



INTERNAL AUDIT

Annual Report:

January 2022 – December 2022

April 2023

TABLE OF CONTENTS

Purpose of Internal Audit	3
Internal Audit – Governance Structure	3
<i>Functional Reporting Relationship</i>	3
<i>Administrative Reporting Relationship</i>	4
<i>Internal Audit Policy</i>	5
<i>Annual Declaration of Organizational Independence</i>	5
<i>The IIA's Three Lines Model</i>	6
<i>Governance Interrelationships</i>	8
Role and Expected Outcome of a Full Service Internal Audit Function	9
Measuring Performance	10
<i>Service to Stakeholders</i>	11
<i>Technical Development</i>	14
<i>Staff Development</i>	15
Common Themes and Issues – Analysis of 2022 Internal Audit Reports	16

Anonymous Reporting System – Annual Update	
.....	17
<i>Background and Purpose</i>	
.....	17
<i>Performance Criteria</i>	
.....	17
<i>Report Volume per 100 Employees</i>	
.....	18
<i>Report Allegation Categories and Substantiation Rates</i>	
.....	18
<i>Reporter Follow-up Rate</i>	
.....	19
<i>Anonymous vs Named Reporters</i>	
.....	20
<i>Case Closure Time</i>	
.....	20
Status of Management Action Plans – Annual Update	
.....	21
2022 Internal Audit Work Plan Status and Schedule	
.....	33
Audit Client Survey Results	
.....	Appendix A
List of Completed Audit Projects and Status of MAPs	
.....	Appendix B

PURPOSE OF INTERNAL AUDIT

The Internal Audit Department provides independent, objective assurance and consulting activity designed to add value and improve the City's operations. The Department helps the City accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes. The Department's core responsibilities are to conduct risk based operational and compliance audits and provide advisory services.

The Internal Audit Department's activities support the City's Term of Council Service Excellence Strategic Priority of "Service Excellence and Accountability".

INTERNAL AUDIT – GOVERNANCE STRUCTURE

Internal Audit reports functionally to Council through the Audit Committee and administratively to the City Manager.

According to the Institute of Internal Auditors (IIA) International Standards for the Professional Practice of Internal Audit (Attribute Standards 1110 - Organizational Independence), the chief audit executive must report to a level within the organization that allows the internal audit activity to fulfill its responsibilities. Appropriate reporting lines are critical to achieve the independence, objectivity, and organizational stature for an internal audit function necessary to effectively fulfill its obligations. Reporting lines are also critical to ensuring the appropriate flow of information and access to key executives and managers.

Functional Reporting Relationship:

The functional reporting relationship to Council through the Audit Committee helps ensure that the Internal Audit Department is free to work independently and objectively and is ultimately responsible for ensuring that Internal Audit has the resources and access to information to enable it to fulfil its mandate. These functional responsibilities include:

- Approving the Internal Audit Charter and Internal Audit Risk Based Work Plan.
- Ensuring that Internal Audit is appropriately resourced and has sufficient authority and standing to carry out its tasks effectively.
- Making appropriate inquiries of management and the Director of Internal Audit to determine whether there are inappropriate scope or resource limitations.
- Ensuring that the Director of Internal Audit has direct access to the Audit Committee Chair and committee members and is accountable to the Committee.
- Receiving communications from the Director of Internal Audit on the Department's activities relative to its risk-based work plan and other related matters.
- Reviewing and monitoring management's responsiveness to audit findings and recommendations.

- Monitoring and assessing the quality and effectiveness of Internal Audit, and its role in the overall context of the City's governance framework.
- Approving decisions regarding the appointment and removal of the Director of Internal Audit.
- Approving the compensation of the Director of Internal Audit.

The Director of Internal Audit assists Council in fulfilling their functional responsibilities by:

- Reviewing the Internal Audit governance structure and attesting to the Department's organizational independence on an annual basis.
- Providing feedback on the sufficiency of internal audit resources through the Internal Audit Risk Based Work Plan and through participation in the City's annual budgeting process.
- Providing briefing sessions to the Mayor and Members of Council on emerging risks.
- Presenting reports related to the Department's activities through the Audit Committee.
- Providing an annual update on the status of all outstanding management action plans so that Council can review and monitor management's responsiveness.
- Providing an annual update on the effectiveness of the City's Anonymous Reporting System.
- Reporting annually on the Department's performance. This information can be used by Council to gauge the quality, efficiency and effectiveness of the Internal Audit Department.

Administrative Reporting Relationship:

The administrative reporting relationship to the City Manager helps facilitate the day-to-day operations of the Internal Audit Department. This includes:

- Providing appropriate office space, supplies and equipment.
- Human Resources, Information Technology, and Purchasing support.
- Internal communications and information flow.
- Administration of the Internal Audit activity's policies and procedures.

Internal Audit Policy:

The Internal Audit Charter was developed and approved by Council in October 2012. The Charter was revised and renamed the Internal Audit Policy and approved by Council in June 2014. The Policy was further revised in 2020 and approved by Council on June 29, 2020.

The Internal Audit Policy is a formal document that defines the Internal Audit Department's purpose, authority, and responsibility. It establishes the Internal Audit Department's position within the City, including the nature of the functional reporting relationship with Council; authorizes access to records, personnel, and physical properties relevant to the performance of engagements; and defines the scope of internal audit activities.

The policy requires that it be reviewed at least once a year to ensure that it is up-to-date and effective. Based on the review Internal Audit conducted in December 2022, the policy remains up-to-date and effective, and no further revisions are recommended at this time.

Annual Declaration of Organizational Independence:

According to both the City's Internal Audit Policy and IIA Attribute Standards 1110 - Organizational Independence, the Director of Internal Audit must confirm to the Audit Committee at least annually, the organizational independence of the internal audit activity. In addition, IIA standard 1110.A1 states that the "internal audit activity must be free from interference in determining the scope of internal auditing, performing work, and communicating results. The chief audit executive must disclose such interference to the board and discuss the implications."

This statement confirms that the Internal Audit Department has been able to carry out its activities free from management interference and remains organizationally independent.

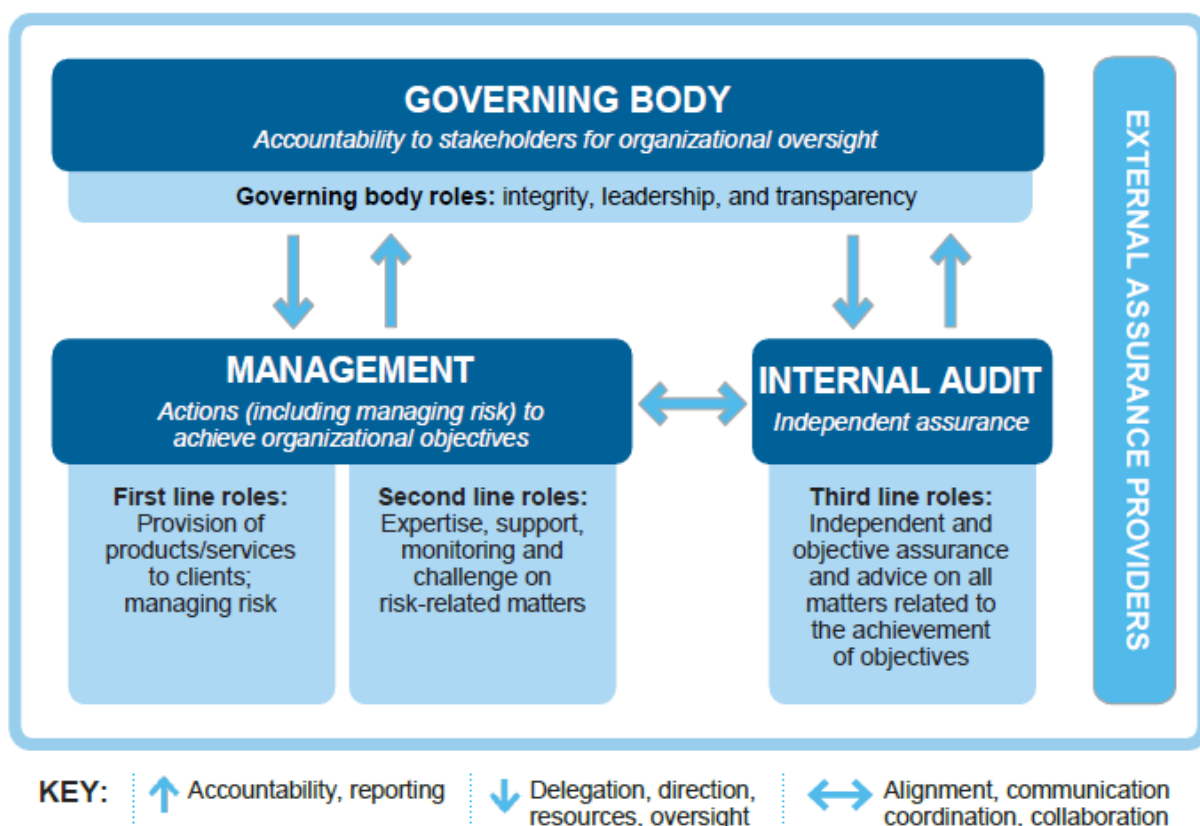
Any threats to the Internal Audit Department's independence or objectivity, whether perceived or actual, will be managed at the individual auditor, engagement, functional, and organizational levels, and be brought to the attention of Council should it occur.

