Monday, April 25, 2016

12:00 p.m. – Special Meeting

Council Committee Room
4th Floor, City Hall

Members: Regional Councillor Michael Palleschi – Wards 2 and 6 (Chair)
Regional Councillor Martin Medeiros – Wards 3 and 4 (Vice chair)
Regional Councillor Elaine Moore – Wards 1 and 5,
Regional Councillor Gael Miles – Wards 7 and 8
Regional Councillor Grant Gibson – Wards 1 and 5

For inquiries about this agenda, or to make arrangements for accessibility accommodations for persons attending (some advance notice may be required), please contact:

Sonya Pacheco, Legislative Coordinator
Telephone (905) 874-2178, TTY (905) 874-2130, cityclerksoffice@brampton.ca

Note: Some meeting information may also be available in alternate formats, upon request
Please ensure all cell phones, personal digital assistants (PDAs) and other electronic devices are turned off or placed on non-audible mode during the meeting.

1. **Approval of Agenda**

2. **Declaration of Interest under the Municipal Conflict of Interest Act**

3. **Consent**
   * The following items listed with an asterisk (*) are considered to be routine and non-controversial by the Committee and will be approved at this time. There will be no separate discussion of any of these items unless a Committee Member requests it, in which case the item will not be consented to and will be considered in the normal sequence of the agenda.
   
   (nil)

4. **Delegations/Presentations**

5. **Reports – Internal Audit**

   5.1. Report from Karen Liew, Acting Director, Internal Audit, Office of the Chief Administrative Officer, dated April 12, 2016, re: **Internal Audit Work Plan – 2016** (File GE.a).

   *To be received*

6. **Reports – Finance**

7. **Other/New Business**

8. **Question Period**

9. **Public Question Period**

   15 Minute Limit – (regarding any item discussed as part of this agenda)
10. **Closed Session**

11. **Adjournment**

   Next Regular Meeting: June 7, 2016
Date: April 12, 2016

Subject: Internal Audit Work Plan - 2016

Contact: Karen Liew, Acting Director, Internal Audit, Internal Audit Division
Karen.liew@brampton.ca, 905-874-3836

Recommendation:

1. That the report from Karen Liew, Acting Director, Internal Audit, Internal Audit Division, dated April 12, 2016, to the Audit Committee Meeting of April 25, 2016, re: Internal Audit Work Plan – 2016 (File GE.a), be received.

Overview:

- This report provides the Audit Committee with information regarding the 2016 Internal Audit annual work plan and 2015 work plan review;
- The work plan was developed using a risk-based approach;
- The objective of performing audits is to add value to the City in meeting its goals and objectives;
- To assist in the development of the 2016 work plan Internal Audit updated the risk assessment completed in 2014. In addition to gaining inputs from management and assessing audit results and issues from previous audits, the 2016 work plan includes audits that were approved by the Audit Committee for 2015, but were not completed by December 31, 2015.
- The work plan may be modified during the year, as appropriate;
- The work plan supports the City’s strategic plan of Good Government and complies with the Internal Audit Charter;
- Internal Audit division conducts all work activity in conformance with the International Standards for the Professional Practice of Internal Auditing.

Background:
The Internal Audit annual work plan was developed using a risk-based methodology approach as outlined in the Internal Audit Charter. Several factors are taken into consideration in developing the Plan such as:

- Risk assessment results;
- Last time the area/process was audited;
- Results of previous audits;
- Requests from Executive Leadership Team and Management;
Potential impact of the provincial Ombudsman’s scope of investigation.

Internal Audit is focused on performing an objective assessment of evidence to provide an independent opinion in regard to the effectiveness and efficiency of a process or system in order to assist departmental management in achieving their business objectives and goals.

The results of audits performed are communicated to the Audit Committee and the Executive Leadership Team to provide information to assist them in carrying out their governance responsibilities.

Internal Audit also conducts consulting engagements at the request from management. Consulting services include advice, facilitation and training. For this activity the nature and scope of the engagement are agreed upon between management and Internal Audit. The objective is for Internal Audit to add value and help improve an organization’s risk management and control processes without Internal Audit assuming management responsibility. The results of consulting engagements are reported to departmental management.

The annual work plan may be adjusted throughout the year as issues or concerns are identified. Changes to the work plan will be communicated to the Audit Committee.

Current Situation:

The 2016 work plan (Appendix A) sets out the priorities of the Internal Audit function, that are reflective of the City of Brampton’s strategic goals, objectives, concerns and priorities; integrated and coordinated with the corporate risk assessment performed and updated by the Internal Audit division. The 2016 work plan was developed taking into consideration available Internal Audit staff resources.

