

# Audit Committee Report

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**DATE:** Monday, June 13, 2022

**WARD(S):** ALL

**TITLE: EMERGENCY MANAGEMENT AND BUSINESS CONTINUITY  
PROGRAM AUDIT**

**FROM:**

Kevin Shapiro, Director of Internal Audit

**ACTION:** FOR INFORMATION

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**Purpose**

To communicate the findings from the Emergency Management and Business Continuity Program audit.

**Report Highlights**

- The City maintains an Emergency Management and Business Continuity Program that utilizes the five pillars of emergency management: prevention, mitigation, preparedness, response, and recovery in service delivery.
- The City's approach to emergency management and business continuity aligns with its legislated requirements, as well as recognized industry standards and leading practices.
- This audit has highlighted additional considerations in the emergency management and business continuity plans to ensure that the City is even better prepared for potential future emergency events.
- Management has developed action plans which will mitigate the identified risks and address the recommendations outlined in the report.
- This audit was co-sourced with MNP LLP (MNP) and was conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing*.
- Internal Audit will follow up with management and report on the status of management action plans at a future Audit Committee meeting.

## **Recommendations**

1. That the Internal Audit Report on the Emergency Management and Business Continuity Program be received.

## **Background**

The objective of the audit was to evaluate the adequacy and effectiveness of the internal controls, processes, and procedures in place to mitigate the business risks associated with the management and administration of the emergency management and business continuity program.

The scope of the audit covered the emergency management and business continuity activities for the period of March 2020 to April 2022. This audit was co-sourced with MNP, who were the successful bidders after a competitive procurement process.

This audit was conducted in conformance with the *International Standards for the Professional Practice of Internal Auditing*.

## **Previous Reports/Authority**

Not applicable.

## **Analysis and Options**

The City maintains an Emergency Management and Business Continuity Program for the purposes of developing, implementing, and evaluating plans and strategies to mitigate potential emergencies, prepare the community, respond to, and recover from emergency situations, and thus safeguard lives, property, the environment, critical infrastructure and welfare of citizens and businesses.

On December 31, 2019, China reported a cluster of pneumonia cases of unknown cause that would later be identified as severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2). Recognizing its widespread transmission, on January 30, 2020, the World Health Organization declared an outbreak of a novel coronavirus, commonly known as COVID-19. The City of Vaughan declared a state of emergency on March 17th, 2020, in response to the public health crisis.

The COVID-19 pandemic presented a challenge to health experts and government decision-makers around the world that in many ways was unprecedented in its impact and complexity. It introduced new risks (e.g., employees working remotely, workplace safety), as well as new components to existing risk areas (e.g., supply chain sustainability, continuity in providing public services). It became critical to have a fast, well-coordinated, and well-resourced response by trained and ready personnel to effectively limit the extent and consequences of the pandemic, as well as favour a more rapid recovery and return to normal life after the event.

## **Financial Impact**

There are no direct economic impacts associated with this report.

## **Broader Regional Impacts/Considerations**

Not applicable.

## **Conclusion**

Overall, the City has established a robust, high functioning emergency management program. Still, additional considerations in these plans would ensure that the City is even better prepared for potential future emergency events.

This audit was co-sourced with MNP LLP (MNP), who were the successful bidder after a competitive procurement process. The MNP findings that were rated high, and medium include:

- **Key Person Risk:** By assigning the overall administration of the program to one role there is a risk that the quality and ongoing sustainment of the program would be negatively impacted if the Manager, Emergency Planning was to transition out of this role.
- **Leveraging Technology – Business Continuity Software:** The Manager, Emergency Planning keeps controlled copies of each Business Continuity Plan (BCP) and ensures they are distributed only to the appropriate departments, however, there are no guidelines or structured processes for maintaining the BCP at the department-level.
- **Adherence to Established Response Procedures:** In response to the COVID-19 pandemic the City shifted to a Task Force model. A task force can be a useful model to solve a specific, unique problem during an emergency, typically these changes are done after a response as part of the after-action review process.
- **Business Continuity Plan – Governance Structure:** Gaps were observed in the City's governance structure for business continuity. While the Manager, Emergency Planning is accountable for the oversight and the coordination of the program, there is less clarity at the division and department-level.

During the audit, management has already taken steps to address some of these issues. Internal Audit will follow up on the status of outstanding management action plans related to this audit and will report the status to a future Audit Committee meeting.

**For more information,** please contact Kevin Shapiro, Director of Internal Audit, ext. 8293

## **Attachments**

1. Internal Audit Report – Emergency Management and Business Continuity
2. MNP Report - Emergency Management and Business Continuity
3. Presentation Materials

## **Prepared by**

Kevin Shapiro, Director of Internal Audit, ext. 8293

## **Approved by**

A handwritten signature in black ink, appearing to be 'K. Shapiro', with a long horizontal flourish extending to the right.

Kevin Shapiro, Director of Internal Audit