The IIA's Three Lines Model:

In 2020, the IIA updated the Three Lines Model. The updated model helps organizations better identify and structure interactions and responsibilities of key stakeholders toward achieving more effective alignment, collaboration, accountability and objectives.

The model adopts a six-step, principles-based approach. It outlines the roles of various leaders within an organization, including oversight by the board or governing body, management and operational leaders including risk and compliance (first- and second-line roles), independent assurance through internal audit (third line) and it addresses the position of external assurance providers. The model applies to all organizations, regardless of size or complexity.

The IIA's Three Lines Model



The governing body, management, and Internal Audit have their distinct responsibilities, but all activities need to be aligned with the objectives of the organization. The basis for successful coherence is regular and effective coordination, collaboration, and communication.

The Three Lines Model is most effective when it is adapted to align with the objectives and circumstances of the organization. How an organization is structured and how roles are assigned are matters for management and the governing body to determine. The governing body may establish committees to provide additional oversight for particular aspects of its

responsibility, such as audit, risk, finance, planning, and compensation. Within management, there are likely to be functional and hierarchical arrangements and an increasing tendency toward specialization as organizations grow in size and complexity.

Functions, teams, and even individuals may have responsibilities that include both first and second line roles. However, direction and oversight of second line roles may be designed to secure a degree of independence from those with first line roles, and even from the most senior levels of management, by establishing primary accountability and reporting lines to the governing body. The Three Lines Model allows for as many reporting lines between management and the governing body as required.

Second line roles may include monitoring, advice, guidance, testing, analyzing, and reporting on matters related to the management of risk. Insofar as these provide support and challenge to those with first line roles and are integral to management decisions and actions, second line roles are part of management's responsibilities and are never fully independent from management, regardless of reporting lines and accountabilities.

A defining characteristic of third line roles is independence from management. The Principles of the Three Lines Model describe the importance and nature of internal audit independence, setting internal audit apart from other functions and enabling the distinctive value of its assurance and advice. Internal audit's independence is safeguarded by not making decisions or taking actions that are part of management's responsibilities (including risk management) and by declining to provide assurance on activities for which internal audit has current, or has had recent, responsibility.

The governing body in the municipal sector is Council. Council relies on reports from management (comprising those with first and second line roles), internal audit, and others in order to exercise oversight and achievement of its objectives, for which it is accountable to stakeholders. Management provides valuable assurance on planned, actual, and forecast outcomes, on risk, and on risk management by drawing upon direct experience and expertise. Those with second line roles provide additional assurance on risk-related matters.

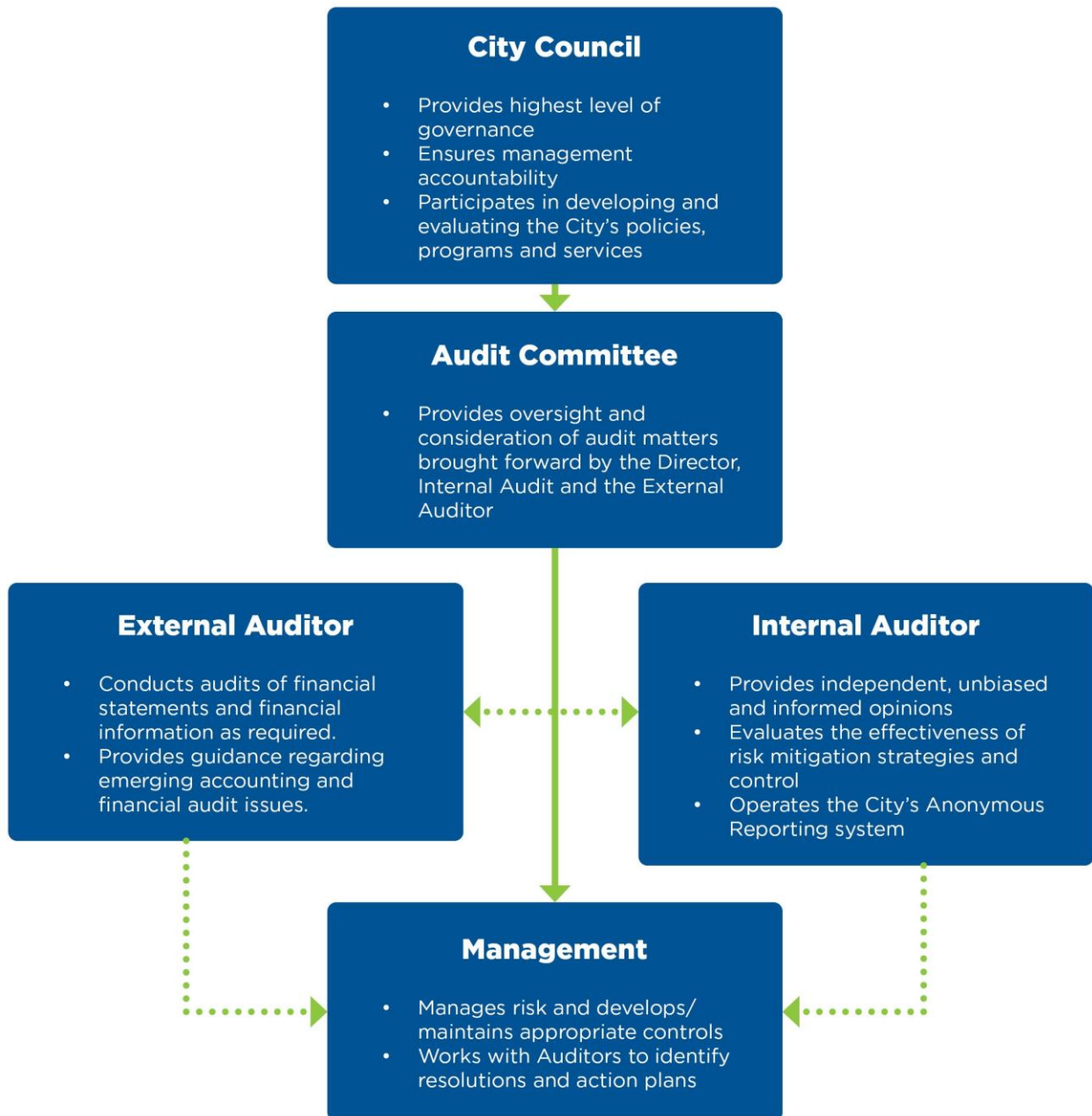
Due to internal audit's independence from management, the assurance it provides carries the highest degree of objectivity and confidence beyond that which those with first and second line roles can provide to the governing body, irrespective of reporting lines. Further assurance may also be drawn from external providers.

Effective governance requires appropriate assignment of responsibilities as well as strong alignment of activities through cooperation, collaboration, and communication. Council seeks confirmation through internal audit that governance structures and processes are appropriately designed and operating as intended¹.

¹ Extract from [The IIA's Three Lines Model: An Update of the Three Lines of Defence](#)

Governance Interrelationships:

The diagram below provides a high-level overview of the roles, responsibilities and the interrelationships of City Council, the Audit Committee, Management, Internal Audit and the External Auditor. Each group, both individually and collectively supports the City in effectively meeting its goals while providing assurance that City operations are being managed under the principles of good governance, effective risk management relevant and value-added controls and cost effectiveness.