On occasion an unplanned event or issue arises during the year. Once the significance of the event or issue is assessed by the Director, Internal Audit it may be added to the Plan as a ‘special project’. Any additions to the work plan will be performed by existing staff which would require a deferral of a project identified within this report or alternatively, the hiring of an outside auditor to perform the audit. Any additions throughout the year will be communicated to the Audit Committee. The annual work plan is comprised of operational and compliance audits, investigations, follow up reviews and consulting projects.

Internal Audit activities are conducted in accordance with the International Standards for the Professional Practice of Internal Auditing. The specific scope of each project will be determined during the project planning phase.

Additional significant initiatives planned for 2016 for the Internal Audit division are:

- Lead the implementation and operation of the fraud prevention hotline;
• Management and coordination of fraud investigation activities within the City as outlined in the Corporate Fraud Prevention policy;
• External Quality Assessment;
• Upgrading Internal Audit’s audit management software.

Of the 15 audits approved by the Audit Committee in 2015, 3 audits were in-progress at December 31, 2015, and 5 audits were not started (refer to Appendix B). This is largely due to staff turnover within the Internal Audit Division. These audits have been carried forward to the 2016 Audit Work Plan and are scheduled to be completed in 2016.

**Strategic Plan:**

This report achieves the Strategic Plan priority of Good Government, specifically in achieving effective and responsible management of finances, policies and service delivery.

**Conclusion:**

The 2016 Internal Audit work plan will be reviewed during the year and updated if needed. Our intention is to keep the work plan flexible so we can complete outstanding and new projects and initiate projects to be completed in the following year. The Plan is designed to add value to the organization and provide the highest standard of professional, independent, quality and timely solutions in partnership with City departments.

Original approved by:  
Karen Liew  
Acting Director, Internal Audit

Original approved by:  
Peter Simmons  
Acting Chief Administration Officer

**Appendices:**  
A – Internal Audit Work Plan 2016  
B – Internal Audit Work Plan 2015 – Year End Status
# Internal Audit Work Plan 2016

## Section 1: Projects Carried Forward from 2015

### City Wide

1. **Forensic Audit Follow-up Review**  
   To assess management’s implementation of the recommendations from Deloitte and Touche’s report (“Forensic examination of the Expenses of the Mayor and Councillors”), and the effectiveness of the controls in place in ensuring compliance to By-law, policies and procedures with respect to the Mayor and Councillors’ expenses.  
   - Estimated Report Date: June 2016

### Related Boards

2. **Library Audit**  
   To assess the effectiveness of processes to determine adequacy of internal controls, compliance to policies, procedures and legislation.  
   - Estimated Report Date: TBD

### Public Services

3. **Transit Presto Revenue Audit**  
   To assess the adequacy and effectiveness of processes and controls in ensuring Presto revenue is complete and accurate.  
   - Estimated Report Date: September 2016

4. **Liquor Sales and Inventory Process Audit**  
   To assess the adequacy and effectiveness of processes and controls in place to ensure the accurate reporting of liquor revenue and respective costs of sales, and the safeguarding of liquor inventory.  
   - Estimated Report Date: September 2016

### Corporate Services

5. **Human Resources Salary Administration Audit**  
   To assess the adequacy and effectiveness of processes and controls in place to ensure compliance to policies, procedures and legislation with respect to salary administration of full-time and part-time non-union employees.  
   - Estimated Report Date: June 2016

6. **Property Tax Revenue Audit**  
   To assess the adequacy and effectiveness of processes and controls in place to ensure compliance to policies, procedures and legislation, and the accurate processing of property tax revenue.  
   - Estimated Report Date: December 2016

7. **Cell Phone Audit**  
   To assess the effectiveness of processes to determine adequacy of internal controls, compliance to policies, and procedures in the management of cellular phones provided to City staff.  
   - Estimated Report Date: December 2016
## Section 2: New Projects for 2016

### City Wide

1. **Cash Handling Audit**
   To assess the adequacy and effectiveness of processes and controls in place to ensure compliance to policies, procedures, and the safeguarding of the City's assets.
   - **Date:** September 2016

### Public Services

2. **Driver Certification Program (DCP) Audit - Transit**
   To review the Transit DCP program for compliance to provincial requirements. This is a mandatory review requested by Ontario's Ministry of Transportation and has a reporting deadline of July 1, 2016.
   - **Date:** June 2016

