



# INTERNAL AUDIT REPORT

## **Emergency Planning and Business Recovery – COVID-19 Audit**

**May 2022**

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#### CONCLUSION AND SUMMARY

Having an effective emergency management program in place is important to ensure that the City is ready to respond to an emergency and to minimize the harm or damage that may result. Overall, the City has established a robust 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. MNP's Business Resilience practice has become one of the pre-eminent business continuity and emergency management consulting practices in Canada. MNP's principal focus was the assessment of the overall emergency management and business continuity program at the City. This report is included as Attachment 2. Observations noted by Internal Audit are included as Attachment 1.

MNP found that overall, the City of Vaughan has a mature, high functioning Emergency Management and Business Continuity Program. However, MNP has noted minor opportunities for improvement related to strengthening the business continuity component of the overall program. The MNP findings that were rated high, and medium include:

- **Key Person Risk:** The knowledge and experience of the Manager, Emergency Planning is a key strength of the City's program. 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:** Although the Business Continuity components of the program are well understood and staff appear to be engaged, some gaps exist with document management. 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, which may result in difficulties tracking the most up to date version of the plans.
- **Adherence to Established Response Procedures:** In response to the COVID-19 pandemic and based on the direction from a former senior staff member, the City shifted to a Task Force model to distribute activities amongst Emergency Management Team members and other staff. A task force can be a useful model to solve a specific, unique problem during an emergency, but due diligence must be completed to confirm that the task force's objectives cannot be handled with the existing sections in the Incident Management System structure. While there may be valid reasons for changing the City's response structure, typically these changes are done after a response as part of the after-action review process. It is not typical or recommended to make changes to the response structure during an ongoing response.
- **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

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less clarity at the division and department-level. The Manager, Emergency Planning does not have a list of all Business Continuity Leads and Alternates and there is no prompt for departments to assign a lead or alternate. Further, the Manager, Emergency Planning has developed a fulsome guideline to help departments complete their Business Continuity Plans. However, there is no information outlining how the BCP will be activated and how information will be managed during a business disruption.

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.

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#### **BACKGROUND**

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. The program utilizes the five pillars of emergency management: prevention, mitigation, preparedness, response, and recovery in service delivery.

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. On March 11, 2020, the COVID-19 outbreak was declared a pandemic. During a pandemic, public health and safety is of primary importance for local governments, which must be equipped with adequate plans and resources to respond effectively. 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.

#### **OBJECTIVES AND SCOPE**

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*.

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#### DETAILED REPORT

##### **1. Ensure Compliance with Employee and Vendor Screening Requirements**

With the evolving global pandemic, organizations were required to develop a plan to maintain a healthy work environment in order to comply with Ontario Public Health measures, advice, and restrictions. This included workplace screening:

*Schedule 1 of Ontario Reg. 364/20<sup>1</sup>:*

*The person responsible for a business or organization that is open shall operate the business or organization in compliance with any advice, recommendations and instructions issued by the Office of the Chief Medical Officer of Health, or another public health official, on screening individuals by, among other things:*

- (a) posting signs at all entrances to the premises of the business or organization, in a conspicuous location visible to the public, that inform individuals on how to screen themselves for COVID-19 prior to entering the premises; and*
- (b) actively screening every person who works at the business or organization before they enter the premises of the business or organization.*

All individuals attending a City of Vaughan facility were required to complete an online COVID-19 screening assessment before entering. Once an individual completed the online questionnaire, they received a pass or fail bounce-back email response, indicating whether or not they could enter a City facility. Their supervisor or direct-report manager received the same email notification.

While employee screening and testing was never meant to 100% guarantee the workplace remains safe from COVID-19, it did safeguard workplaces as much as possible and gave the City the ability to act quickly if staff, the public and vendors were exposed.

Management was asked to provide evidence of any proactive controls that may have been implemented to ensure both employee and vendor compliance to the screening legislation. Internal Audit was informed that no proactive controls had been implemented.

In Q1 of 2021, Internal Audit began to receive several complaints from employees that they had first-hand knowledge that many employees were coming into work without completing the screening requirements.