ROLE AND EXPECTED OUTCOME OF A FULL SERVICE INTERNAL AUDIT FUNCTION

The following are the expected outcomes for a well-functioning internal audit function:

- Providing assurance that key risks that could harm the City are effectively managed.
- Providing assurance that key controls function as intended and support value to the City.
- Providing advice to City departments to help them develop risk mitigation strategies to better serve the public in service delivery.
- Providing education to support other departments in establishing and maintaining good governance, accountability and control.
- Supporting the City in its objective to maintain transparency and openness.

Internal Audit achieves these outcomes through two primary roles:

1. **Assurance Services Role** – These are engagements and projects designed to provide reasonable assurance, through review of existing operations and processes, that the City is managing resources effectively and efficiently, is in compliance with policies and legislation and that controls are properly functioning as intended.
2. **Consulting Services Role** – This role is proactive and forward thinking consisting of engagements and projects that focus on strategic and operational risk and control. These are primarily advisory assignments that offer a better opportunity to serve the changing needs of the City and help support better management of organizational risk.

MEASURING PERFORMANCE

The following table outlines the Internal Audit Efficiency and Effectiveness Performance Metrics:

Performance Measurement Category	Measures of Efficiency	Measures of Effectiveness	Measures of Efficiency and Effectiveness
Service to Stakeholders	<ul style="list-style-type: none">• Number of internal audit reports issued vs. planned engagements (100% initiation rate)• Anonymous Reporting System annual median case closure time (equal to or less than the NAVEX Global median average)• Average actual hours vs. budgeted hours, by project (target within 10%)	<ul style="list-style-type: none">• Percentage of audit recommendations accepted by management (100% target)• Review of Internal Audit governance structure (annual)• Acknowledgement of organizational independence (annual)• Successfully passing the Institute of Internal Auditors Quality Assurance and Improvement Program External Assessment (every 5 years)	<ul style="list-style-type: none">• Client survey scores (positive average result)
Technical Development		<ul style="list-style-type: none">• Number of hours spent in industry or other specialized training (minimum of 40 hours for Certified Internal Auditors and 20 hours for Certified Fraud Examiners)• Percent of auditors involved in professional organizations (100% target).	
Staff Development	<ul style="list-style-type: none">• Tracking of development plan (plan vs. actual, on an annual basis)	<ul style="list-style-type: none">• Percentage of auditors with professional certifications (100% target)	

Internal Audit should effectively demonstrate its value as a key component of the City's governance framework and lead by example with strong, relevant and reliable performance measures. To maintain and enhance Internal Audit's credibility, its effectiveness and efficiency should be evaluated.

Both qualitative and quantitative metrics are important in demonstrating Internal Audit's performance.

Quantitative performance metrics are often based on existing or obtainable data and are easily understood. They often require less effort to collect and are readily comparable, year over year.

Qualitative metrics are often based on the collection of unique information through more time intensive methods such as survey research or interviews. They offer a broad view of performance on a range of topics that can provide depth to quantitative metrics.

Service to Stakeholders:

There are eight metrics under the Service to Stakeholders Performance Measurement category. Three of them are efficiency measures, four are effectiveness measures and one measures both efficiency and effectiveness.

Number of Internal Audit Reports Issued vs. Planned Engagements (100% Initiation Rate)

The Internal Audit Risk Based Work Plan for 2022 was developed using a risk assessment process that combined financial, reputational, compliance and operational criteria.

Sources for determining risk and plan priorities included discussions with senior management, insight from Council, financial significance, current and emerging risks in the local government sector, high profile issues in other municipalities, staff requests, themes from previous audits and investigations and significant change initiatives.

As internal auditing is a year-round activity, it is to be expected that some projects starting in the latter half of the year will extend into the next calendar year. However, it is expected that all projects will commence in the year that they are scheduled.

In 2022, all eight scheduled engagements were initiated. An additional audit of Accessibility was also added to the 2022 work plan at the request of management.

A total of thirteen reports were completed, presented and approved by Council through the Audit Committee in 2022.

Anonymous Reporting System Annual Median Case Closure Time (Equal to or Less than the NAVEX Global Median Average)

In 2022, reports were investigated and closed nearly three weeks faster than the Global Benchmark. The ability to investigate and close cases in a timely fashion helps foster a culture where concerns are taken seriously and builds organizational trust in the system.

Actual Hours vs. Budgeted Hours, by Project (within 10% variance)

Budgeted project hours are based on best estimates and reflect historical experience. Risk based internal audits require significant client participation to identify risks, agree on issues and develop relevant and feasible management action plans.

Internal Audit has a time docketing process that effectively tracks engagement hours by project, by activity type.

In 2022, the average budgeted time allocated to a project was 607.6 hours. Actual average time spent on a project was 633.8 hours, a difference of 4.31%.

Percentage of Audit Recommendations Accepted by Management (100% Target)

This metric helps demonstrate the collaborative nature of a risk based internal audit. Internal audit engagements can be deemed successful when management participates in the process, concurs with the observations and recommendations, and is committed to addressing them through management action plans.

In 2022, Internal Audit achieved a 100% acceptance rate for all audit recommendations.

Review of Internal Audit Governance Structure and Acknowledgement of Organizational Independence (Annual)

Ensuring that the Internal Audit Department can perform its duties independently is vital to the effectiveness of the function. Further information on this topic can be found on pages 3 – 8 of this report.

Successfully Passing the Institute of Internal Auditors Quality Assurance and Improvement Program External Assessment (Every 5 Years)

Internal Audit conforms to the International Standard for the Professional Practice of Internal Auditing and the Code of Ethics adopted by the IIA, as well as the City's Code of Conduct and the Internal Audit Procedure Manual.

As part of conformance, the Director of Internal Audit is responsible for developing and maintaining a quality assurance and improvement program that covers all aspects of the internal audit activity. It is designed to enable an evaluation of the internal audit activity's conformance with the IIA Standards and an evaluation of whether internal auditors apply the Code of Ethics. The program also assesses the efficiency and effectiveness of the internal audit activity and identifies opportunities for improvement.

The quality assurance and improvement program must include both internal and external assessments.

Internal assessments are conducted by the Director of Internal Audit and are an integral part of the day-to-day supervision, review, and measurement of the internal audit activity. Ongoing monitoring is incorporated into the routine policies and practices used to manage the internal audit activity and uses processes, tools, and information considered necessary to evaluate conformance with the Code of Ethics and the Standards.

External assessments must be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the organization. External assessments may be accomplished through a full external assessment, or a self-assessment with independent external validation. The external assessor must conclude as to conformance with the Code of Ethics and the Standards; the external assessment may also include operational or strategic comments.

On January 24th, 2022, the Director of Internal Audit and a representative of the Institute of Internal Auditors co-presented the findings from the Internal Audit Department's first ever External Quality Assessment, which was conducted in October 2021. The external quality assessment evaluated whether the City's Internal Audit department is in conformance with the Institute of Internal Auditor's (IIA) Standards and Code of Ethics.

On January 25th, 2021, the Audit Committee approved that the external assessment be conducted by the IIA using the self-assessment with independent external validation approach. The self-assessment results indicate the City of Vaughan's Internal Audit activity is in conformance with the IIA's Standards and Code of Ethics and the IIA's independent validation concurred with the self-assessment results. Internal Audit received the top rating of Generally Conforms. Generally Conforms demonstrates a clear intent and commitment to achieving the Core Principles for the Professional Practice of Internal Auditing and the Definition of Internal Auditing. The self-assessment highlighted successful internal audit practices and identified opportunities for improvements. Based on the results, the next external assessment will be conducted in 2026.

Audit Client Survey Scores (Positive Average Result)

Surveys are an important tool that can be used to assess proficiency in certain skills, competencies, or knowledge exhibited by the Internal Audit Department staff. Survey feedback is an important element of our Quality Assurance and Improvement Program and helps measure satisfaction with the quality of services delivered and identify potential opportunities for improvement.

After the completion of each audit project, members of the management team directly involved in the audit process are asked to complete an Audit Client Survey. The 15-question survey asks for feedback on our performance and to identify areas where we can improve our operations. The survey focuses on how well we communicated throughout the audit, our understanding of the client's issues, the professionalism of our audit staff, and the quality of our findings. The survey results help Internal Audit determine whether the goals and objectives of the audit were met and measure client satisfaction with the quality of services delivered.

Internal Audit distributed a total of twenty audit client surveys for the Fleet Services Audit, Animal Services Audit, Building Standards Phase 2 Audit, Service Vaughan Audit, Accessibility Audit, Vendor Master File Audit and the Phase 1 Audit of the Construction of the Carrville Community Centre, Library and District Park. We received 100% participation. The positive scores are a very strong indicator that Internal Audit is effectively delivering value added services to the City. The detailed results of this survey are summarized in Appendix A, which can be found at the end of the report.