3. **CLASS Replacement System Consulting Project**
   To provide consulting services with respect to advice on controls and IT-related processes.
   - **Date:** Not Applicable

### Planning and Infrastructure Services

4. **Amanda Application / Building Permits and Inspections**
   To assess the adequacy and effectiveness of the building permit processes, controls and compliance to policies, procedures, By-laws and legislation. Additionally, to review the design and effectiveness of the I.T. controls of the Amanda application in ensuring the security of data.
   - **Date:** December 2016

5. **Driver Certification Program (DCP) Audit - Fleet**
   To review the Fleet DCP program for compliance to provincial requirements. This is a mandatory review requested by Ontario's Ministry of Transportation and has a reporting deadline of July 1, 2016.
   - **Date:** June 2016

### Corporate Services

6. **Backup and Restore I.T. Audit**
   To assess the adequacy and effectiveness of processes, controls and compliance to policies, procedures and legislation.
   - **Date:** September 2016

7. **I.T. Consulting Projects**
   To provide consulting services, as requested by the Division. Projects include: Cloud Computing Phase II, Privacy Assessment.
   - **Date:** Not Applicable

### Other Items: Internal Audit Division’s Projects

- **Audit Application Upgrade**
  Current audit application will no longer be supported by end of 2016. Internal Audit is looking at options in upgrading the software.
  - **Date:** Not Applicable

- **Fraud Prevention Hotline Implementation**
  Implement the fraud prevention hotline and establish processes and procedures in performing investigations of reported incidences.
  - **Date:** June 2016 (Phase I Update)

- **External Quality Assessment**
  To assess Internal Audit’s compliance to the International Standards for the Professional Practice of Internal Auditing.
  - **Date:** Not Applicable
## Internal Audit Work Plan 2015
### Status Update as at December 31, 2015

<table>
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<tr>
<th>Projects</th>
<th>Status</th>
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<tbody>
<tr>
<td><strong>City Wide</strong></td>
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| **Privacy Follow Up Audit**  
*To review the previously agreed upon recommendations to assess the efficiency and effectiveness gained from the actions taken to address the recommendations.* | Complete |
| **Forensic Audit Follow Up-Special Project**  
*To review the previously agreed upon recommendations to assess the efficiency and effectiveness.* | In Progress |
| **Related Boards** | |
| **Library Audit**  
*To assess effectiveness and efficiency of processes to determine adequacy of internal controls, compliance to policies, procedures and legislation.* | Not Started |
| **Public Services** | |
| **Transit Presto Revenue Audit**  
*To perform an audit to assess adequacy and effectiveness of the processes, controls and compliance to policies, procedures and legislation.* | Not Started |
| **Cash Handling Audit**  
*To assess the effectiveness and efficiency of the processes and compliance to policies and procedures.* | Complete |
| **Liquor Sales and Inventory Process Audit**  
*To assess the effectiveness and efficiency of the processes and compliance to policies and procedures.* | Not Started |
| **Planning and Infrastructure Services** | |
| **Construction Audit**  
*To review a selected project to assess adequacy and effectiveness of the processes, control and compliance to policies and procedures.* | Complete |
<table>
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<tr>
<th>Corporate Services</th>
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| **Human Resources Salary Administration Audit**  
*To assess effectiveness and efficiency of processes to determine adequacy of internal controls, compliance to policies, procedures and legislation.* | In Progress |
| **Tax Revenue Audit**  
*To assess effectiveness and efficiency of processes to determine adequacy of internal controls, compliance to policies, procedures and legislation.* | Not Started |
| **Cell Phone Management Audit**  
*To assess effectiveness and efficiency of processes to determine adequacy of internal controls, compliance to policies, procedures.* | Not Started |
| **Employee Purchasing Card Audit**  
*To assess the effectiveness and efficiency of the processes by reviewing the adequacy of controls and compliance to laws and policies and procedures.* | Complete |
| **Purchasing Process Audit**  
*To assess the effectiveness and efficiency of the processes by reviewing the adequacy of controls and compliance to laws and policies and procedures.* | Complete |
| **Network Security Audit**  
*To assess the adequacy of controls and processes in protecting the City’s data, assets and information stored on a network and the information flowing through the network.* | Complete |
| **PeopleSoft Security Audit**  
*To perform an audit to assess adequacy and effectiveness of the processes, controls and compliance to policies, procedures and legislation.* | Complete |
| **IT Consulting**  
*To provide advice as requested by the Division.* | On-going |

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| **On Line Special Event Permitting System Consulting**  
*To provide advice as requested by the Division.* | Not Required |