JAN 31, 2025 Auditor General Work Plan Status

Report

04.02.2025

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Office of the Municipal Auditor General,
The Corporation of the City of Windsor

Executive Summary

January 31, 2025

Completed in 2024:

- Procurement - Education Compliance
- Initial Gap Assessment & Resolution Plan - IIA International Professional Practices Revisions Roadmap and Alignment with Municipal Act (Auditor General Elements)
- Management Action Plan Validation as of December 31, 2023
- CCEP Hotline Revisions, Updates, Enhancement and Digital Enablement
- 2024 Concerned citizen and employee hotline administration - Year-end totals were: Hang-ups/spam (341), Routed to Management (16), Qualified for Investigation (12) and Other (15).
- Risk assessment refresh and 2025 Auditor General Work Plan *(under separate cover for Feb 27 Council Meeting)*
- Oversight, administration and reporting
- Auditor General functional activities

Completed in January 2025:

- Investigation - Data Integrity (reported separately on February 10, 2025)
- Final Update on Gap Resolution Plan - IIA International Professional Practices Revisions Roadmap and Alignment with Municipal Act (Auditor General Elements) *(See Appendix A)*
- Compiled Office of the Auditor General Guiding Practices Information - Summary Package for Council consideration *(under separate cover for Feb 27 Council Meeting)*

Ongoing activities in January

- Validated BIA findings with one BIA leadership team. Compared findings to trends in other testing and data requests. Shared initial draft report with specific BIA. Commenced review of initial BIA observations with City management.
- Completed research and testing on lien investigation; however, it was delayed as new evidence was provided during the month. Report expected in March.
- Commenced analysis and testing regarding conflict of interest complaint. Report expected in March.
- Completed tender investigation testing, however, the report was delayed as new evidence was provided in the month. Report expected in March.
- Facilitate initial conversations and reviews with the complainant regarding confidentiality investigation now expected to be withdrawn.
- Initiated discussions and engaged with a professional services firm to provide short-term support for investigations.
- Ongoing administration of the Concerned Citizen and Employee Hotline.
- Ongoing functional and reporting requirements for the Office of the Auditor General.

Concerned Citizen and Employee Hotline and Investigation Status

- In the first month of the year, inbound complaints are up in all categories.
- Inbound communications are currently 184% from the average in 2024.
- In January 2 allegations were qualified for investigation and a 3rd one is pending information in support of an investigation.
- Additional efforts (external resources) have been engaged to assist with conducting and closing the open investigations.
- One was reported at the February 10, 2025, Council meeting, and three more are expected to be reported in March.

Ethical Considerations Noted During the Period

Professional standards require internal auditors to report behaviour inconsistent with the organization's ethical expectations. During the period, we noted the following:

- No such behaviour or concerns were noted.

Direction Sought

Given the ever-increasing emphasis on independence, increasing inbound communications, allegation volume and complexity, additional efforts to comply with professional standards, the mandate of the Auditor General (AG) and the Office of the Auditor General (OAG) as well as a budget which has not been modified since 2013 the AG is recommending that the OAG research publicly available materials related to other municipal AG considering:

- Independence practices
- Professional standards alignment
- Budget
- Reporting structures

This research will be an integral part of, and be considered in, the 2025 Assessment and Reporting to Council and Management of Compliance with the Essential Conditions of the professional standards - the Institute of Internal Auditor's International Professional Practices Framework.

A summary report of the research findings, options analysis and recommendations for moving forward will be provided to Council for consideration.

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IIA International Professional Practices Revisions Roadmap and Alignment with Municipal Act (Auditor General Elements) - Summary of Resolution Actions

Work Plan Progress

2025 Initiative Progress

Planned Project	Progress	Report Issued
Ford City BIA	86.5%	○[1]
Walkerville BIA		
Pillette VIllage BIA		
Wyandotte Town Centre BIA		
Sandwich BIA		
Complete BIA Consolidated Work (Carryforward)		
IIA International Professional Practices Revisions Roadmap and Alignment with Municipal Act (Auditor General Elements) (Carryforward)	**100%**	✓✓
Investigations (see Investigation of Allegations - Status Overview section below for further details)	20%	○
Concerned citizen and employee hotline	9%	○○
Risk assessment refresh	0%	○
Annual quality self-assessment and reporting	0%	○
Execute management relationship management plan and performance reporting	1%	○
AG Executive Learning Plan	9%	○
AG function	10%	○
Unallocated/Potential Investigations	12%	○
Overall Plan Progress	33%	NA

Legend:

To be issued ○ Issued/Completed ✓ Cancelled ✗

[1]As per the 2025 Auditor General Workplan the BIA efforts have been consolidated into a general report/lessons learned analysis given initial work conducted.

