

City of London

Draft Internal Audit Plan – Overview for Audit Committee

April 13, 2022



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Objective

Objective: To provide a high level overview of the three year draft internal audit plan and the process used to develop it.

Presentation Overview:

- ✓ Internal Audit Plan Development Process Overview
- ✓ Draft Internal Audit Plan Overview

Internal Audit Plan Development Process

- ❑ MNP reviewed key documentation including city strategic documentation, previous internal audit material and applicable information from comparable municipalities and public sector organizations as well as leading literature.
- ❑ MNP spoke with members of the Audit Committee, Senior Leadership Team and select members of management. During these meetings with organizational leaders, MNP facilitated a discussion on key risk areas, gaining an understanding of the City's risks, the status of these risks and completing an analysis of each risk to assist with determining the overall significance of each risk item.
- ❑ Audits planned in response to the risk assessment were prioritized based on a range of factors relevant to the operations of the City.

Internal Audit Plan Development Process (Cont.)

- ❑ In addition to our understanding arising from interviews, documentation review and leading practices, factors considered included:
 - If the area is auditable or not.
 - Audit Committee and Senior Leadership priorities.
 - The results of recently conducted internal audits within each risk area.
 - Major changes expected within the next few years, such as IT and systems, or process changes.
- ❑ This culminated in the development of a risk inventory which was prioritised and evaluated to develop the proposed audits and their respective scopes within the three year risk-based internal audit plan.
- ❑ Audits are delineated into two categories:
 - Compliance and Process – Focussing on adherence to regulations, policies and procedures.
 - Value for Money – Assessing return of investment considering economy, efficiency and effectiveness in the use of City funds.

Internal Audit Plan 2022

Audit	Type	Inherent Risk	Scope	Timing
Records Management & Retention	Compliance/ Process	The possibility of direct or indirect impacts to operations, resulting from inadequate or failed internal processes and systems and a lack of appropriate safeguards related to the management of records.	An evaluation of the processes and controls for records management, as well as processes followed to ensure compliance to internal records retention policies and applicable records management legislative requirements.	Q2 2022
Talent Management	Compliance/ Process	The City may experience challenges retaining high performing and/or experienced staff possessing important corporate history and/or knowledge are temporarily inaccessible or permanently unavailable resulting in diminished or delayed productivity and service delivery. In addition, the organization may fail to attract, select or match qualified individuals for jobs within the organization.	An evaluation of the City's succession planning framework and related processes for maintaining the necessary skills to ensure operational resilience and minimal disruption during turnover of personnel in key roles, including the identification of key roles, comprehensiveness and adequacy of succession planning and back-up plans, workforce planning, procedural documentation, knowledge management and programs to develop expertise.	Q3 2022
Neighbourhood Decision Making Program	Value for Money	The Neighbourhood Decision Making Program may not be delivering its intended benefits to the City of London.	A review of the design and operating effectiveness of key controls pertaining to the Neighbourhood Decision Making Program, including submission, evaluation and approvals, as well as a review of the mechanisms and processes utilized to determine return on investment (measuring outputs and outcomes).	Q3 2022
Asset Retirement	Compliance/ Process	The City is not compliant with section PS 3280 – Asset Retirement Obligations.	An assessment of the processes and controls in place related to the identification, monitoring and reporting of environmental and financial asset retirement obligations, specifically considering compliance with requirements under Section PS 3280 – Asset Retirement Obligations.	Q4 2022

Internal Audit Plan 2023

Audit	Type	Inherent Risk	Scope	Timing
Vendor Management	Compliance/ Process	Ineffective vendor management may result in violations of laws, regulations, and internal processes, loss or disclosure of customer information due to negligence or data breach, fiscal performance requirements not being met and operational service interruption.	An evaluation of the mechanisms and processes in place to manage vendor risk (third party), with a focus on governance, compliance and risk management including assessment of materiality and due diligence performed prior to commencement of services and the monitoring and reporting of performance with contractual terms.	Q1 2023
Grant Facilitation Review – Community Arts Investment Program and Community Heritage Investment Program	Value for Money	The Community Arts Investment Program and Community Heritage Investment Program may not be delivering intended benefits to the City of London.	A review of the design and operating effectiveness of the City’s key controls pertaining to the Community Arts Investment Program and Community Heritage Investment Program, including a review of the mechanisms and processes utilized to determine return on investment (measuring outputs and outcomes).	Q2 2023
Cybersecurity	Compliance/ Process	The City may be insufficiently prepared to manage cyber threats that could cause operational disruption and reputational harm.	A review of the City’s cybersecurity program, policies and standards, its ability to respond to cyber threats, vulnerabilities, risk reporting, risk awareness and culture.	Q2 2023
Human Resources Information System (“HRIS”) Implementation	Compliance/ Process	The HRIS implementation may not achieve the desired objectives and outcomes, resulting in operational inefficiencies.	A post-implementation review of the HRIS, focusing on evaluating whether project objectives were met, desired outcomes accomplished, how effectively the project was run and identify any lessons learned.	Q3 2023
Project Management	Compliance/ Process	Inconsistent and ineffective use of project management processes for the delivery and management of projects, may result in undesired outcomes (e.g., delays, overruns, project outcomes not being delivered).	An assessment to determine the effectiveness of project management processes across the City, including methodologies, tools, controls and training in place for project planning, execution and reporting.	Q4 2023

