Projects	Budget
Clerks Office Assessment	\$45,000
Traffic Management Project Review	40,000
Fire Process Assessment	45,000
Service London Process Assessment	45,000
Ongoing Class Replacement	25,000
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 2020 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.

Appendix B – 2020 Audit plan rationale

The following table outlines the specific audit projects and rationale for inclusion in the 2020 Internal Audit plan scheduled for execution from January to December 2020.

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
Solicitor						
Clerks Office Assessment:	Assess the effectiveness and efficiency, and as required value for money, of selected processes. The review will also look at operational and management oversight controls within the Clerks Office.	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						
Traffic Management Project Review:	Evaluate and assess the proposed scope, user requirements and controls established for the Traffic Management system.	X	X	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
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.	X	X	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
Service London						
Service London Process Assessment:	Review the effectiveness of processes and controls in place for operational and financial processes within Service London.	X		X	X	X

Appendix C – Multi-Year Budget Coverage

The following table outlines the coverage by 2016-2019 Multi-Year Budget Service Area since 2017, the start of Deloitte Outsourced IA Function, including the planned coverage from 2020-2022.

	Deloitte Outsourced IA Function					
Service	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	FY 2022 January 2022 to December 2022
Culture						
Economic Prosperity						
Environmental Services						Public Works Process Assessment
Parks, Recreation & Neighbourhood Services	Cash Handling Process Review	Class Replacement Project Post-implementation Review				
Planning & Development Services	Building Permit Process Assessment				Assumption and Securities Assessment	Industrial Community Improvement Plan Incentives Permit of Approved Works Program Review
Protective Services				Fire Process Assessment		Emergency Planning Process Review
Social & Health Services	Homelessness Prevention Management Process Assessment	Housing Process Assessment	Dearness Home Process Assessment			Social Services Process Assessment
Transportation Services		Parking Revenue Generation Assessment Construction Procurement Process Assessment	Parking Enforcement Assessment	Traffic Management Project Review		
Corporate, Operational & Council Services	Freedom of Information process Assessment Management Compensation Process Assessment IT Cyber Risk Workshop IT Project Portfolio and Project Management Assessment	Health and Safety Assessment Procurement Process Assessment	Electronic Fund Transfer Compliance Assessment IT Cyber Risk Workshop IT Security Assessment	Clerks Office Assessment	Recruitment Process Assessment Environment and Asset Retirement Obligations Assessment IT Risk Identification Process Assessment	HRIS Project Post-implementation Review

	Deloitte Outsourced IA Function					
Service	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	FY 2022 January 2022 to December 2022
Financial Management						
Strategic Area of Focus			Computerised Maintenance Management System (CMMMS) Pre-implementation Review	Service London Process Assessment		

Appendix D – Summary of changes from FY2019 IA plan to FY2020 IA plan

The following table summarizes changes to planned internal audit projects by Audit Universe from the approved FY 2019 Internal Audit plan to the plan presented for FY 2020 as shown above in the “Summary 2020-2022 Audit Plan by audit universe area.”

Internal Audit Universe Areas	FY 2020 Jan 1 2020 to Dec 31 2020	FY 2021 Jan 1 2021 to Dec 31 2021	
Corporate Services	Solicitor	<p>[No change] Clerks Office Assessment: Assess the effectiveness and efficiency, and as required value for money, of selected processes. The review will also look at operational and management oversight controls within the Clerks Office.</p>	
	Human Resources	<p>[Deferred to 2021] 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.</p> <p>Rationale: Deferred by management as currently conducting an HR function review which may result in changes to recruitment process. Review deferred to FY2021 once changes are implemented.</p>	<p>[Deferred to 2022] HRIS Project Post-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.</p> <p>Rationale: Deferred by management as a result of deferral of Recruitment Process Assessment.</p>
	Finance and Treasury		<p>[No change] 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.</p>

Internal Audit Universe Areas		FY 2020 Jan 1 2020 to Dec 31 2020	FY 2021 Jan 1 2021 to Dec 31 2021
Administration	Information Technology		[No change] IT Risk Identification Process Assessment: Evaluate and assess the IT risk identification and assessment process to understand how risks are mitigated and reported.
	Emergency Planning		[Deferred to 2022] 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. Rationale: Deferred by management based on prioritization of other projects on the FY 2020 IA plan.
	Planning	[No change - ongoing] Ongoing project: 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. [Removed] 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. Rationale: Removed through discussion with senior leadership and prioritization of other projects on the FY 2020 IA plan.	[Deferred to 2022] 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. Rationale: Deferred by management based on prioritization of other projects on the FY 2020 IA plan.
	Development and Compliance Services	[Deferred to 2021] Assumption and Securities Assessment: Assess the control framework and processes currently in place for new development and securities.	[Deferred to 2022] 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.