Investigation of Allegations - Status Overview

Planned Project	Progress Completed
Completed	
In Process	
Report Integrity Concerns	85%
Property Lein Issues	75%
Unfair Treatment of Service Provider	70%
Disclosure of Confidential Information	70%
Conflict of Interest	20%
Parking Ticket Practices	35%
BACKLOG	
Investment Practices	0%
Supported Care Home Treatment Concerns	5%
Treatment of Citizen	10%
Building Inspections	7.5%
Inappropriate Service and Treatment Regarding Social Support	7.5%
Hiring Practices	1%
Innapporaite Compensation Practice	2%
Road/Citizen Saftey During Construction	1%

Appendix A - Reports issued in the period

An extract of the report's executive summary is included below, and the full report is attached in the appendix to this status report.

IIA International Professional Practices Revisions Roadmap and Alignment with Municipal Act (Auditor General Elements) - Summary of Resolution Actions

Context

On January 9, 2024, the Institute for Internal Auditors (IIA) Standards Board released the updated Global Internal Audit Standards (Standards), the main component of the International Professional Practices Framework (IPPF). The new guidance replaces the 2017 Standards and is effective January 9, 2025.

As per Council direction, SCM 218/2024, the Auditor General has completed the assessment of the gaps and the proposed resolution plans for conformance with the new IIA IPPF standards.

This report provides an update on the completion of the gap resolution actions.

Resolution Plan

The following activities were identified as key to enabling compliance for January 2025. These actions have been developed and implement for opertion:

1. Reviewed the Municipal Act and Current Auditor General Charter with new IIA IPPF elements in consideration and identified potential amendments.
2. Developed and implemented required elements for governance and supporting content/communication requirements.
3. Created and implemented formal ethics processes with the Office of the Auditor General and aligned with the broader City of Windsor elements.
4. Updated communication practices with Council as well as management to align to requirements.
5. Reviewed and enhanced security and information protection practices to demonstrate conformance with requirements.
6. Formalized key role competencies and support.
7. Created and deployed an inventory to track personnel, continuing education compliance (overall), accreditation requirements, certifications, experience, work history,

8. Created and implemented an annual formal quality assessment and improvement plan per requirements.
9. Enhanced the annual reporting template to incorporate any new requirements.
10. Reviewed and enhanced the internal audit methodology (s) by considering IPPF enhancements and new elements.
11. Updated working papers to support methodology enhancement and the capture of required conformance with IIA IPPF.
12. Reviewed and enhanced reporting requirements in conformance with standards.
13. Created and rolled out an end-of-project survey with assessment questions related to Honesty, Professional Courage, and Competency as perceived by management.
14. Finalized enhancements and modifications to the Auditor General Charter and communicated modification to Council consideration.
15. Reported on progress against plan to Council regarding the readiness for compliance with Global Internal Audit Standards (Standards) as of January 9, 2025.

Appendix B - Complaints & Investigation

Year	Checked within timeframe	Inbound	Pending Further Information from the Complainant	Hangups/Spam	Routed to Management	Other	Submitted for Qualification
2024	Yes	384	0	341	16	15	12
2025	Yes	59	1	50	0	6	2

Distribution of Qualified Investigation	Count
Investigations Completed	0
Investigations Withdrawn/ Routed Alternatively	1
Investigations Ongoing	6
Investigation Queue	8

Appendix C - Detailed Reports

Office of the Municipal Auditor General,
The Corporation of the City of Windsor

January 9, 2025

IIA International Professional Practices Revisions Roadmap and Alignment with Municipal Act (Auditor General Elements)

Summary of Resolution Actions

Overview

Executive Summary

Context

On January 9, 2024, the Institute for Internal Auditors (IIA) Standards Board released the updated Global Internal Audit Standards (Standards), the main component of the International Professional Practices Framework (IPPF). The new guidance replaces the 2017 Standards and is effective January 9, 2025.

As per Council direction, SCM 218/2024, the Auditor General has completed the assessment of the gaps and the proposed resolution plans for conformance with the new IIA IPPF standards.

This report provides an update on the completion of the gap resolution actions.

Overview of the New Standard & Changes

At the heart of the Standards are 15 principles comprised of five domains:

Domain I: Purpose of Internal Auditing – provides a unified description of the profession.

Domain II: Ethics and Professionalism – incorporates the profession's Code of Ethics and Standards on practitioner conduct, including Standards on due professional care (Principles 1-5).

Domain III: Governing the Internal Audit Function – clarifies the board's role and responsibilities in supporting an effective internal audit function and addresses how the chief audit executive (CAE) can support the board in carrying out its responsibilities (Principles 6-8).

Domain IV: Managing the Internal Audit Function – clarifies the CAE role and responsibilities for effectively managing an internal audit function (Principles 9-12).

