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The Corporation of the City of Windsor

Internal Audit Risk Assessment and Plan 2021-22

Prepared as of April 20, 2021

Limitations and responsibilities

This report was developed in accordance with our engagement letter addendum dated January 24, 2020 and is subject to the terms and conditions included therein.

Our work was limited to the specific procedures and analysis described herein and was based only on the information made available at the time we prepared the report. Accordingly, changes in circumstances after the date of this Report could affect the findings outlined herein. We are providing no opinion, attestation or other form of assurance with respect to our work and we did not verify or audit any information provided to us. This information has been prepared solely for the use and benefit of and pursuant to a client relationship exclusively with the Corporation of the City of Windsor. PwC disclaims any responsibility to others based on its use and accordingly this information may not be relied upon by anyone other than the Corporation of the City of Windsor.



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	Joe Mancina, Chief Financial Officer/City Treasurer	Shelby Askin Hager, City Solicitor
	Mark Winterton, City Engineer	Jelena Payne, Commissioner Community Development & Health
Valerie Critchley, City Clerk & License Commissioner	Ray Mensour, Acting Commissioner-Parks, Recreation, Culture, and Facilities	

Executive summary

Introduction

Under our current contract we provide a three-year rotational risk based internal audit plan; in this document we provide that proposed plan. The level of agreed resources for the internal audit service for a three-year period of May 1, 2021 to April 30, 2024 is an average of 1300-1400 hours and \$300,000 per year. While we attempt to cover as many key risk areas as possible, based on the deployment of the available resources, this plan does not purport to address all key risks identified across the audit universe as part of the risk assessment process. Accordingly, when approving the risk assessment, Internal Audit Plan and related level of internal audit activity, the Corporate Services Standing Committee (CSSC) should recognize this limitation.

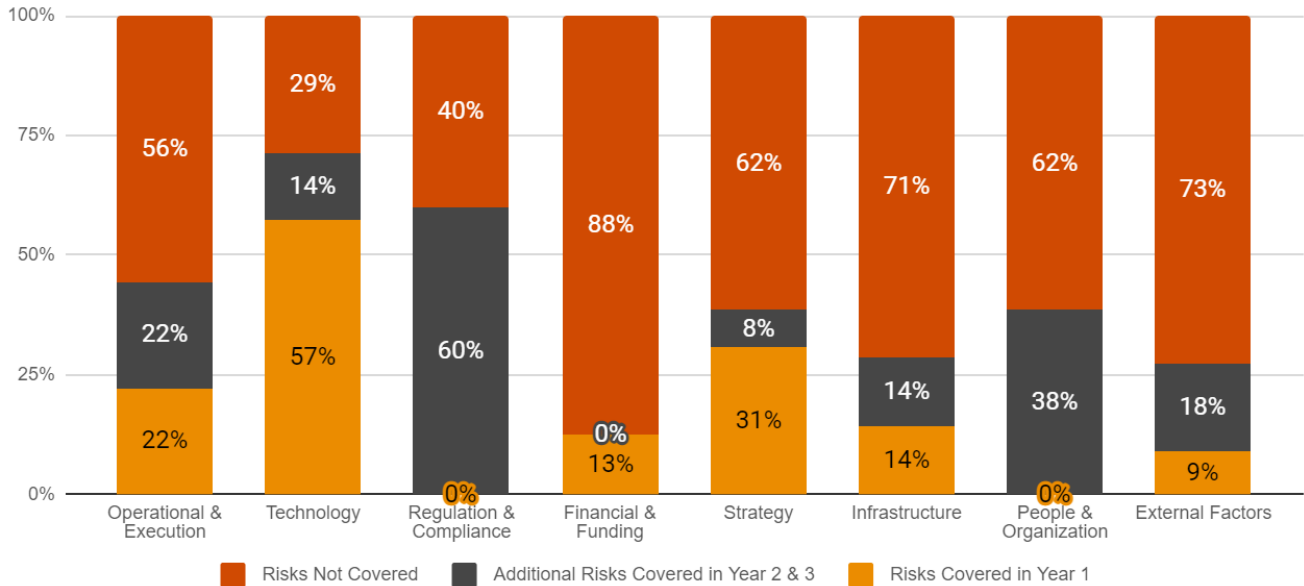
As per the Institute of Internal Auditors defines the mission of internal audit as a function to help enhance and protect organizational value by providing risk based and objective assurance, advice and insight. We considered the inherent and residual risks of Auditable Units and discussions with key contacts in the development of the proposed internal audit projects and plan.

Below is an overview of the proposed projects for the upcoming year:

Overview of 2021-22 proposed internal audit projects

#	Description	Effort Estimate (hrs)	Target for CSSC
Planning			
1	Development of Three Year Rolling Audit Plan	100	May 2022
Financial Audits (Excluding Attest)			
	None		
Operational, Compliance, Performance Audits			
2	Performance Audit: Road Infrastructure Maintenance processes	475	Nov 2021
3	SmartCity Cyber Risk Mitigation	200	Nov 2021
4	Ransomware Strategy & Practices	150	May 2022
Fraud and Waste Hotline (or other Special Purpose)			
5	Concerned Citizen & Employee Hotline	100	As needed
Follow up			
6	Management Action Plan Validation	100	May 2022
7	Performance update (Nov/21 & Mar/22) and Annual performance review report (May/22)	50	
Operations			
8	Auditor General Inquiries, Oversight, Project Direction & Review, Meetings with Management & Departments, Attendance at Corporate Services Standing Committee or City Council	150	N/A
9	Unallocated	50	N/A
	Total	1375	

Risk coverage in 3 year plan by domain (2021/22)



Coverage of risk areas

Of the 73 identified risks on the PwC Risk Radar, Internal Audit plans to attain direct/indirect coverage over 38% (28 risks) across all eight risk categories/slices in the three years of the proposed plan.