Technical Development:

There are two effectiveness metrics under the Technical Development Performance Measurement category.

Number of Hours Spent in Industry or Other Specialized Training (Minimum of 40 Hours for Certified Internal Auditors and 20 hours for Certified Fraud Examiners)

Currently, Internal Audit staff possess one or more of the following professional certifications:

- Certified Internal Auditor (CIA)
- Certification in Risk Management Assurance (CRMA)
- Certified Fraud Examiner (CFE)
- Chartered Professional Accountant (CPA)

The IIA oversees several well-respected auditing certifications including the CIA designation. The CIA designation is the only globally accepted certification for internal auditors and remains the standard by which individuals demonstrate their professionalism in the internal audit field.

The CRMA is designed for internal auditors and risk management professionals with responsibility for and experience in providing risk assurance, governance processes, quality assurance, or control self-assessment. It demonstrates an individual's ability to evaluate the dynamic components that comprise an organization's governance and enterprise risk management program and provide advice and assurance around these issues.

Individuals who have achieved the CIA and/or any other IIA designation are required to complete a minimum of 40 hours of Continuing Professional Education (CPE) every year. Of these 40 hours, 2 must relate directly to ethics.

The CFE credential denotes proven expertise in fraud prevention, detection and deterrence. CFEs are trained to identify the warning signs and red flags that indicate evidence of fraud and fraud risk. CFEs around the world help protect the global economy by uncovering fraud and implementing processes to prevent fraud from occurring in the first place. On an annual basis, CFE's must obtain a minimum of 20 credit hours of CPE; at least 10 of these must relate directly to the detection and deterrence of fraud and 2 must relate directly to ethics.

The CPA designation was created by the unification of Canada's three independent legacy accounting professions (CA, CGA and CMA) into the CPA, now Canada's only business and accounting profession. Working in collaboration with its provincial member organizations, the CPA supports the setting of accounting, auditing and assurance standards for business, not-for-profit organizations and government, and develops and delivers education programs. It also provides a range of member services and professional literature; undertakes research and development of intellectual property; issues guidance on risk management and governance; and fosters relationships with key stakeholders nationally and internationally. CPA and its provincial member organizations mandate is to protect the public interest by setting and enforcing the highest professional and ethical standards, to ensure that members are recognized as Canada's preferred financial leaders and advisors, and to support its members in their efforts to enhance their capabilities.

CPA's are required to complete a minimum of 20 hours of Continuing Professional Development (CPD) a year. The CIA CPE requirements fulfil the CPA CPD requirements.

Percent of Auditors Involved in Professional Organizations (100% Target)

In addition to the professional organizations mentioned above, all members of the City of Vaughan's Internal Audit Department are members of the Municipal Internal Auditors Association (MIAA). The purpose of MIAA is to provide a professional forum for the purposes of networking, continuing education and exchanging ideas and best practices with other municipal internal auditors. MIAA hosts educational events twice a year.

The completion of the yearly CPE requirements and maintaining active membership in the associated professional organizations helps ensure that the City's Internal Audit Department staff remain up to date on the latest municipal, business, auditing, risk management, fraud prevention and detection techniques and trends.

In 2022, all Internal Audit staff met their respective CPE/CPD requirements and all members are in good standing with their respective professional organizations.

Staff Development:

There are two metrics under the Staff Development Performance Measurement category. One is an efficiency measures and one is an effectiveness measure.

Tracking of Development Plan (Plan vs Actual, Annual Basis)

The Director of Internal Audit is responsible for evaluating staff performance on an annual basis, using the City's existing Halogen Talent Management Program. The City's Halogen Talent Management System integrates employee goals, competencies, performance feedback, appraisal, and learning and development. It provides integrated and timely information, feedback, communication and reporting. Through the performance planning and evaluation process, Internal Audit aligns work activities to the Department's Risk Based Work Plan while developing and monitoring individual performance, achievements, competencies and opportunities for development.

Percent of Auditors with Professional Certifications (100% Target)

All Internal Audit staff are required to possess at least one certification that is directly related to their responsibilities. Through the City's Halogen Talent Management Program, staff are encouraged to continue to explore development opportunities and additional certifications.

COMMON THEMES AND ISSUES – ANALYSIS OF 2022 INTERNAL AUDIT REPORTS

Individual internal audit reports can be useful in advising management the Audit Committee and Council on risk and control issues that may affect the successful operation of a program, process or department. Individual reports, however, do not always address broader risk and control themes. Similar issues may arise over a series of reports that could point to a more systemic or reoccurring set of issues requiring a more organizational or holistic perspective of risk and control. Identifying themes and addressing them holistically helps better address systemic causes.

A total of thirteen reports were completed and presented to the Audit Committee in 2022.

The top themes that emerged are:

1. Leveraging advances in technology to improve business processes.
2. Developing processes to periodically evaluate direction, strategy, programs and service delivery to ensure efficient and effective deployment of resources to achieve the City's Term of Council Priorities and Strategic objectives.
3. Improving project management, contract administration and management oversight.
4. Updating the content of City policies, procedures and guidelines while providing more clarity on roles, responsibilities and expectations of stakeholders.
5. Enhancing both general and technical staff training programs.

The top four themes continue to be identified in almost every audit report, year over year.

Internal Audit will continue to report on reoccurring themes on an annual basis, as per the City's Internal Audit Policy.

ANONYMOUS REPORTING SYSTEM – ANNUAL UPDATE

Background and Purpose:

The City's Anonymous Reporting System was implemented on April 15, 2014 as an additional mechanism for employees to confidentially and anonymously report suspected fraud and code of conduct violations.

Report intake is operated independently by a third party and is accessible by internet and toll-free phone number. It is available 24 hours a day, 7 days a week.

An employee who chooses to file a report is asked to create a password and is provided with a unique case tracking number so that they can log back into the system to follow the progress of their report, provide further details and to answer any questions posed by the investigator, a member of the City's Internal Audit team. Depending on the nature of the issue, management may be required to assist Internal Audit with an investigation.

The City's service provider, NAVEX Global, anonymizes the hotline data collected through their hotline and incident management systems every year and creates an annual Risk and Compliance Hotline Benchmark Report. For statistical accuracy, the analysis includes only those organizations that received 10 or more reports in 2022. The resulting database includes 3,430 customers that received a total of over 1.52 million individual reports.

Due to having the world's largest and most comprehensive database of reports and outcomes, the City can rely on the NAVEX Global benchmarks. Comparing the City's anonymous reporting use to the NAVEX Database is a good indicator to help gauge the success of the City's program and opportunities for improvement.

Performance Criteria:

Overall, staff use of the Anonymous Reporting System continues to meet expectations based on the measurement criteria used to benchmark the City's use to the NAVEX Database.

The criteria include:

- Report Volume per 100 Employees
- Report Allegation Categories and Substantiation Rates
- Reporter Follow-up Rate
- Anonymous vs Named Reporters
- Case Closure Time

Report Volume per 100 Employees

Report volume per 100 employees is a measurement that enables the City to estimate the number of potential reports it will receive in a given year.

In 2022, the NAVEX Database median reports per 100 employees increased from 0.97 to 1.08. Based on this statistic and the number of full-time employees in the City of Vaughan and Vaughan Public Libraries [approximately 1500], we would have required approximately 16 reports in 2022 to be at the median. The City received a total of 7 reports in 2022, up 1 report from the 6 we received in 2021. For the first time, NAVEX has included a central 50% distribution. This range is between 0.5 and 2.4. The 7 reports received falls at the bottom of this range.

Since the system was introduced, we have received a total of 140 reports, which averages to approximately 15.5 reports per year.

In 2022, 21.3% of organizations received 5 or more reports per 100 employees representing the greatest share of the distribution.

Internal Audit will continue to partner with Corporate and Strategic Communications to ensure staff continue to be aware of and how to use the Anonymous Reporting System.

Report Allegation Categories and Substantiation Rates

Allegation category reporting helps identify themes and trends. Comparing the results to those of the NAVEX Database helps determine if the City has different themes that might point to specific issues. Receiving below typical volumes could speak to a need for more training or awareness, while receiving above typical volumes could indicate an area where there is risk to be addressed.