Internal Audit performed fieldwork to test employee and vendor compliance to the active screening requirements. The testing consisted of an analysis of all the April 2021 screening data. The analysis found that 37% of staff that swiped their badge to enter a City facility did not complete a screening questionnaire prior to entering. Additionally, three individuals who responded “Yes” in their screening questionnaire (therefore not passing<sup>2</sup>), also swiped into a City Facility. It is very likely that the employee completed the screening form incorrectly,

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<sup>1</sup> Ontario Reg. 364/20; <https://www.ontario.ca/laws/regulation/200364#BK10>

<sup>2</sup> If an employee answered YES to any questions on the screening, they did not pass and were advised not to enter the workplace, including any outdoor or partially outdoor workplaces. They were advised to inform their manager and go home immediately to self-isolate.

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however, they were not questioned by their supervisor as to why they were still coming to work. Internal Audit also sampled 20 records for external parties entering City facilities and found that 40% did not complete a screening questionnaire.

The Director of Internal Audit, and the former Chief Human Resources Officer presented these results to the Senior Leadership Team on August 20, 2021. To improve compliance, the former Chief Human Resources Officer committed to improve corporate-wide communication regarding screening requirements and arrange meetings with departmental leaders where high non-compliance was noted.

With the help of the OCIO, HR has been able to operationalize the compliance tests performed by Internal Audit. Internal Audit follow-up on results of screening in March of 2022. The screening results had improved but non-compliance was still 12%.

Non-compliance with COVID-19 measures increases the risk of viral exposure for individuals entering City facilities and other individuals potentially affected by their acts or omissions. These actions also pose a significant reputational risk for the City.

#### **Recommendations**

We recommend that management:

- Develop further communication initiatives to help ensure compliance to the screening requirements.
- Implement escalating disciplinary measures, where appropriate, to those individuals and/or vendors who continue to be non-compliant.

#### **Management Action Plan**

Management agrees with the audit recommendations.

Until the end of the active screening process, Management is committed to the following:

- HR/Departmental Leaders will continue to monitor and remind staff of the importance of completing the COVID screening prior to coming to work for the health and safety of themselves, other staff and the public. Due by end of Q2 2022.
- Departments who work with vendors will also be reminded to ensure that vendors are completing the screening prior to entering the workplace. Due by end of Q2 2022.
- Where there are repeat and on-going occurrences of a staff failing to complete the COVID screening, managers/supervisors shall work with their HR representative to address and where appropriate issue coaching and/or disciplinary warnings.

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- Although the Ontario government removed the requirement for active screening effective March 9, 2022 and passive screening as of March 21, 2022, the City chose to maintain active screening. This was due to two factors; the emergence of the Omicron and other variants and, the City moving into Phase 2 of the Business Reintegration Plan where more staff would be on-site.
- As the rate of new infections in the province has now stabilised with practically no work-related COVID transmission at City worksites, HR will advise on the phase out of active screening. Due by the end of Q2 2022.

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## 2. Improve Business Reintegration Decision Making

On May 7, 2021, staff were told that they would be reintegrating into City Hall, the Joint Operations Centre and several other City facilities by June 2021. However it became evident that this would not happen given the level of pandemic in the community<sup>3</sup>, yet communication to staff was very slow in coming. On May 21, 2021, only 6 working days before the start of June, all staff received the following notification from senior management:

*“...I want to circle back on when staff will start to reintegrate back into City Hall, the Joint Operations Centre and several other City facilities. Although we have seen progress on the COVID-19 front and vaccination accessibility, it is an evolving situation with different variants and strains. **Staff will continue to work from home, where operationally feasible, until the end of September 2021 at the earliest...**”*

The COVID-19 pandemic continued to evolve, with 4th, 5th, and 6th waves where cases spiked in the Province. Management continued to pivot the reintegration plan to compensate for the changing pandemic environment and to comply with public health policy. As key public health indicators improved, a reintegration plan was proposed again in Q1 of 2022. It recommended the following:

Phase 1 of the BRP was made effective November 1<sup>st</sup> which coincided with the rollout of the mandatory vaccination program. It was placed on pause in December due to the rise of Omicron and then re-activated as per the City Manager’s message on February 11, 2022.