Previous Direction Provided by City Council on the Mandate of For Audits

Internal audit’s involvement in providing assurance or advisory support for business processes or management activities is translated into value by applying a focus on one or more of the following statements/outcomes when carrying out internal audit procedures:

- 1** Ensure management actions are in compliance with Council direction and regulations
- 2** Management’s adherence to and effectiveness of policies, process and controls
- 3** Appropriate mitigation of risk to an acceptable level
- 4** Identify cost savings in high risk areas
- 5** Identify cost savings of significant despite the risk area
- 6** Identify areas for increased revenue
- 7** Assess if management activities are delivering the value for money that they were expected to

Categorization of Audit Types

As part of updating this year's plan we have used category labels which align to those published by the Auditor General for the City of Toronto. All of our predecessor projects align to the framework with the bulk of the project conducted in the past 8 years fitting into the category of "Operational, Compliance, Performance Audits". Below you will find a description of each audit type and then a summary 5 year perspective of the past and planned projects.

Financial Assurance or Attest Audits	<p>The Municipal Act specifically precludes the Auditor General from being the Financial Statement Auditor of the Municipality. As such we are precluded from annually auditing the accounts and transactions of the City and its agencies and corporations. The external auditor expresses an opinion on the financial statements of these bodies based on the audit in a report which is considered by the then City Council.</p> <p>The Auditor General co-operates with the work of the external auditor and exchanges relevant information therewith. Currently, KPMG LLP has been engaged to conduct audits of financial statements of the City and its major agencies and corporations. The City's external audit contract establishes KPMG as the auditor for all entities except for EWSWA. The audit of EWSWA is contracted by the County of Essex, however KPMG is also the auditor for the County.</p>
Financial Audits (Excluding Attest & Assurance)	<p>Financial-related audits include determining whether:</p> <ul style="list-style-type: none"> (a) financial information is presented in accordance with established or stated criteria; (b) the entity has adhered to specific financial compliance requirements; or (c) the entity's internal control structure over financial reporting and/or safeguarding assets is suitably designed and implemented to achieve control objectives.
Operational, Compliance, Performance Audits	<p>These audits may include any or all of:</p> <ul style="list-style-type: none"> a) determining the extent to which the desired results or benefits established by the legislature or other authorizing body are being achieved; b) the effectiveness of organizations, programs, activities, or functions; c) whether the City division is acquiring, protecting, and using its resources (such as personnel, property, and space) economically and efficiently; and d) whether the City division has complied with laws and regulations applicable to the program.
Fraud and Waste Hotline	<p>Manages the Concerned Citizen and Employee hotline referring issues to senior management or the City's Internal Audit team as defined by the Council approved mandate.</p>
Follow -up Audits	<p>On an annual basis, the Auditor General notifies the City of outstanding recommendations. Management staff will report back to the Auditor General on recommendations that have been implemented. The Auditor General then verifies that the recommendations have in fact been implemented.</p> <p>The results of the follow-up of recommendations are reported to the Audit Committee annually and cover findings raised across the City, agencies, boards or commissions.</p>
Management & Oversight	<p>This involves regular Auditor General efforts.</p> <p>It further includes the oversight of project activities, meetings, interacting with complainants, review/observation/attendance at Council meetings, status reporting, report writing, and Committee reporting.</p> <p>Time is also set aside to deal with requests as they arise (ad hoc).</p>

Next we provide a view as to the internal audit coverage with a five year history of the audits covered by type:

Audit Type	2019/20	2020/21	2021/22 (proposed)	2022/23 (planned)	2023/24 (planned)
Financial	-	<ul style="list-style-type: none"> Liquidity Management 	-	-	-
Operational, Compliance, Performance/VFM	<ul style="list-style-type: none"> Purchased Services for Winter Control - VFM Audit HR Recruiting Process and Retention Strategy Cyber Response Strategy Security Programs & Safety Incident Management Planning & Development Risk Assessment & Planning 	<ul style="list-style-type: none"> Covid based policy and practice amendments Fraud risk mitigation enhancement Risk Assessment & Planning 	<ul style="list-style-type: none"> Performance Audit: Road Infrastructure Maintenance processes SmartCity Cyber Risk Mitigation Ransomware Strategy & Practices Risk Assessment & Planning 	<ul style="list-style-type: none"> Performance Aud - Transit Windsor - Service Delivery Review Diversity, Equity and Inclusion Digitization and Archiving Strategy: Windsor Public Library Risk Assessment & Planning 	<ul style="list-style-type: none"> Performance Audit: Workforce Management System - Post Implementation Review Huron Lodge - Compliance Management and Quality Inspection Program Employee Wellness - Mental Health Risk Assessment & Planning
Fraud & Waste Hotline	<ul style="list-style-type: none"> Concerned Citizen & Employee Hotline Lancaster Stabilizers Chimczuk Funds Sewer Insurance Letter 	<ul style="list-style-type: none"> Concerned Citizen & Employee Hotline Auditor General Complaint Handling Sandwich expansion and Aboriginal Consult Citizen concern on AG mandate Citizen property concern 	<ul style="list-style-type: none"> Concerned Citizen & Employee Hotline Auditor General Complaint Handling 	<ul style="list-style-type: none"> Concerned Citizen & Employee Hotline Auditor General Complaint Handling 	<ul style="list-style-type: none"> Concerned Citizen & Employee Hotline Auditor General Complaint Handling
Follow Up	<ul style="list-style-type: none"> Annual Management Action Plan Validation 	<ul style="list-style-type: none"> Annual Management Action Plan Validation 	<ul style="list-style-type: none"> Annual Management Action Plan Validation 	<ul style="list-style-type: none"> Annual Management Action Plan Validation 	<ul style="list-style-type: none"> Annual Management Action Plan Validation
Management & Oversight	<ul style="list-style-type: none"> Management & Oversight Adhoc 	<ul style="list-style-type: none"> Auditor General Management & Oversight Adhoc 	<ul style="list-style-type: none"> Auditor General Management & Oversight Adhoc 	<ul style="list-style-type: none"> Auditor General Management & Oversight Adhoc 	<ul style="list-style-type: none"> Auditor General Management & Oversight Adhoc

Approach

The internal audit service will be delivered in accordance with the engagement letter addendum dated January 24, 2020. A summary of our approach to undertaking the risk assessment and preparing the internal audit plan is set out below. The internal audit plan is driven by the City of Windsor's organizational objectives and priorities, and the risks which may prevent the City of Windsor from meeting those objectives.