Substantiation Rate is a measurement that reflects the rate of allegations made which could be determined to have at least some merit. At the City, all allegations are initially considered to have merit until they have been reviewed and concluded. During the investigation process, some reporters may not have provided enough information or not responded to questions posed by the investigator. This may shift the allegation to the unsubstantiated category. In addition, if the conclusion does not support the allegation, then the case is considered unsubstantiated.

Based on the 7 reports received:

- One report or (14%) related to accounting, auditing and financial reporting issues such as financial misconduct, internal controls and expense reporting. The 2022 NAVEX Database median comparison for this category is 4.4%. This report was not substantiated. The 2022 NAVEX Database substantiation rate for this category is 46%.
- Two reports (or 29%) related to business integrity issues such as conflict of interest, policy violation and vendor/customer issues. The 2022 NAVEX Database median comparison for this category is 18.8%. None of these reports were substantiated. The 2022 NAVEX Database substantiation rate for this category is 43%.

- Two reports (or 29%) received were related to HR, diversity and workplace respect issues such as hiring irregularities, discrimination, harassment and favouritism. The 2022 NAVEX Database median comparison for this category is 53.8%. One (or 50%) of these reports was substantiated. The 2022 NAVEX Database substantiation rate for this category is 38%.
- None of the reports received were related to environmental, health and safety. The 2022 NAVEX Database median comparison for this category is 6.8%. The 2022 NAVEX Database substantiation rate for this category is 50%.
- Two reports (or 29%) related to the misuse or misappropriation of corporate assets including theft and time abuse. The 2022 NAVEX Database median comparison for this category is 3.7%. One (or 50%) of these reports was substantiated. The 2022 NAVEX Database substantiation rate for this category is 50%.
- None of the reports received fell into the “other” category. The 2022 NAVEX Database median comparison for this category is 14.2%. The 2022 NAVEX Database substantiation rate for this category is 33%.

In 2022, two (or 29%) of the seven reports received were substantiated. The 2022 NAVEX Database overall substantiation rate comparison is 41%. Our overall substantiate rate since the system was implemented is 24.2%.

It should be noted that not all substantiated reports reflect unethical conduct. It may reflect the absence of or non-enforcement of policy/procedure or improper application of a business process. In addition, an unsubstantiated report does not necessarily mean that the report was without merit. For a majority of the unsubstantiated cases, we were unable to substantiate the report due to insufficient details or evidence. An unsubstantiated report can still highlight potential risks and control weaknesses that may need to be addressed.

NAVEX has also reported a concerning increase in matters of workforce sentiment and mental health found in keyword searches of their database. These includes terms such as anxiety, depression, exhaustion, mental health, pressure, quiet quitting and bullying cases. Although these issues were not prevalent in the reports the City received, it is still imperative for the Chief Human Resources Office and the Senior Leadership Team to be aware of and be on the lookout for these type of issues at the City.

Reporter Follow-up Rate

Another measurement that has a direct impact on Substantiation Rates is the Reporter Follow-up Rate. This rate indicates the percentage of reporters who followed-up on their report submission. There is a greater risk that cases will be deemed unsubstantiated when reporters do not follow up on their reports, as specific detail that may be required to conduct a thorough investigation may inadvertently be withheld. In 2022, 71% of all reporters followed up on their report. This compares favorably to the 2022 NAVEX Database rate of 27%.

Anonymous vs Named Reporters

The Anonymous vs Named Reporters rate shows the percentage of all reports submitted by individuals who chose to withhold their identity.

The trend of reporters choosing to remain anonymous continues as 5 of the 7 (71%) reporters chose to remain anonymous. The 2022 NAVEX Database rate is 56%. NAVEX also reports that smaller organizations tend to register higher levels of anonymity. Organizations with fewer than 10,000 employees experienced 57% to 60% anonymity levels. Organizations with more than 50,000 employees ranged between 45% to 48% anonymity.

Factors influencing anonymity include the level of trust participants have that their information will remain confidential, the significance of the issue being reported and the confidence that the report will be acted on.

NAVEX has also identified that web reports are more likely to be anonymous as there is no rapport building via the web as compared to speaking directly with a person. However, web reports are more likely to be substantiated than phone reports. Taking the time to thoughtfully write down their experiences or observations provides a more actionable report regardless of whether the reporter is anonymous, and highlights why accepting anonymous reports is important.

Case Closure Times

Case Closure Time is the number of calendar days it takes an organization to complete an investigation and close a case.

Earning employee trust is not a simple task, especially when it comes to many of the sensitive topics that are reported. Ensuring that employees know their concerns are important and are being seriously considered is a vital step towards that task. If months go by without resolution, or weeks go by without indication of action, reporters can feel that their concerns are not being heard and the credibility of the program can be damaged or lost.

In 2022, our median case closure time was 22 days. This compares favourably to the 2022 NAVEX Benchmark of 44 days. Our average case closure time was 26.7 days. The ability to investigate and close cases in a timely fashion helps foster a culture where concerns are taken seriously and builds organizational trust in the system.

STATUS OF MANAGEMENT ACTION PLANS - ANNUAL UPDATE

Background and Purpose:

Follow up of Internal Audit recommendations through Management Action Plans (MAPs) is performed to ensure that management actions have been effectively implemented and appropriate controls and processes have been put in place to mitigate risks identified during the audit.

For every recommendation, management provides Internal Audit with the name of the individual who is accountable and responsible for implementing the MAPs and an estimated completion date. Internal Audit assesses the estimated completion date for reasonableness and timeliness of the action, based on the assessed risk.

The individual who is accountable for implementing the MAPs provides Internal Audit with a written update on their progress shortly before the implementation deadline approaches. The update includes whether each MAP has been completed, is still in progress, or is not yet started. If a MAP has been completed, Internal Audit will verify that the action plan addresses the risk outlined in the report. Internal Audit staff also follow-up quarterly with management on the status of their action plans.

Management provides a detailed explanation if an action plan is still in progress or not yet started and provides a new estimated completion date. Internal Audit assesses the new estimated completion date for reasonableness and timeliness, based on the assessed risk.

Council requested that Internal Audit provide an annual report on the status of completed and outstanding management action plans to address audit report recommendations.

Scope:

The scope of this update includes 21 outstanding audit reports containing 152 recommendations approved by Council from March 2015 through December 2022. As of April 12, 2023, management has fully implemented 86 of those MAPs, or 57%. A total of 66 MAPs, or 43% are in progress. A table summarizing the number of audits with outstanding actions issued by report is included as Appendix B, which can be found at the end of the report.

The following are comments regarding those MAPs that are in progress:

RECREATION AND CULTURE REVENUE AUDIT

The Recreation and Culture Revenue Audit report was presented to FA&A on March 9, 2015. The report contained twelve recommendations. All recommendations have now been fully implemented.

ROAD OPERATIONS AUDIT

The Road Operations Audit report was presented to FA&A on September 8, 2015. The report contained seven recommendations. All recommendations have now been fully implemented.

CORPORATE OVERTIME AUDIT

The Corporate Overtime Audit report was presented to FA&A on February 1, 2016. The report contained five recommendations.

According to the Chief Human Resources Officer, the audit recommendations have been substantially completed. A Time & Labour project is currently in progress which includes a plan to upgrade the current Enterprise Resource Program (JD Edwards) with time entry and employee self-service features. Employee self-service and Manager self-service were implemented in June 2022. The current timeline for time entry implementation is May 1, 2023 for most of the City. The Time and Labour initiative will enable enhanced and/or real-time data availability and collection to further address overtime issues on top of what departments are already doing. Currently, departments continue to review their overtime usage and impacts on costs and service delivery and continue to make appropriate operational or scheduling changes to address such. Overtime hours and costs are also reported to portfolios/departments on an annual basis and moving forward the OCHRO/DCM Corporate Services, City Treasurer and CFO will share with SLT-E on a quarterly basis.

The Office of the Chief Human Resources Officer continues to focus a lot of effort on employee wellness throughout 2022. Since May of 2021, Wellness@Vaughan, the City's total health strategy, has focused on the four total health pillars – physical, mental, social and financial – through a lens of health equity that is embedded into the wellness strategy. The Wellness@Vaughan Committee continues to create greater awareness of the Wellness Strategy, provide valuable resources and encourage staff participation in exciting wellness initiatives. During each quarter of 2022, the committee implemented theme-related activities, challenges and tools for staff.

ANONYMOUS REPORTING SYSTEM ANNUAL REPORT - 2016

The Anonymous Reporting System annual report was presented to FA&A on May 30, 2016. The report contained three recommendations.

Two (or 66%) of the audit recommendations remain outstanding.