Domain V: Performing Internal Audit Services – codifies requirements and considerations to help internal auditors perform internal audit engagements with consistency and quality (Principles 13-15).

Supplemental guidance

Global Guidance – supports the Standards by providing nonmandatory information, advice, and best practices. Global Practice Guides and Global Technology Audit Guides are included under this category, providing detailed approaches, step-by-step guidance, and examples on various subjects.

Key Differences From Previous IPPF Guidance

The new Standards differ from the 2017 guidance in several ways:

- *Emphasis on risk management alignment*: Internal audit activities are required to be aligned with the organization's risk management framework to ensure a comprehensive approach to risk management.
- *Formalized communication channels*: Clear and effective communication channels between internal auditors and stakeholders are mandated, promoting transparency and accountability.
- *Expanded scope of activities*: Governance, culture and cybersecurity are considered integral components of the audit scope, with increased integration between assurance and advisory projects for comprehensive coverage.
- *Focus on technology and data analytics*: Internal audit functions are encouraged to develop and implement plans for leveraging technology-driven tools to enhance audit efficiency and effectiveness.
- *Structural changes*: The overall makeup of the Standards has been simplified and integrated for easier understanding and implementation.

Summary of Gap Assessment

The Auditor General previously conducted a gap assessment using:

1. Attendance at a workshop/seminar on what has changed in the IIA IPPF.
2. Leveraging the IIA-published *Conformance Readiness Tool* to identify new areas to address.
3. A review of the IIA-published *Complete Global Internal Audit Standards*.

The *Conformance Readiness Tool* "identifies the significant changes between the requirements of the 2017 IPPF and those of the 2024 Standards to help chief audit executives and their teams implement the new Standards and prepare for quality assessments before the effective date of January 9, 2025." The document lists 27 new significant areas and reviews the *Complete Global Internal Audit Standards,* identifying two other elements and several areas for enhancement.

In several instances, the requirements are practices which were informally in place but now needed to be codified and have evidence routinely generated as a natural output to demonstrate sustained compliance with the professional standards. In other areas, the requirements and evidentiary elements were new.

Resolution Plan

The following activities were identified as key to enabling compliance for January 2025:

1. Review the Municipal Act and Current Auditor General Charter with new IIA IPPF elements in consideration and identify potential amendments or note exceptions.
2. Develop and implement required elements for governance and supporting content/communication requirements.
3. Create and implement formal ethics processes with the Office of the Auditor General and align/participate in the broader City of Windsor elements.
4. Update communication practices with Council as well as management to align to requirements.
5. Review and enhance security and information protection practices to demonstrate conformance with requirements.
6. Formalize key role competencies and support.
7. Create and deploy an inventory to track personnel, continuing education compliance (overall), accreditation requirements, certifications, experience, work history,
8. Create and implement an annual formal quality assessment and improvement plan per requirements.
9. Enhance the annual reporting template to incorporate any new requirements.
10. Review and enhance the internal audit methodology (s) by considering IPPF enhancements and new elements.
11. Update working papers to support methodology enhancement and the capture of required conformance with IIA IPPF.
12. Review and enhance reporting requirements in conformance with standards.
13. Create and roll out an end-of-project survey with assessment questions related to Honesty, Professional Courage, and Competency as perceived by management.
14. Finalize enhancements and modifications to the Auditor General Charter and communicate exceptions for Council consideration.
15. Report on progress against plan to Council regarding the readiness for compliance with Global Internal Audit Standards (Standards) as of January 9, 2025.

Summary of Actions Taken to Enable Conformance:

The following activities have been undertaken (and implemented for operation) so as enable compliance:

1. Review the Municipal Act and Current Auditor General Charter with new IIA IPPF elements in consideration and identify potential amendments or note exceptions.

    a. Updated and submitted to City Council for acceptance. Included as a separate agenda item.

2. Develop and implement required elements for governance and supporting content/communication requirements.

    a. This is contented in Office of the Auditor General Guiding Practices Information Summary Package (item 3), where each required element is outlined.
    b. Attended training on new standards and governance elements.
    c. Customized presentation materials for use in required communications.
    d. Developed approach to engaging with Council and Management in the first half of 2025:
        i. Communicate the Essential Conditions
        ii. Document understanding of the current state
        iii. Report on identified gaps and provide action plans
    e. Updated internal planning and closing memos for required considerations.
    f. Updated auditee planning memos for required considerations.
    g. Updated reporting template for required considerations.

3. Create and implement formal ethics processes with the Office of the Auditor General and align/participate in the broader City of Windsor elements.

    a. Considered and reviewed various City materials (policies, procedures, forms and training materials) related to ethics and behaviour to ensure alignment and consider training requirements. No additional requirements beyond annual compliance attestation and ethics training are required.
    b. Included ethics considerations into work plans.
    c. An ethics section was included as part of the regular status reporting considerations.
    d. Updated planning and closing memo for ethics consideration.