Basis of our plan

Consistent with prior years, based on our risk assessment and the allocated effort and fees per annum, Internal Audit would plan to carry out key auditable risk area coverage of no greater than 18% in year 1 and 38% in a three-year cycle. To increase coverage in the three-year cycle would require increased effort and allocation.

Basis of our annual internal audit conclusion

This plan, and related projects under this plan, will be executed in accordance with the Auditor General Charter and the contract between the City and PwC LLP.

The AG may exercise the powers and shall perform the duties with respect to the City of Windsor's:

1. departments,
2. local boards,
3. controlled corporations, and
4. grant recipients (where the grant received is directly or indirectly from the municipality, a local board or a municipally-controlled corporation for grants received 2006 or later).

(For a listing of these areas by type please see Appendix E.)

As a result, our work and deliverables are not designed or intended to comply with the Canadian Auditing Standards (CAS), International Auditing and Assurance Standards Board (IAASB), the International Framework for Assurance Engagements (IFAE), the Generally Accepted Government Auditing Standards (GAGAS), and International Standard on Assurance Engagements (ISAE) 3000.

Each auditable unit has been assessed for inherent risk and the strength of the control environment, in accordance with our methodology. We also consider operational spending, projects/initiatives, past audit results and citizen input. Given the risk assessment and the hours available to internal audit to conduct internal audit work, full coverage of the auditable universe cannot be provided over the course of three years. Management and the Council should recognize this limitation when approving this risk assessment and internal audit plan.

Within the plan, each year is an allocation of ad hoc or unallocated hours which have been assigned to use. For unallocated/ad hoc hours, the Auditor General will be able to allocate the effort to support approved projects where additional testing or issue investigation is required or to support other City internal control matters. The deployment of these hours will be reported to CSSC.

Other sources of assurance

In developing our internal audit risk assessment and plan we have taken into account other sources of assurance and have considered the extent to which reliance can be placed upon these other sources. The other sources of assurance for the City of Windsor are as follows:

- Annual external audit of the City's financial statements; and
- Program reviews carried out by various Ministries of the Provincial Government for compliance purposes.

Based on the above other sources of assurance, and their nature, we do not intend to place reliance upon them.

Key contacts

Meetings have been held with the following key personnel during the internal audit planning process:

Jason Reynar	Chief Administrative Officer
Onorio Colucci	Former Chief Administrative Officer
Joe Mancina	CFO & City Treasurer
Mark Winterton	City Engineer
Shelby Askin Hager	City Solicitor
Valerie Critchley	City Clerk
Jan Wilson	Former Corporate Leader - Parks, Recreation & Culture and Facilities
Jelena Payne	Commissioner Community Development & Health
Ray Mensour	Acting Commissioner-Parks, Recreation, Culture, and Facilities
Norm Synnott	Chief Information Officer

Meetings with CLT were conducted in February 2021.

The IA plan was also discussed with the new CAO of City of Windsor in April 2021.

Internal audit five-year plan and summary of comfort coverage

The table below provides a list of Auditable Units along with their inherent and residual risk ratings mainly driven from our internal audit work performed within each Auditable Unit. The following factors were considered when assessing risks and informing internal audits three year plan:

1. Alignment to overall strategic and objectives. This activity considered how many strategic objectives and priorities with which each audit was significantly associated.
2. The final inherent risk assessment arrived at by Internal Audit considered the above factors in light of professional judgment and information/understanding that was established during interviews with executives.













Throughout this section you will see several symbols. The legend for these symbols is:



Italicized projects relate to more than one major process area.*

Audit universe	Inherent risk	Residual Risk	2019-20	2020-21	2021-22	2022-23	2023-24
A: Corporate Wide							
A1 Corporate Governance			-	Fraud Risk Mitigation Review	-	-	-
A2 Strategic Planning			-	-	Ransomware Strategy and Practices	<i>*Diversity, Equity and Inclusion</i>	-
A3: City Council			-	-	-	-	-
A4: Committees of Council			-	-	-	-	-
B: Finance and Information Technology							
B1 Asset Planning			-	-	-	-	-
B2 Financial Accounting			-	-	-	-	-
B3 Financial Planning			-	Liquidity Management Review	-	-	-
B4 Taxation & Financial Projects			-	-	-	-	-
B5: Information Technology			Cyber Response Strategy	-	Smart City Cyber Risk Mitigation <i>*Ransomware Strategy and Practices</i>	-	-