According to the Director of Transformation and Strategy, several activities have taken place over the past few years to enhance the City's corporate governance, accountability and transparency framework. In 2021, an initiative to develop an Ethics and Compliance framework was launched. The objective of this program is to:

- Develop an ethics and compliance framework which supports a culture of ethical behavior and trust.
- Demonstrate the organization's commitment to responsible corporate conduct.
- Review, update and/or establish policies and procedures that support good corporate governance for the City

In 2021, a Project Charter and Project Plan were developed, including researching and analyzing best practices among municipal/government comparators related to an ethics and compliance framework – this was phase 1 of 3.

In 2022, phase 2 of the plan included drafting key ethics and compliance principles, a Framework and an Ethics and Compliance Policy, including identification of existing City

policies that would fall under the Ethics and Compliance program. This phase also included the development of current state assessment tools based on the principles of the Ethics and Compliance framework.

Phase 3 is plan implementation and will be performed in 2023. It will include the finalization of the Ethics and Compliance Policy and approval of the policy by the City's Policy Committee; ongoing assessment of existing City policies (as they come up for renewal or updates) to ensure alignment to the Ethics and Compliance Policy and the ethics and compliance principles, development of training and reference materials, and meeting with each portfolio/department to perform ethics assessments using the Current State Assessment tool.

This project supported the City's 2018-2022 Term of Council Service Excellence Strategic Plan with alignment to the Good Governance strategic priority area. It will continue to support the 2022-2026 Term of Council Service Excellence Strategic plan with alignment to the Service Excellence and Accountability strategic priority area.

Providing an anonymous reporting mechanism to the public, including Vaughan residents, vendors and visitors, is an approach that may help mitigate the risk of unethical behaviour and would reiterate the City's commitment to corporate governance, accountability and transparency. The Director of Internal Audit was tasked with doing further research into the possibility of expanding the Anonymous Reporting System to the public and bring back a report on the best practices in other jurisdictions and a recommended approach. Internal Audit has completed the research on this topic and concludes that the City should expand this program to the public. Upon roll-out of the Ethics and Compliance program, the expansion of the anonymous reporting system to the public will be performed.

SOCIAL MEDIA AUDIT

The Social Media Audit report was presented to FA&A on March 6, 2017. The report contained four recommendations.

One (or 25%) of the audit recommendations remain outstanding.

According to the Director of Corporate and Strategic Communications, the policy/framework is in progress. A social media policy and framework have been drafted and further updated. The policy is currently being reviewed by key stakeholders. Additional next steps on how to best move forward with the policy and framework will be timed to align with the new Term of Council. We expect this to be determined by the end Q1 2024.

EVENT MANAGEMENT AUDIT

The Event Management Audit report was presented to FA&A on June 6, 2017. The report contained nine recommendations.

One (or 11%) of the audit recommendations remains outstanding.

According to the Director of Recreation Services, as of Q3 2020 the development of an Events Strategy and Implementation Plan project was redefined to focus on the Intake Process for Events.

2022 INTERNAL AUDIT ANNUAL REPORT

In 2021, updates were made to the Intake Process, including a webpage on vaughan.ca to direct organizers wishing to host an event. The Events Intake process is complete.

As of Q1 2022, a new consultant has been retained, and the development of an Events Strategy and Implementation Plan project is underway, with an estimated completion time of Q3, 2023.

WINTER MAINTENANCE AUDIT

The Winter Maintenance Audit report was presented to FA&A on June 6, 2018. The report contained seven recommendations.

One (or 14%) of the audit recommendations remains outstanding.

According to the Director of Transportation and Fleet Management Services, Public Works has completed a Winter Service Level Review focusing on budget alignment (Winter Reserves), sustainability and risk assessment of existing Winter Service Levels, and a comparative scan of winter service levels of neighbouring municipalities, to identify and evaluate establishing winter service level standards, which may provide opportunities for the City to improve the efficiency, economy, and service provision of the winter maintenance program while ensuring legislative roadway safety. The final report will be brought to Committee of the Whole (Working Session) to be held on May 31, 2023.

FACILITY MANAGEMENT AUDIT

The Facility Management Audit report was presented to CW2 on November 19, 2019. The report contained five recommendations.

Three (or 60%) of the audit recommendations remain outstanding.

According to the Director, Facility Management, a department reorganization has been completed that better aligns the department to support and advance corporate objectives. Administration for all leases of City owned buildings has been transferred to the Real Estate department. Maintenance programs have been reviewed with service contracts consolidated with other City departments. Service Level Agreements have been completed for several departments and others are in development. These agreements clarify roles, responsibilities and outline service levels provided by Facility Management.

Facility staff at the community centers were transferred back to Facility Management in order to centralize all facility services with one department. A new operating model was developed and implemented to improve management of operations.

Risk based preventative, predictive and demand maintenance programs continue to be developed and will be further enhanced with the implementation of a robust work order system. The department continues to use industry best practices and asset management principles to manage the programs. The pending implementation of a JD Edwards based work order system will advance the programs further.

The department will add a new position in 2023. The Contract & Administration Coordinator will continue to work with the Real Estate department to advance the initiative and continue to

improve the processes and procedures governing leasing of City owned properties. Existing leases have been reviewed and measures taken to align all agreements with City policies. Service Level Agreements continue to be developed to clarify roles, responsibilities and outline service levels provided by Facility Management. The Contract & Administration Coordinator will provide increased oversight for all contracts and continue to improve governance and management of the agreements.

CONSULTING SERVICES AUDIT

The Consulting Services Audit report was presented to CW2 on May 20, 2020. The report contained six recommendations.

One (or 17%) recommendation remains outstanding.

Standard read only contract templates have now been implemented for construction related agreements. The rest of the contract types are in the process of being updated. Standards for which type of contracts should be considered mandatory for legal review prior to execution is in progress and will be considered as part of the upcoming Procurement Policy review. It is anticipated that the new templates will become effective July 1st with the updated policy (Start of Q3-2023).

BY-LAW & COMPLIANCE, LICENSING & PERMIT SERVICES AUDIT: PHASE 1

The first phase of the By-law & Compliance, Licensing & Permit Services Audit report was presented to CW2 on September 22, 2020. The report contained six recommendations with sixteen action items.

Two (or 33%) of the audit recommendations remain outstanding. Due to the competing priorities, implementation of several action items has been deferred.

According to the Director of By-Law & Compliance, Licensing & Permit Services, an official review of the By-law Strategy has not yet commenced. This is due to largely to the COVID-19 Pandemic, which put an unprecedented strain on staff resources to complete the review. However, staff have been continually updating by-laws as the need arises, and regularly liaises with other municipal partners on best practices and conducts cross-jurisdictional analysis when preparing by-law amendments, or when creating new provisions. As additional pressures caused by the evolving nature of the pandemic begin to lessen, staff anticipate a full review of the By-law Strategy framework will be completed by the end of 2023. The review will be conducted as part of a larger initiative to examine the feasibility of developing of a City Code. As such, any recommendations arising from the review will come forward as part of the report seeking Council endorsement to develop a municipal code. The groundwork for the City code initiative and report is presently underway by way of discussions with Clerks.

Working in collaboration with OCIO, BCLPS is developing an online Business Licensing and Permit Applications portal using an AMANDA-integrated system on a phased approach. Phase 1 was launched in March 2022. Phase 2 is scheduled to launch in April 2023.

BCLPS has partnered with City Solicitor and Legal Services in their review of administrative and quasi-judicial/adjudication processes associated with the Administrative Monetary Penalty program, as part of a corporate wide review. This project is still ongoing. BCLPS staff are

reviewing the AMPS by-law and internal processes, and discussions are ongoing to potentially migrate aspects of the AMPS program to other departments. The review is largely being led by the Clerks department and is expected to conclude by the end of 2023.

IT SECURITY AUDIT

The IT Security Audit was presented to the Audit Committee on May 31st, 2021. The report contained eleven topic groupings with seventy-two action items in total. Management actions are progressing as per the planned remediation dates. 66 of the 72 items have now been nearly or fully implemented by management.

According to the Chief Information Officer, new security controls further improved compliance with industry standards, IT security frameworks and best practices while making the City's IT systems more resilient to cyber-attacks.

VFRS MECHANICAL DIVISION REVIEW

The VFRS Mechanical Division Review was presented to the Audit Committee on November 22, 2021. The report contained fifteen recommendations. Five (33%) of the audit recommendations have been completed.