Internal Audit Plan 2024

Audit	Type	Inherent Risk	Scope	Timing
Privacy	Compliance/ Process	The possibility of direct or indirect impacts to operations, resulting from inadequate or failed internal processes and systems, lack of appropriate safeguards, issues related to staff and/or external events relating to privacy around the collection, storage, adaptation, alteration, disclosure and dissemination of data.	A review of the processes for the collection, use and disposal of personal identifiable information and an evaluation of the design and operating effectiveness of in scope/relevant privacy practices and controls.	Q1 2024
Municipal Affordable Housing Development	Value for Money	Projects and funding associated with affordable housing through the Municipal Housing Development Program may not have delivered its intended benefits to the City.	A review to understand if the Municipal Housing Development Program and associated processes and funds were administered with due regard for economy and efficiency and determine if desired outcomes were effectively achieved.	Q1 2024
Anti-Racism Anti- Oppression (“ARAO”)	Compliance/ Process	The City may not have made the desired/anticipated progress related to its Anti-Racism Anti-Oppression program.	A review of the City's progress towards implementation of its ARAO framework and policies.	Q2 2024
Performance Measurement	Compliance/ Process	Performance metrics may not be aligned to corporate goals and controls around performance measurement and reporting, including information collection, analysis and reporting may not have been designed adequately and not operating effectively, resulting in inaccurate, incomplete and unclear data being reported.	An assessment of the City's performance metrics and frameworks to ensure alignment with corporate strategies and goals. The assessment will support determine whether the City has the data and tools to appropriately evaluate the effectiveness of its performance, including a review of the data and tools used, and controls in place to ensure data for performance standards is accurate, valid, reliable and transparent.	Q3 2024
Climate Emergency Action Plan	Compliance/ Process	The City may not have made the desired/anticipated progress against the action items within the Climate Emergency Action Plan, resulting in operational and reputational impact.	A review of the City's progress against actionable items within the Climate Emergency Action Plan.	Q4 2024

Internal Audit Plan Audit Pool (1/2)

Additional audits that were identified during the risk assessment process have been placed in an audit pool and can be considered as alternatives to proposed audits and can also be considered for future year audits.

Audit	Type	Inherent Risk	Scope
Procurement	Compliance/ Process	The City may not be compliant in following procurement practices for the purchasing of services, products or resources, resulting in possible fraud, quality, cost and delivery risk.	A review of procurement practices to test compliance to policies and the effectiveness of controls in place to ensure vendors are appropriately approved, authorized, onboarded and terminated.
Emergency Management	Compliance/ Process	The City's emergency management program may not be appropriately designed, operating and sustained.	An assessment of the procedures and controls in place related to the City's emergency management process. Elements of business continuity, disaster recovery and cyber incident response will be considered including an evaluation of end-user requirements.
Accessibility	Compliance/ Process	The City may not appropriately comply with the requirements of the Accessibility for Ontarians with Disabilities Act ("AODA").	An assessment the City's compliance with the AODA and the standards defined in the Integrated Accessibility Standards Regulation ("IASR") in order to provide an overview of gaps in compliance, associated risks with non-compliance, and recommendations for improvement.
Continuous Improvement	Compliance/ Process	The City's Continuous Improvement Program may not be aligned with its strategic framework and implementation plan.	An assessment to determine the effectiveness of the Continuous Improvement Program, including tools and controls in place to support people, processes and customers such as enterprise-wide training, tools and techniques, standard practices, improvement methodologies, and benefits analysis.
Creating a Safe London for Women and Girls	Compliance/ Process	The City may not have made the desired/anticipated progress related to its Creating a Safe London for Women and Girls initiative.	A review of the City's progress towards the execution of its Creating a Safe London for Women and Girls initiative.

Internal Audit Plan Audit Pool (2/2)

Additional audits that were identified during the risk assessment process have been placed in an audit pool and can be considered as alternatives to proposed audits and can also be considered for future year audits.

Audit	Type	Inherent Risk	Scope
Fire Vehicles	Value for Money	The City may not be obtaining maximum return of investment from its fire vehicles fleet.	A review to understand if City funds have been/are being spent with due regard for economy, efficiency and effectiveness to help determine if there is an opportunity to change the current fire vehicle model (i.e., electrification).
Service London	Value for Money	The City may not be obtaining maximum return of investment from the Service London service.	A review to understand if key processes of Service London are effective and delivering the appropriate return and value for the City, considering economy, efficiency and effectiveness.
Community Improvement Plans	Value for Money	The City may not be obtaining maximum return of investment from Community Improvement Plans.	A review of Community Improvement Plans to assess value for money and determine the effectiveness of these plans. Scope would be limited to one or two plans (depending on size and complexity).

Thank You



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