Audit universe	Inherent risk	Residual Risk	2019-20	2020-21	2021-22	2022-23	2023-24
C: City Engineer							
C1 Development, Projects & Right of Way			Planning & Development	-	-	-	-
C2 Infrastructure & Geomatics			-	-	Performance Audit: Road Infrastructure Maintenance Process	-	-
C3 Pollution Control			-	-	-	-	-
C4 Transit Windsor			-	-	-	Performance Audit: Transit Windsor - Service Delivery Review	-
C5 Public Works Operations			VFM- Purchased Winter Control Services	-	-	-	-
C6 Fleet Management			-	-	-	-	-
D:City Clerk							
D1 Communications & Customer Service			-	-	-	-	-
D2 Council Services			-	-	-	-	-
D3 Policy, Gaming, Licensing & By-Law Enforcement			-	-	-	-	-
D4 Human Resources			HR Recruiting Process and Retention Strategy	Covid 19 - Health and Safety - Reopening of Workplace and Facilities	-	Diversity, Equity and Inclusion	Performance Audit: Workforce Management System - Post Implementation Review Employee Wellness - Mental Health
D5 Labour Relations			-	-	-	-	-
D6 Library Services			-	-	-	<i>*Digitization and Archiving Strategy</i>	-
E: City Solicitor							
E1 Fire & Rescue			-	-	-	-	-
E2: Legal Services, Real Estate & Risk Management			-	-	-	-	-
E3: Planning & Building Services			-	-	-	-	-
E4: Provincial Offences			-	-	-	-	-
E5: Purchasing			-	-	-	-	-

Audit universe	Inherent risk	Residual Risk	2019-20	2020-21	2021-22	2022-23	2023-24
F: Health Commissioner							
F1 Employment and Social Services			-	-	-	-	-
F2 Housing and Children's Services			-	-	-	-	-
F3 Huron Lodge			-	-	-	-	Compliance Management and Quality Inspection Program
G: Parks, Facilities, Recreation & Culture							
G1 Parks			-	-	-	-	-
G2 Recreation and Culture			-	-	-	-	-
G3 Facilities			Security Programs & Safety Incident Management [City's Downtown Properties]	-	-	-	-
H: Agencies, Boards and Commissions							
Local Board							
H1: Essex Windsor Solid Waste Authority			-	-	-	-	-
H2: Windsor Licensing Commission							
H3: Nine BIAs 1. Downtown Windsor BIA 2. Wyandotte Towne Centre 3. Erie BIA 4. Ford City BIA 5. Olde Riverside BIA 6. Olde Sandwich Towne BIA 7. Ottawa Street BIA 8. Pillette Village BIA 9. Walkerville BIA							
Municipally Controlled corporation							
H4: Roseland Golf & Curling Club			-	-	-	-	-
H5: Transit Windsor			-	-	-	-	-
H6: Windsor Detroit Tunnel Corporation							
H7: Windsor Detroit BorderLink Limited (WDBL)							
H8: Your Quick Gateway							
H9: Windsor Utilities Commission							
H10: Windsor Canada Utilities							
H11: Enwin Utilities Ltd							
H12: Enwin Energy Ltd			-	-	-	-	-
H13: Windsor Essex Community Housing Corporation			-	-	-	-	-

Audit universe	2019-20	2020-21	2021-22	2022-23	2023-24
Grant recipient					
H14: Handi Transit					
H15: Windsor Essex County Economic Development Corporation	-	-	-	-	-
H16: Life After Fifty					
H17: Tourism Windsor Essex Pelee Island	-	-	-	-	-
H18: Windsor Symphony	-	-	-	-	-
H19: Arts Council Windsor & Region	-	-	-	-	-
H20: The Safety Village	-	-	-	-	-
H21: Arcite	-	-	-	-	-
Committees of Council					
H22: Diversity Committee	-	-	-	-	-
H23: International Relations Committee	-	-	-	-	-
H24: Seniors Advisory Committee	-	-	-	-	-
H25: Town & Gown Committee	-	-	-	-	-
H26: Windsor Accessibility Advisory Committee	-	-	-	-	-
H27: Windsor Bicycling Committee	-	-	-	-	-
H28: Windsor/Essex Environmental Committee	-	-	-	-	-
Optional Participants¹					
H29: Committee of Adjustment					
H30: Essex Region Conservation Authority					
H31: Windsor Public Library				Digitization and Archiving Strategy	
H32: Windsor Police Services					
H33: Windsor Essex County Health Unit					
H34: Huron Lodge Committee of Management					

¹ AG will be seeking input from the entities in this category as to their desired participation

Appendices

Appendix A - Internal audit's proposed 2021-22 project descriptions

#	Internal audit project	Radar Risks
Financial Audits (Excluding Attest & Assurance)		
	None	NA
Operational, Compliance and Performance Audits		
1	<p>Title: Performance Audit: Road Infrastructure Maintenance processes</p> <p>Scope: Internal Audit will work with management to identify KPIs against which performance may be measured focusing on economy, efficiency and effectiveness of road maintenance activities. The KPIs will be agreed with management prior to the audit kick off.</p>	Budgeting and realized savings, Infrastructure, Project management, Community partnerships in service delivery
2	<p>Title: SmartCity Cyber Risk Mitigation</p> <p>Scope: Internal Audit will assess whether the City has developed a systematic approach to Smart City risk mitigation as it relates to cybersecurity and privacy.</p>	Cybersecurity, Data protection, Governance, Shared Services, Systems and processes, Risk management, Management information
3	<p>Title: Ransomware Strategy & Practices</p> <p>Scope: Internal Audit will review City's preparedness and posture in the event of a Ransomware attack. Consideration as to the design and implementation of controls related to affecting the strategy/posture will be assessed.</p>	Cybersecurity, Data protection, Business Resilience, Privacy, Governance
Fraud & Waste Hotline		
4	<p>Title: Concerned Citizen & Employee Hotline</p> <p>Scope: Internal Audit monitors the City's Hotline for accusations of fraud or abuse/waste of City assets. Internal Audit will investigate appropriate accusations as per the CCEHN Protocol (last updated July 2015).</p>	Various
Follow-up Audits		
5	<p>Title: Management Action Plan Validation</p> <p>Scope: Internal audit will follow-up on and report back to the City on the status and sufficiency of management's resolution of prior findings in accordance with the Internal Audit mandate. An annual internal audit report on management's resolution of planned findings will be provided to management and the CSSC. Cut off for the activity is scheduled for December 31, 2021.</p>	Various

