

City of Mississauga
Corporate Report



<p>Date: February 12, 2024</p> <p>To: Chair and Members of Audit Committee</p>	<p>Originator's files:</p>
<p>From: Amy Truong, CPA, CMA, CIA Director, Internal Audit</p>	<p>Meeting date: March 18, 2024</p>

Subject

Internal Audit Work Plan 2024-2026

Recommendation

That the Corporate Report dated February 12, 2024 from the Director, Internal Audit entitled "Internal Audit Work Plan 2024-2026" be approved.

Executive Summary

- An Internal Audit Work Plan for 2024 to 2026 was developed based on various sources of information including the results of the Corporate Risk Assessment conducted in late 2023, discussions with senior management, and analysis of past audits performed.
- As required by the Internal Audit Charter, the Work Plan is presented to the Audit Committee for approval at its March 18, 2024 meeting.
- The Work Plan remains flexible to accommodate other requests by Senior Management or the Audit Committee for assurance and advisory work.

Background

The Internal Audit Charter (By-law 0065-2013) requires the Internal Audit Division to develop "a flexible audit plan using an appropriate risk-based methodology, including any risk or control concerns identified by management, and submit that plan to the Audit Committee for review and approval as well as periodic updates."

In order to fulfil this mandate, an Internal Audit Work Plan for 2024 to 2026 was developed based on the results of a Corporate Risk Assessment conducted in 2023, discussions with senior management, and review of past audits. The plan also considered emerging risk trends, the results of the Technology Audit Strategy review, and the overall control environment at the City.

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Internal Audit activities go beyond the execution of audits. Among other activities, the Division provides consulting services and advice to several areas, conducts the Corporate Risk Assessment, supports City-wide programs such as Whistleblower and Corporate Policy Reviews, and helps management keep track of the progress of corrective actions that arose from previous audits.

This report provides information on the audit projects being recommended for 2024 to 2026.

Comments

Corporate Risk Assessment

In 2023, the Corporate Risk Assessment (CRA) survey was updated and based on self-assessments from divisional leaders. The survey focused on changes and complexities within the business environment, specific and emerging risks, and confidence in existing controls. Results of the survey showed that the majority of risks stemmed from legal and regulatory changes, technology disruptions and security, third-party involvement, nature of operations, and workforce capacity and skills. The majority of the identified risks may impact the divisions' ability to deliver their services and operations.

External factors such as legislative changes, market conditions, climate change, etc. accounted for 59% of the risks identified. There were minimal concerns related to the effects of the pandemic on service delivery, as noted in previous iterations of the CRA survey. Confidence levels for internal controls were rated as moderate to high in most cases.

The CRA process has identified, measured and prioritized risks and reinforced risk assessment principles across the Corporation. A summary of the results and an overview of the Corporate Risk Assessment was provided to the Leadership Team in January 2024.

Internal Audit Work Plan

In 2023, Internal Audit completed five audits and two advisory assignments, and finalized three initiatives, which included the Corporate Risk Matrix, Technology Audit Strategy and Fraud Risk Management review. Four audits are in various stages of completion and are carried over to be completed in 2024.

Based on the results of the Corporate Risk Assessment, discussions with senior management, and past audits, Internal Audit prepared a work plan for 2024 to 2026 (see Appendix 1).

The Internal Audit Work Plan must remain flexible in order to accommodate consulting requests and special assignments. In 2023, approximately 23% of available audit time was spent in these areas.

Engagement and Consultation

Internal Audit strives to maintain effective and constructive communication with business unit management, members of ExLT and LT. Collaboration between all of these groups was integral

to the development of this Internal Audit Work Plan and to successfully completing the audits, consulting work and all other relevant activities conducted by the Division.

Financial Impact

There are no financial impacts resulting from the Recommendation in this report.

Conclusion

The Internal Audit Work Plan reflects the best effort to allocate Internal Audit's resources to the areas and risks where they can provide the most value. The work plan must remain flexible to accommodate requests for assurance and advisory work from management or the Audit Committee, and expansion of audit scope.

Specific projects for each of the three years is listed in Appendix 1. Progress reports are provided to the Audit Committee periodically and the work plan will be refreshed on an annual basis.

Attachments

Appendix 1: Internal Audit Work Plan 2024-2026



Amy Truong, CPA, CMA, CIA
Director, Internal Audit

Prepared by: Amy Truong