4. Update communication practices with Council as well as management to align to requirements.

    a. Status reports will be presented twice per annum, more if the Auditor General requires it or City Council requests it.
    b. Items which the Auditor General is required to escalate to City Council in the normal course of audit operations are outlined in Office of the Auditor General Guiding Practices Information Summary Package (item 4).
    c. Items requiring rapid escalation are outlined in Office of the Auditor General Guiding Practices Information Summary Package (item 5) and include the following (with guidance included) -
        - Significant Control Failures
        - Inability to Mitigate Fraud Risks

- Regulatory Non-Compliance
- Potential Legal Liabilities
- Material Financial Loss or Irregularities
- Unusual or Unauthorized Transactions
- Data Breaches or Cyberattacks
- Failure to Protect Sensitive Data
- Disruption of Essential Municipal Services
- Significant Infrastructure Failure
- Fraud, Bribery, or Corruption
- Conflicts of Interest
- Scandals or High-Profile Allegations
- Severe Public Backlash
- Impending Insolvency or Financial Distress
- Material Overruns in Major Projects
- Obstruction of Audit Process
- Failure to Act on Critical Audit Recommendations
- Governance Failures or Weak Oversight

5. Review and enhance security and information protection practices to demonstrate conformance with requirements.

    a. Updated Corporate Data Protection, Cybersecurity and Confidentiality policy and enabling systems.
    b. Designed and implemented an annual attestation process for capturing evidence of security policy conformance.

6. Formalize key role competencies and support.

    a. A summary overview job description is documented; see Office of the Auditor General Guiding Practices Information Summary Package (item 1).
    b. Enhanced and updated the Auditor General Charter in accordance with standards updates. Office of the Auditor General Guiding Practices Information Summary Package (item 2)
    c. As part of communicating Essential Conditions, a review of other municipalities with Auditor General's in place and key variances will be provided in 2025. See item for direction.

7. Create and deploy an inventory to track personnel, continuing education compliance (overall), accreditation requirements, certifications, experience, work history,

    a. Developed a competency assessment framework aligned with a competency history tracker.
    b. Incorporated placeholder to demonstrate file/work review in project files and an explicit final sign-off
    c. Integrated considerations into project completion survey

8. Create and implement an annual formal quality assessment and improvement plan per requirements.

    a. Attended training sessions on new standards and quality reviews.
    b. Acquired and reviewed the IIA Quality Assurance Assessment Manual.
    c. Developed Quality Assurance Self-Assessment tool based on the IIA Quality Assurance Assessment Manual.

9. Enhance the annual reporting template to incorporate any new requirements.

    a. Updated status report to incorporate new requirements or triggers for consideration.

10. Review and enhance the internal audit methodology (s) by considering IPPF enhancements and new elements.

    a. Researched considerations and options for approach.
    b. Given the scale of the function, these have been incorporated into the Auditor General Charter and individual work plans. No significant changes noted.

11. Update working papers to support methodology enhancement and the capture of required conformance with IIA IPPF.

    a. Developed and documented new key elements to align to new formal requirements:
        i. AG annual strategy
        ii. Materiality perspective and modified report rating parameters to align with materiality. Confirmed non-financial considerations in ratings based on research.
        iii. Technology and tools assessment and implementation strategy.
        iv. Budget

        See these various items in the Office of the Auditor General Guiding Practices Information Summary Package.
    b. Updated planning memo for ethical considerations and due professional care requirements as items to prompt consideration in planning.
    c. Updated closing working paper to consider the approach to evaluating and validating information gathered during an engagement.
    d. Updated reporting template for required considerations.
    e. Internal Wiki to share the above content and policies with team members.

12. Review and enhance reporting requirements in conformance with standards.

    a. Updated reporting template for required considerations.

13. Create and roll out an end-of-project survey with assessment questions related to Honesty, Professional Courage, and Competency as perceived by management.

    a. Developed survey for use using survey technology
    b. Incorporated associated working paper into engagement file tool.

14. Finalize enhancements and modifications to the Auditor General Charter and communicate exceptions for Council consideration.

a. Enhanced and updated the Auditor General Charter in accordance with standards updates. Office of the Auditor General Guiding Practices Information Summary Package (item 2)

15. Report on progress against plan to Council regarding the readiness for compliance with Global Internal Audit Standards (Standards) as of January 9, 2025.

a. Compliance framework in place key activities to occur in 2025 will include:
    i. Initial communication of Essential Conditions with Council and Managment
    ii. Identification of gaps, if any, and action plans
    iii. Consideration of Essential Considerations, Budget Impact, Concerned Citizen and Employee Hotline Administration and key insights from other municipalities with Auditor General's (based on publicly available information).
    iv. Execution of Workplan