Follow-up Audits		
6	<p>Title: Performance update (November 2021 & May 2022) and performance review report (May 2022)</p> <p>Scope: Internal audit will present bi-annual status and summary of audits conducted during the year in November 2021 and May 2022 respectively. A Performance Review report will be provided upon completion of the 2021/22 IA plan.</p>	Various
Management & Oversight		
7a	<p>Title: Auditor General Inquiries, Operational Oversight, Project Direction & Review, Meetings with Management & Departments, Attendance at Corporate Services Standing Committee or City Council</p> <p>Scope: Ongoing status reporting of the current state of execution against the annual internal audit plan and key performance metrics will be compiled and reported to the City. To maintain awareness of the organisational risks, City strategy and operational execution Internal Audit will attend the required management and committee meetings as well as other key City meetings on an as needed basis. In addition, periodic reporting to the CLT and CSSC will occur.</p>	
7b	<p>Title: Unallocated</p> <p>Scope: This allowance in the plan is provided to management in the event that an unforeseen matter should transpire for which they would like Internal Audit to review.</p>	

* To conduct Value For Money/Performance Audit projects, the performance objectives should have ideally previously been defined by management. Where this has not occurred Internal Audit will have to work with management to come to an agreement as the objective performance measures are required by verbally accepted VFM methodology.

Appendix B - Internal audit's proposed 2022-23 project descriptions

#	Internal audit project	Radar Risks
Financial Audits (Excluding Attest & Assurance)		
	None	
Operational, Compliance and Performance Audits		
1	<p>Title: Transit Windsor - Service Delivery Review</p> <p>Scope: The focus of this project will be to assess management's process controls related to Transit Windsor - Service Delivery and measures taken to improve the customer service such as consideration for implementing Regional Transit System, adding/modifying routes and/or introducing new buses versus aging buses. Examples of metrics to be considered for benchmarking purposes may include but are not limited to: Cost per rider, Cost per service hour, Ridership per service hour.</p>	Transport system, Supply Chain, Third Party & Contract Management, Shared Services
2	<p>Title: Diversity, Equity and Inclusion</p> <p>Scope: Internal Audit will review management's processes and controls in effect surrounding the structure of equity, inclusion, and diversity including policies and procedures.</p>	Culture and Behaviour, Employee Wellness, Equity and Inclusion
3	<p>Title: Digitization and Archiving Strategy: Windsor Public Library</p> <p>Scope: The focus of this internal audit will be to consider the effectiveness of management's process and controls in place to achieve the following objectives:</p> <ul style="list-style-type: none"> determining how the Library allocates its online resources including e-books, encyclopedias, magazines, newspapers, and other digitized resource; the Library's' review of its current collection and replacement cycle; and the tracking and security of its assets and collections. 	Systems and processes, Digital disruption, Data Protection, Business Resilience
Fraud & Waste Hotline		
4	<p>Title: Concerned Citizen & Employee Hotline</p> <p>Scope: Internal Audit monitors the City's Hotline for accusations of fraud or abuse/waste of City assets. Internal Audit will investigate appropriate accusations as per the CCEHN Protocol (last updated July 2015).</p>	
Follow-up Audits		
5	<p>Title: Management Action Plan Validation</p> <p>Scope: Internal audit will follow-up on and report back to the City on the status and sufficiency of management's resolution of prior findings in accordance with the Internal Audit mandate. An annual internal audit report on management's resolution of planned findings will be provided to management and the CSSC. Cut off for the activity is scheduled for December 31, 2022.</p>	

Follow-up Audits		
6	<p>Title: Performance update (November 2022 & May 2023) and performance review report (May 2023)</p> <p>Scope: Internal audit will present bi-annual status and summary of audits conducted during the year in November 2022 and May 2023 respectively. A Performance Review report will be provided upon completion of the 2022/23 IA plan.</p>	Various
Management & Oversight		
7a	<p>Title: Auditor General Inquiries, Operational Oversight, Project Direction & Review, Meetings with Management & Departments, Attendance at Corporate Services Standing Committee or City Council</p> <p>Scope: Ongoing status reporting of the current state of execution against the annual internal audit plan and key performance metrics will be compiled and reported to the City. To maintain awareness of the organisational risks, City strategy and operational execution Internal Audit will attend the required management and committee meetings as well as other key City meetings on an as needed basis. In addition, periodic reporting to the CLT and CSSC will occur.</p>	
7b	<p>Title: Unallocated</p> <p>Scope: This allowance in the plan is provided to management in the event that an unforeseen matter should transpire for which they would like Internal Audit to review.</p>	