According to the Fire Chief, the department has been working diligently to achieving the recommendations to improve the mechanical division. One of the key goals to is acquire a fit-for-purpose fleet management system. VFRS has been coordinating its efforts with Fleet Management Services and recently awarded the program to a vendor at the start of 2023. Once this agreement is in place, the department will work very closely with this software to capture information and make informative decisions. With VFRS working with Fleet Services using the same software, the department is expected to achieve synergies operationally and efficiencies overall.

BUILDING STANDARDS AUDIT: PHASE 1

The Building Standards Audit: Phase 1 was presented to the Audit Committee on November 22, 2021. The report contained seven recommendations. All recommendations have now been fully implemented.

BUILDING STANDARDS AUDIT: PHASE 2

The Building Standards Audit Report Phase 2 was presented to the Audit Committee on April 25, 2022. The report contained four recommendations.

Two (50%) of the audit recommendations remain outstanding.

Recommendation No. 3 – Develop Inspection Documentation Standards and Leverage Technology to Ensure that Inspection Records are Complete and Reliable

All management actions are underway. A draft standard operating procedure (SOP) 'Documentation of Inspection Functions' has been prepared by management and is currently being reviewed by Legal Services. The SOP was initially reviewed with Legal Services on

2022 INTERNAL AUDIT ANNUAL REPORT

January 16, 2023. A follow-up meeting will be scheduled to finalize the SOP. Training and implementation of the SOP will commence once the document is finalized and adopted.

Recommendation No. 4 – Develop and Implement an Action Plan to Monitor and Resolve Inactive Building Permits

All management actions are underway. A dashboard for dormant building permits has been developed. Management met with Legal Services on January 23, 2023 to review the existing policy 'Outstanding Building Permits Policy' (June 2008). This was to determine if the policy would remain in effect or replaced with a new policy.

In addition, Standard Operating Procedure, 'Managing Building Permits to Maintain an Active Status' (February 16, 2021) has been implemented to reduce the number of dormant permits. A reporting system (Dashboard) has been implemented to monitor the number of dormant permits and ensure the SOP is effective as well as introducing a preliminary inspection process in AMANDA. This mandatory preliminary inspection will require the Inspector to attend upon permit issuance. The status of inactive permits will be reported to Council on an annual basis, as required by the Management Action Plan.

Further meetings with Legal Services will be necessary to complete this action plan.

VAUGHAN ANIMAL SERVICES AUDIT

The Vaughan Animal Services Audit was presented to the Audit Committee on April 25, 2022. The report contained ten recommendations.

Two (or 20%) of the audit recommendations remain outstanding.

According to the Manager of Animal Services, management is working with a consultant to move the project forward to acquire a permanent location for the animal shelter. In the meantime, the unit next to the current location may soon be available for storage and office space to alleviate some of the immediate pressures.

Proper training and safety measures are always a priority for staff, the animals and the public. A formalized training manual is in draft form and requires one or two more reviews to ensure completeness. The anticipated approval and distribution of the manual will be Q4, 2023.

FLEET MANAGEMENT SERVICES AUDIT

The Fleet Management Services Audit was presented to the Audit Committee on June 13, 2022. The report contained six recommendations.

Management presented an update on the status of their management action plans to the Audit Committee on January 30th, 2023. The action plans continue to progress as per the update provided on that date.

EMERGENCY MANAGEMENT AND BUSINESS CONTINUITY AUDIT

The Emergency Management and Business Continuity Audit was presented to the Audit Committee on June 13, 2022. The report contained eleven recommendations.

Five (or 45%) of the audit recommendations remain outstanding.

According to the Manager of Emergency Planning, knowledge transfer to the Advisor has been initiated and will be an ongoing process. The revised Emergency Plan includes language on ad-hoc response protocols and was approved by Council in January 2023. A pandemic management procedure was approved by the Emergency Management Program Committee in February 2023 and the program reports on its activities to the committee quarterly. A Business Continuity Planning (BCP) Working Group has been established to create a Governance Framework and address the audit recommendations. The BCP framework is progressing well and is being aligned to the ISO22301 standard. The framework includes defining essential services, training for staff and analysis of the impacts of business interruption events on City services. The Working Group's mandate is targeted to end Q4-2024. The Working Group will be evaluating potential BCP software solutions in 2024.

VENDOR MASTER FILE AUDIT

The Vendor Master File Audit was presented to the Audit Committee on June 13, 2022. The report contained seven recommendations.

Management presented an update on the status of their management action plans to the Audit Committee on January 30th, 2023. The action plans continue to progress as per the update provided on that date.

ACCESIBILITY AUDIT

The Accesibility Audit was presented to the Audit Committee on September 19, 2022. The report contained six recommendations with thirty action items.

While all recommendations are in progress, eight of the thirty action items have now been nearly or fully implemented by management.

According to the Diversity and Inclusion Officer, various tactics were used to promote recruitment for the Accessibility Advisory Committee (AAC) to ensure that the majority of AAC members identify as living with disabilities. Following recruitment efforts, five applicants who identified as having a disability and four who identified as a caregiver for someone with a disability were recommended to Council. An onboarding package with a 'How to Guide,' a presentation and a learning session, have been developed for the new AAC to ensure that the AAC understands its roles and responsibilities. Terms of Reference for the AAC was updated with reference to the Accessibility for Ontarians with Disabilities Act requirements. A list of staff resources (17 staff with 7 in regular attendance) has been developed to support the AAC.

The 2021 Accessibility Compliance Report has been refiled with the Ministry. The Ministry's self-assessment tools are being utilized to perform a gap analysis and determine the City's overall accessibility gaps, resource needs and priorities annually to coincide with the development of the Multi-Year Accessibility Plan (MYAP) and in preparation for the 2023

Accessibility Compliance Report. Internal and external stakeholder engagement has been a critical activity in developing the 2023-2027 MYAP.

A new accessibility feedback form has been developed along with website content and an internal process to be launched with the new Vaughan.ca website. The remaining recommendations are expected to proceed as scheduled over the next two years.

SERVICE VAUGHAN AUDIT

The Service Vaughan Audit was presented to the Audit Committee on September 19, 2022. The report contained four recommendations with opportunities for Service Vaughan to develop effective operational & staffing strategies, leverage technology, develop SOPs and improve staff training, and develop a strategy to engage service partners.

To address the four recommendations, the Service Vaughan Leadership Team developed a management action plan with a total of thirty-one activities. Based on this total, seven (or 22%) of the activities have been completed, ten (or 32%) of the activities are in progress, and fourteen (or 45%) of the activities are not yet started.

According to the Senior Manager of Service Vaughan, the Service Vaughan Leadership Team is in the process of developing and implementing various operational and staffing strategies to achieve acceptable service levels. Firstly, the Service Vaughan Leadership Team informed the development of the 2022 Citizen Survey to ensure that accurate citizen feedback on service delivery was captured. In addition, the data capture and reporting requirements from the after-hours contact centre (Liveconx) have been evaluated for improvements. Stakeholder consultations and the evaluation of service standards and performance metrics for optimal service standards are in progress and anticipated to be completed by Q2 2023. In the short term, these work efforts will further inform interval reporting requirements for peak business periods and provide context for a longer-term staffing strategy based anticipated business demand, which will also be completed by the end of 2023.

To leverage advances in technology for business process improvement, the Service Vaughan Leadership Team continues to develop call-centre scripting to direct citizens to the online service portal and schedule communications to provide event-based status updates. Also, technology advances are further being leveraged through the strengthening of working relations between Service Vaughan and Corporate & Strategic Communications (CSC). For example, the CSC department has established a dedicated FTE to serve as liaison to Service Vaughan. This staffing complement ensures the immediate delivery of accurate, real-time public information to Service Vaughan, that can be leveraged through the CRM. Also, to ensure that the CRM is fully being utilized for its capabilities, Service Vaughan is in the process of migrating all knowledge articles from the current Knowledge Tool on SharePoint to the CRM. A phased approach is being implemented for the migration of all service information along with the removal of all outdated content (target to complete migration of information by Q4 2023). Upcoming technology advancements include the implementation of new contact centre technology which can support staff scheduling and a mechanism to capture citizen satisfaction levels. This work effort has not yet started and is planned to begin in Q3 2023.