Internal Audit Universe Areas		FY 2020 Jan 1 2020 to Dec 31 2020	FY 2021 Jan 1 2021 to Dec 31 2021
		Rationale: Deferred by management in consideration of expected legislative changes that may impact the assessment and resulting implementation of system/process changes.	Rationale: Deferred by management as a result of deferral of Assumption and Securities Assessment.
	Engineering	<p>[No change] Traffic Management Project Review: Evaluate and assess the proposed scope, user requirements and controls established for the Traffic Management system.</p> <p>[No change - ongoing] Ongoing Project: Computerised Maintenance Management System (CMMS) Pre-implementation Review: Evaluate and assess the controls framework proposed and being established.</p>	<p>[Removed] 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> <p>Rationale: Removed as coverage of strategic project is included in Traffic Management Project Review</p>
Services	Housing		
	Environmental	<p>[Deferred to 2022] Public Works Process Assessment: Assess the effectiveness and efficiency of processes and controls in place for operational and financial processes within public works.</p> <p>Rationale: Deferred by management based on prioritization of other projects on the FY 2020 IA plan.</p>	
	Social Services	<p>[Deferred to 2022] Social Services Process Assessment: Assess the effectiveness of processes and controls in place for operational and financial processes within social services.</p> <p>Rationale: Deferred by management in consideration of expected legislative changes that may impact the assessment and resulting implementation of system/process changes.</p>	
	Dearness Home		
	Neighbourhood and Children services		
	Fire	[No change] Fire Process Assessment: Assess the processes and controls in place for operational and financial processes within fire services. This audit	

Internal Audit Universe Areas	FY 2020 Jan 1 2020 to Dec 31 2020	FY 2021 Jan 1 2021 to Dec 31 2021
	will evaluate the effectiveness of data reporting and monitoring of key performance indicators.	
Service London	[No change] Service London Process Assessment: Review the effectiveness of processes and controls in place for operational and financial processes within Service London.	
Parks & Recreation	[No change - ongoing] Ongoing Project: Class Replacement Project Pre-implementation Review: Evaluate and assess the controls framework established for the Class system.	
Agencies, Boards, Commissions and Corporations*	Argyle Business Improvement Area Board of Management	
	Covent Garden Market Corporation	
	Eldon House Corporation	
	Hamilton Road Business Improvement Area	
	Housing Development Corporation	
	Hyde Park Business Improvement Area	
	London Convention Centre Corporation	
	Downtown London Business Improvement Association	
	London Hydro Inc.	

Internal Audit Universe Areas	FY 2020 Jan 1 2020 to Dec 31 2020	FY 2021 Jan 1 2021 to Dec 31 2021
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		
Tourism London		
Elgin Area Water Primary Water Supply System		
Lake Huron Primary Water Supply System		

* - 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.



www.deloitte.ca

Deloitte provides audit & assurance, consulting, financial advisory, risk advisory, tax and related services to public and private clients spanning multiple industries. Deloitte serves four out of five Fortune Global 500® companies through a globally connected network of member firms in more than 150 countries and territories bringing world-class capabilities, insights and service to address clients' most complex business challenges. To learn more about how Deloitte's approximately 264,000 professionals—9,400 of whom are based in Canada—make an impact that matters, please connect with us on [LinkedIn](#) [Twitter](#) or [Facebook](#) .

Deloitte LLP, an Ontario limited liability partnership, is the Canadian member firm of Deloitte Touche Tohmatsu Limited. Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private companies limited by guarantee, and its network of member firms, each of which is a legally separate and independent entity. Please see www.deloitte.com/about for a detailed description of the legal structure of Deloitte Touche Tohmatsu Limited and its member firms.