Appendix C - Internal audit's proposed 2023-24 project descriptions

#	Internal audit project	Radar Risks
Financial Audits (Excluding Attest & Assurance)		
	None	
Operational, Compliance and Performance Audits		
1	<p>Title: Workforce Management system - Post Implementation Review</p> <p>Scope: The focus of this project will be to evaluate whether management's implementation of the Workforce software has met the business objectives. The internal audit will also assess the usefulness and reliance of the system post implementation and whether the system has met the requirements and expectations of the identified stakeholders.</p> <p>Related radar risks: Budgeting & realizing saving, Shared services</p>	Workforce planning and Talent, Systems and processes, Change management
2	<p>Title: Huron Lodge - Compliance Management and Quality Inspection Program</p> <p>Scope: In consideration for the over 900 regulations governing Huron Lodge and compliance is regularly subject to quality, inspections, critical incident reviews and complaint investigations, internal audit will review processes and controls designed and in operation at Huron Lodge to address the following objectives:</p> <ul style="list-style-type: none"> • periodic assessment of compliance and safety risks is conducted and policies are reviewed periodically for alignment to the LTCHA • internal quality inspection protocols are communicated • oversight and monitoring of external service providers • coordination with other City functions (i.e. Facilities) to manage risks • reporting of compliance (non compliance) occurs in a timely manner • results of internal quality reviews are reviewed by leadership and appropriately inform staff performance management and progression <p>Related risks: Legislative & Regulatory, Regulatory inspection (H&S, labour), Health & Safety</p>	Legislative and Regulatory, Litigation, Regulatory Inspection, Risk Management, Governance
3	<p>Title: Employee Wellness - Mental Health</p> <p>Scope: We will assess management's process controls related to Employee Wellness including mental health.</p>	Health and Safety, Employee Wellness, Security, Health Epidemic/Pandemic
Fraud & Waste Hotline		
4	<p>Title: Concerned Citizen & Employee Hotline</p> <p>Scope: Internal Audit monitors the City's Hotline for accusations of fraud or abuse/waste of City assets. Internal Audit will investigate appropriate accusations as per the CCEHN Protocol (last updated July 2015).</p>	

Follow-up Audits		
5	<p>Title: Management Action Plan Validation</p> <p>Scope: Internal audit will follow-up on and report back to the City on the status and sufficiency of management's resolution of prior findings in accordance with the Internal Audit mandate. An annual internal audit report on management's resolution of planned findings will be provided to management and the CSSC. Cut off for the activity is scheduled for December 31, 2023.</p>	Various
6	<p>Title: Performance update (November 2023 & May 2024) and performance review report (May 2024)</p> <p>Scope: Internal audit will present bi-annual status and summary of audits conducted during the year in November 2023 and May 2024 respectively. A Performance Review report will be provided upon completion of the 2023/24 IA plan.</p>	Various
Management & Oversight		
7a	<p>Title: Auditor General Inquiries, Operational Oversight, Project Direction & Review, Meetings with Management & Departments, Attendance at Corporate Services Standing Committee or City Council</p> <p>Scope: Ongoing status reporting of the current state of execution against the annual internal audit plan and key performance metrics will be compiled and reported to the City. To maintain awareness of the organisational risks, City strategy and operational execution Internal Audit will attend the required management and committee meetings as well as other key City meetings on an as needed basis. In addition, periodic reporting to the CLT and CSSC will occur.</p>	
7b	<p>Title: Unallocated</p> <p>Scope: This allowance in the plan is provided to management in the event that an unforeseen matter should transpire for which they would like Internal Audit to review.</p>	

Potential projects not included in current plan

The following projects were considered important and addressing key risks but are not included in the Internal Audit Plan due to capacity constraints:

Internal audit project	
Current Cybersecurity Strategy	IT Disaster Recovery/Business Continuity Planning
Municipal Licensing and Standards	ERM Strategy, Policy, Monitoring and Reporting
Pension, Payroll and employee benefits	Future Recruitment Strategy
Risk Culture Audit	Performance Audit: Housing Services - Homeless and Shelter Programs
Value for money: Community Use of Facilities (Space Management)	Performance Audit - Recreation master plan assessment
Performance Audit - Use of City Vehicles Audit	Operational Review - Windsor Detroit Border Link (WDBL)

Appendix D - Risk radar and risk definitions

The below image is of the risk radar which broadly covers eight key risks categories (slices), where the proximity to the centre of the radar depicts internal audit's inherent risks perspective which factors into our annual IA Planning. Placement of risks are Internal Audit's viewpoint informed by observing management's ERM risk discussion (latest 2018) and awareness of the City operations.

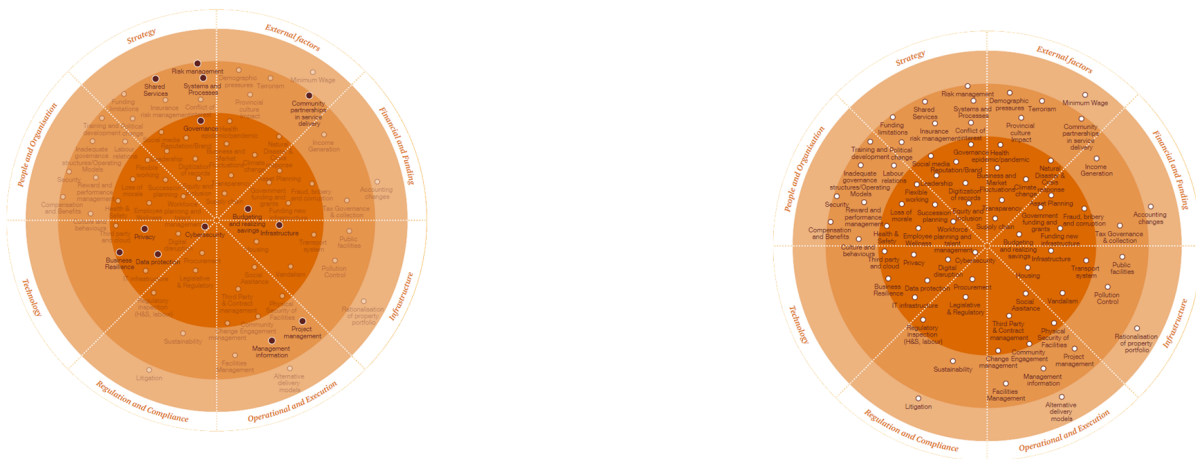
The following slices of the PwC Risk Radar (see image below) aim to categorize risks into key themes. The definitions of risks for each respective category (slice) is presented below.