- **April 19** – on any given day, approximately 50 per cent of staff from each department who have been working remotely will be back in a City facility using a staggered approach to scheduling.
- **May 2** – City Hall and the JOC will reopen to members of the public.
- **May 3** – Committee and Council meetings will transition to a hybrid approach with both in-person and virtual options available to Members of Council and the public.

Communication for this reintegration was greatly improved with enough notice to staff to prepare for the return to work. However, the pandemic highlighted a number of space issues that were evident at the JOC and City Hall even prior to the start of the pandemic. Space at the JOC and City Hall has always been at a premium, with some departments setting up dense rows of cubicles to accommodate staff. The space issue would be amplified by the “new reality” of social distancing and the fact that COVID-19 was likely to become an endemic.

In June 2021, the City asked employees to complete a survey regarding workplace preference. As an organization, it appeared that the City was moving towards a hybrid model with a focus on the operational requirements of each department. However, management also stated that the current version of the AWA (Alternative Work Arrangement) was a temporary measure implemented by the City to respond to the global pandemic.

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<sup>3</sup> On May 14th, 2021, Ontario’s rolling seven-day average of COVID cases stood at 2,616 cases.



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Prior to the pandemic, the City was updating the AWA program that allows for flexible work arrangements. Management stated that work arrangements for the majority of staff at City Hall and the JOC will be flexible and vary depending on your role, the needs of the department and arrangements with your supervisor.

Yet with over two years into a pandemic, an updated AWA program has still not been officially rolled out. Additionally, decisions regarding AWA is being left to the current People Leader of the business unit rather than being defined based on position and the long-term needs of the department and the City as a whole. This is particularly important since public surveys have indicated that the majority of people surveyed would prefer to work under a hybrid model. Further, management has continued to assert the exceptionally high productivity rates of staff working from home during the pandemic.

Although only a handful of staff were present at City Hall and the JOC during the 2-year+ pandemic, very little was done to reconfigure the facilities in a way to accommodate business reintegration. In addition, both the Service Counter and Parking Lot Expansion programs were put on hold even though it was evident that City Hall would at some point be reopening to the public. This was likely due to the lack of clarity as to what the long-term reintegration plan would be, regardless of the current status of the pandemic.

In this new reality of social distancing, staff is expected to return to work in their legacy physical space. This is a significant concern since in Mid-April 2022, the Ontario scientific advisory table estimated 100,000 to 120,000 new cases of COVID-19 daily through wastewater data. Throughout the reintegration planning, the focus seemed to be consistently on a phased approach to reintegration, with very little insight regarding the long-term workplace model, even when it became evident that there would be a “new reality” when it came to the post-pandemic work environment. Regardless of AWA arrangements, full reintegration or hybrid reintegration, the risk of not making a timely, decisive decision that address not only individual department needs but the needs of the City as a whole, increases the financial risk, health and safety risk and reputational risk for the City.

#### **Recommendations**

We recommend that management update and implement the AWA policy, factoring in both short-term and long-term implications, for determining the optimal workplace model for the City based on department needs, physical constraints, health and safety and the requirements of the City as a whole.

#### **Management Action Plan**

Management agrees with the audit recommendation.

Management is committed to the following:

- HR will review and update the AWA Policy and Guide taking into consideration the impacts of working from home during COVID-19, as well as consistency in approach with the other regional municipalities where appropriate.

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- The updated Policy and Guide will also take into consideration both short-term and long-term implications for determining the optimal workplace model for the City. Due by end of Q2 2022.
- HR will consult and share the draft Policy and Guide updates with the Business Integration Task Force and incorporate their feedback and seek the Task Force's assistance in implementing the AWA Policy and Guide. Due by end of July 2022.
- The Updated AWA Policy and Guide will be provided to the Policy Committee for approval. Once approved, the Policy and Guide will be implemented and shared with People Leaders and staff. Due by end of Q3 2022.