Subsequent to the discussions with the CLT members in February and March 2021 and considering the current and emerging risks, we have added new risks namely: Privacy, Employee Wellness, Succession planning, Compensation & Benefits, Security, Leadership, Equity & Inclusion, Digitization of records, Conflict of interest, Insurance risk management and Social Media.

To establish Internal Audit's priority of each major audit universe area's inherent risk assessment, the Internal Audit team considered the risk intensity by mapping 13 risks onto the PwC Risk Radar. The following risk radar images (1 & 2) depicts Internal Audit's perspective on the inherent risks that are under consideration and will be covered in the 2021-22 IA plan.

Internal Audit's risk assessment is summarized in two radar images.

Radar image 1: 13 risks have been covered across the 3 audits presented under the 2021-22 IA plan. **Radar image 2:** Radar Image with all possible risks.



The description of the risks depicted in the above images as well as the other radar risks are provided on the next 2 pages. For ease of review, the bolded risks on the next page are the risks covered in the planned internal audit projects for 2021-22.

Risk Universe for 2021/22 IA Planning

The following table provides a listing of the risk universe used for IA planning purposes with the risks listed under each category. Recently added risks are highlighted. Risks with the text **bolded** are expected to receive some level of review in a planned 2021/22 IA project:

External Factors	Financial and Funding	Infrastructure	Operational and Execution	Regulations and Compliance	Technology	People and Organisation	Strategy
<ul style="list-style-type: none"> • Business and Market Fluctuation • Provincial culture impact • Terrorism • Supply Chain • Climate change • Demographic pressures • Health epidemic/pandemic • Natural Disaster & Crisis response • Community partnerships in service delivery • Minimum wage • Transparency 	<ul style="list-style-type: none"> • Asset Planning • Budgeting and realizing savings • Government funding and grants • Funding new infrastructure • Fraud, bribery and corruption • Tax Governance & Collection • Accounting changes • Income Generation 	<ul style="list-style-type: none"> • Housing • Infrastructure • Public facilities • Transport system • Vandalism • Pollution control • Rationalization of property portfolio 	<ul style="list-style-type: none"> • Change Management • Social Assistance • Third Party & Contract management • Community Management • Physical Security of Facilities • Facilities Management • Management information • Alternatives delivery models • Project management 	<ul style="list-style-type: none"> • Legislative & Regulatory • Procurement • Sustainability • Regulatory inspection (H&S, labour) • Litigation 	<ul style="list-style-type: none"> • Cybersecurity • Data protection • Digital disruption • IT infrastructure • Third party and cloud • Privacy • Business Resilience 	<ul style="list-style-type: none"> • Culture and behaviours • Employee Wellness • Succession planning • Health & safety • Workforce planning and talent management • Reward and performance management • Compensation & Benefits • Training and development • Inadequate governance structures/ Operating models • Labour relations • Flexible working • Security • Loss of morale 	<ul style="list-style-type: none"> • Governance • Leadership • Equity & Inclusion • Digitization of records • Conflict of interest • Insurance risk management • Political change • Reputation/ Brand • Risk Management • Shared Services • Social Media • Systems and Processes • Funding Limitations

External Factors	
Business and Market Fluctuations	Unanticipated changes in market interest, foreign interest, employment, business startups and business departures.
Provincial culture Impact	Impact and shift in corporate culture driven by external regulators driving modifications in working practices and processes.
Terrorism	Significant acts of violence or terrorism occur.
Supply Chain	Material resources or contractors are not available when required. Failure to alter operations to respond, implementing changes to deal with major supply chain disruptions.
Climate change	Climatic changes are not considered to effectively plan resource allocation and services like road and sewage maintenance.
Demographic pressures	Changes in demography affecting growth assumptions and resource management.
Health epidemic/pandemic	Health epidemic or pandemic occurs.
Natural Disaster & Crisis response	Absence of a disaster recovery / contingency plan in case of a natural disaster.
Community partnerships in service delivery	Partnerships with major institutions, business communities or the county fail to attain the expected objectives, needs or service demands of residents or fail to adequately respond to social and community changes.
Minimum Wage	Impact of increase to National/Provincial Minimum Wage on services e.g. social care.
Transparency	Legislative and/or citizen/stakeholder transparency expectations are not met.

Financial and Funding	
Asset Planning	Inconsistent approach to planning and decision-making to properly manage municipal infrastructure including but not limited to physical assets, IT systems.
Budgeting and realizing savings	Budget reductions and challenges on resources to meet medium term financial strategy and realise other savings. Misallocation of resources.
Government funding and grants	Reductions in funding available or lack of awareness.
Funding new infrastructure	Affordability of infrastructure to cope up with the housing (and other) demands.
Fraud, bribery and corruption	Failure to prevent and detect fraud, bribery and corruption.
Tax Governance & collection	Ineffective reporting and tax governance frameworks.
Accounting changes	Accounting changes not addressed and incorporated properly can prohibit the City to reflect True and Fair view in its Financial statements which can hamper the decision making as well.
Income Generation	Failure to identify new ways of generating income and finding alternative funding to meet targets.

Infrastructure	
Housing	Lack of affordable housing and improving the quality of existing housing stock.
Infrastructure	Saturated road network and ageing, deteriorating road/ bridge infrastructure. A need to build infrastructure to support new development.
Public facilities	Inadequate maintenance of public facilities or deterioration of assets.
Transport system	Ongoing resilience of the transport system and encouraging public transport use.
Vandalism	Damage to property or assets impacting image or requiring repair.
Pollution control	Failure to enforce environmental protection through monitoring of industrial waste and compliance with the sewer use by-law, and or failure to respond to odour complaints and spills to sewers or waterways, and failure to inspect closed landfills and properly disposing of biosolids.
Rationalisation of property portfolio	Old, unsuitable and high maintenance property portfolio (Community Centres/libraries, heritage sites etc).

Operational and Execution	
Change management	Failure to ensure operational effectiveness is achieved.
Social Assistance	Failure to ensure capacity, funding and resources to deliver social assistance programs.
Third Party & Contract management	Failure to ensure contractors deliver value for money.
Community Engagement	Lack of engagement and associated lack of public confidence.
Physical Security of Facilities	Lack of security measures that are designed to deny unauthorized access to facilities, equipment and resources and to protect personnel and property from damage or harm (such as espionage, theft, or terrorist attacks).
Facilities Management	Failure to ensure suitability of facilities portfolio for service delivery.
Management information	Inadequate management information and data quality to enable effective decision making.
Alternative delivery models	Failure to ensure operational effectiveness is achieved.
Project management	Failure to ensure projects are managed effectively to deliver on objectives.

Regulations and Compliance	
Legislative & Regulatory	Noncompliance with legal obligations. Changes in legislative, regulatory and/or policy occur and are not known or not actively managed as it relates to City operations.
Procurement	Noncompliance with procurement legislation and procurement bylaws.
Sustainability	Sustainability targets e.g. people, safety, environment, society are not met
Regulatory inspection (H&S, labour)	Failure to comply with legislative requirements
Litigation	Involvement in uninsured litigation.

Technology	
Cybersecurity	Inadequate controls to prevent and detect cyber attacks
Data protection	Noncompliance with data protection and privacy regulations
Digital disruption	Digital technology and channel shift for customers are not exploited
IT infrastructure	Out of date IT infrastructure which is not fit for purpose and enabling IT effectively to increase operational efficiency
Third party and cloud	Impact of the loss or breach of data.
Privacy	Noncompliance with data protection and privacy regulations (MFIPPA, GDPR & IPC guidance).
Business Resilience	Inadequate business continuity and disaster recovery planning

People and Organisation	
Culture and behaviours	Culture and behaviour of staff and contractors not in line with policies and procedures
Employee Wellness	Failure to introduce and implement wellness and mental health programs
Succession planning	The risk that a critical role will become vacant and cannot be filled satisfactorily given the people dependent processes before the vacancy has unacceptable impact on the organisation.
Health & safety	Health and safety incidents occur leading to injury, illness or death. The risk that organisation is not taking appropriate H&S measures for providing and maintaining safe and healthy environment
Workforce planning and talent management	Recruitment and retention of high performing staff is not achieved.
Reward and performance management	Inadequate reward and performance management arrangements
Compensation & Benefits	Failure to adequately compensate (base, bonus, benefits, incentives) staff may result in lack of interest and productivity.
Training and development	Lack of investment in training

Strategy	
Governance	Failure to ensure effective oversight from senior officers and elected members.
Leadership	The absence of strategic competence to support the vision/mission and overall direction for the organisation. Ineffective or absence of leadership skills impairs the attainment of strategic directives
Equity & Inclusion	Failure to provide fair treatment, equality of opportunity, and fairness in access to information and resources for all. Failure to build a culture of belonging by actively inviting the contribution and participation of people.
Digitization of records	Failure to implement a system to store data electronically.
Conflict of interest	The risk of non disclosure of situations where the goals or concerns (financial or otherwise) of the parties involved are at odds with one another.
Insurance risk management	Failure to manage insurance risk across various functions.
Political change	Changes in direction or strategy are not aligned to needs of residents or City Council significantly changes plan direction.
Reputation/Br and	Harm to reputation and brand.
Risk management	Inadequate risk management impacts service delivery.

Inadequate governance structures/Operating models	Ineffective decision making due to inadequate governance structures or inability to resolve conflicting priorities/ demands. Inadequate operating model resulting in inefficiencies and lack of accountability or impairing communication or creating conflicting priorities.
Labour relations	Ineffective management of labour relations and union relationships.
Flexible working	Poor adoption of flexible working leading to increased risk around employment practices and a weakening of management controls.
Security	The risk that organisation is not taking appropriate measures for providing and maintaining security
Loss of morale	Loss of morale within teams due to change and shrinking workforce.

Shared Services	Multi tier municipal services are not well coordinated.
Social Media	The risk that there is inconsistent use, overuse, inappropriate use or hijacking of social media activity resulting in brand impairment. The risk that the social media environment is not sufficiently monitored to enable identification of brand impairing activities or sufficient response thereunto.
Systems and processes	Impact on working relationships, implementation of systems and processes to generate greater powers and enable decision making.
Funding limitations	Reduction in funding available to help meet strategic objectives.

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Appendix E - ABC listing by type

Local Board	
1. Essex Windsor Solid Waste Authority	2. Windsor Licensing Commission
3. Nine BIAs	
Municipally Controlled corporation	
4. Roseland Golf & Curling Club	5. Windsor Essex Community Housing Corporation
6. Transit Windsor	7. YQG Windsor Airport
8. Windsor Detroit Tunnel Corp	9. Windsor Detroit Border Link
10. Windsor Utilities Commission	11. Windsor Canada Utilities
12. Enwin Utilities Ltd	13. Enwin Energy Ltd
Grant recipient	
14. Artcite	15. Handi Transit
16. Life After Fifty	17. Windsor Essex Economic Development Corporation
18. Tourism Windsor Essex Pelee Island	19. Windsor Symphony
20. Arts Council Windsor & Region	21. The Safety Village
Committees of Council	
22. Diversity Committee	23. International Relations Committee
24. Seniors Advisory Committee	25. Town & Gown Committee
26. Windsor Accessibility Advisory Committee	27. Windsor Bicycling Committee
28. Windsor/Essex Environmental Committee	
Optional Participants	
29. Committee of Adjustment	30. Essex Region Conservation Authority
31. Windsor Public Library	32. Windsor Police Services
33. Huron Lodge Committee of Management	34. Windsor Essex County Health Unit