The Service Vaughan Leadership Team is in the process of developing Standard Operating Procedures (SOP) and improving the staff training program. The training developed for

payment processing functions is being translated into a standard operating procedure. Additionally, SOPs will be developed for Client Service Specialists, which fully outline role, responsibilities, and accountabilities of stakeholders involved in operations. A phased approach for the development of these SOPs will be implemented, with full completion expected for Q4 2023. To improve the Client Service Specialist training program, a plan to conduct periodic performance assessments is in the process of being implemented (target completion by Q2 2023), and further reviews of both the SOPs and performance evaluation methods are anticipated to be completed by Q4 2023, and ongoing.

To enhance service offerings, the Service Vaughan Leadership Team is in the process of developing a communication and relationship management strategy with internal stakeholders. This has been accomplished between Service Vaughan and Corporate & Strategic Communications by increasing the frequency and complexity of touchpoints to proactively communicate service-oriented updates. Continued efforts will include the development of an overarching corporate policy to serve as a governing framework for the client-service partner relationship and responsibilities and the implementation of a quarterly compliance assessment to evaluate the adherence to service level commitments (these actions have not yet been started and are anticipated to be complete between Q3 2023 and Q1 2024).

CONSTRUCTION AUDIT OF THE CARRVILLE CC, LIBRARY AND DISTRICT PARK: PHASE 1

Phase 1 of the Construction Audit of the Carrville Community Centre, Library and District Park was presented to the Audit Committee on September 19, 2022. The report contained seven recommendations. Six (or 86%) of the audit recommendations remain outstanding.

Management provided the following updates:

Project Budget Increase Request Process

Project Change Approval Process Triggers

Updates to the Project Change Approval Process have been revised with new criteria used to identify when the Project Change Control Process should be initiated. Revisions include requiring a Project Change Approval Form when budget shortfalls are encountered prior to awarding a contract. Project Change Control Trigger criteria has been updated to include "Contract cannot be awarded due to project budget shortfall".

Project Change Approval Process updates will be communicated to Infrastructure Development Portfolio staff. Aligned with the management response to audit recommendation # 7, these updates are scheduled to be completed by Q2 2024.

Business Case and Charter Re-evaluation

The Project Change Approval Process requires project teams to document the options considered to address a project issue and to justify the recommendation to change project scope, schedule, budget and/or status. A Project Change Approval Form, PCAF, captures information related to the requested change. During the development of the PCAF, project teams may be required to re-evaluate the project's original business case and/or project

charter. Criteria will be developed to provide guidance on when a re-evaluation of a business case or project charter will be necessary. Leveraging information in these documents will assist with a more fulsome evaluation of the issue and impact of changes on project benefits. The Project Change Approval Process currently requires all options be presented to the Program Management Committee. In cases where decisions can only be made by Council, the PCAF will be leveraged to communicate project change information to Council, including options for Council direction. Criteria will be developed to identify when significant scope, cost, quality or schedule changes require Council approval.

External consultant has been awarded to enhance the Program Management Process (includes PCAF procedures) and Business Case Framework, with project kick-off scheduled Q2 2023.

Liquidated damages

Procurement templates include liquidated damages provisions in construction contracts. Liquidated damages provisions will continue to be included in all construction contracts by default. As part of the enhancement of the PMO Framework, the Program Management Office, in consultation with Procurement Services and Legal Services, will develop a framework, methodology, tools and/or processes to assess, evaluate and calculate the applicability of liquidated damages. Furthermore, qualitative and quantitative factors for management to assess when justifying the exclusion of liquidated damages provisions from construction contracts will be developed. Processes and procedures regarding liquidated damages are scheduled to be completed by Q2 2024. In the interim, the Director of the delivery department will make the determination if Liquidated Damages should be included within a procurement and provide a rationale (i.e., for lower value, lower risk projects) for not including LDs if that is the decision.

Fairness Monitor Process, Composition of the Proposal Evaluation Committee, and Documentation of Vendor Pre-qualification Criteria

Procurement Services has drafted a Fairness Monitor Assessment Procedure, with corresponding criteria to perform the assessment. Additional details for the appropriate selection of proposal evaluation committee members have been drafted, along with Procurements involvement in a supervisory capacity. These revisions are to be discussed with the business before implementation and will be included the Procurement Strategy Document. Management actions are progressing as intended and scheduled for completion by end of Q3 2023.

The Bid Compliance Form has been updated to include mandatory vendor pre-qualification requirements. It is in paper-format, and to be used until the forms are automated for internal/online use.

Design and Construction standards, PMO Framework, methodologies, policies and procedures

PMO has initiated a project to enhance the project and program delivery methodology. This will include processes, procedures, governance and tools to standardize project delivery within the organization.

To date the PMO has focused efforts and prioritized procedures associated with project identification, monitoring, control and change. All Infrastructure Development projects must:

- be supported by a project charter
- have their budget, cashflow, schedule, issues and risks status updated monthly
- be presented monthly to the Program Management Committee, PMC
- document and request approval if project changes meet specific criteria
- inform PMO if new projects are required.

PMO has initiated a project with the objective to enhance additional project management practices with an estimated completion Q2 2024.

External consultant has been awarded with a project kick-off scheduled Q2 2023.

CONCLUSION

Internal Audit will continue to followup on management action plans to determine if they have been implemented and will continue to partner with management in their efforts to address audit observations as planned. When plans cannot be completed as originally intended, audit staff will work with management to obtain updated achievable implementation dates.

2022 INTERNAL AUDIT WORK PLAN STATUS AND SCHEDULE

The 2022 Internal Audit Risk Based Work Plan was developed using a risk assessment process that combined financial, reputational, compliance and operational criteria.

Internal Audit has a professional responsibility to develop an audit work plan that focuses on the key risks in the City. The work plan should be dynamic and flexible. Changes to the work plan may be required occasionally to reflect emerging risks and changes in strategic objectives.

The table below provides a high-level summary of all the work plan engagements that were scheduled for 2022 and their status.

Audit Project	Rationale and Risks	Status and Reporting Date
Development Engineering Audit	<p>Rationale: Development Engineering staff are responsible for the expeditious review, approval, and inspection and processing of municipal services for land development. Specifically, this includes completing timely engineering review and approval of development applications and engineering submissions related to the construction of new municipal services, such as roads, sewers and watermain, and construction management and inspections for all development projects throughout the city. This enables the City to establish goals and objectives for land development and adhere to them keeping in mind important social issues, environmental, traffic considerations which promote healthy communities.</p> <p>Risk: The number of engineering permit applications more than doubled from 2019 to 2020. It is essential that effective management and oversight over the review and issuance of permits is in place to ensure risks related to social, environmental, and traffic related issues are mitigated, thus promoting healthy communities.</p>	<p>In Progress. It is anticipated that this report will be presented to the Audit Committee on October 2nd, 2023</p>
Payment Card Industry Data Security Standard Compliance Audit	<p>Rationale: The Payment Card Industry Data Security Standard (PCI DSS) is a set of security standards designed to ensure that organizations that accept, process, store or transmit credit card information maintain a secure environment. The standard was created to increase controls around cardholder data to reduce credit card fraud. Since the City stores and processes payment card information in its daily operations, management needs to ensure that the City is compliant to these standards.</p> <p>Risk: In addition to non-compliance to PCI DSS, if credit card information is not secured, there is a greater risk that the information may be compromised.</p>	<p>Complete. Presented to the Audit Committee on January 30th, 2023</p>

Audit Project	Rationale and Risks	Status and Reporting Date
Service Vaughan Audit	<p>Rationale: Service Vaughan is the contact centre for the City of Vaughan, providing citizens, businesses and visitors access to non-emergency City related information, programs and services. Service Vaughan offers assistance via telephone, email and in person at City Hall. Service Vaughan also offers interpretive services via telephone in over 150 languages. Service Vaughan has successfully launched their work from home program to continue to provide services during the COVID-19 pandemic. Service Vaughan experienced an average call volume increase of 13% in 2020, with some months experiencing an increase as high as 32%. Furthermore, Service Vaughan experienced an 83% increase in email volume in 2020, with July 2020 experiencing a 92% increase from July 2019.</p> <p>Risk: Service Vaughan has developed several strategic objectives to provide accurate and timely information to citizens, business and visitors. It is important that these objectives can be met in an efficient and effective manner to ensure satisfaction and excellence in service delivery.</p>	<p>Complete. Presented to the Audit Committee on September 19, 2022</p>
Parks Operations Audit	<p>Rationale: The City of Vaughan's Parks Operations department manages more than two hundred parks, and more than 800 hectares of parks and open space land. Amenities include 273 playgrounds, 18 splashpads, 59 tennis facility locations and 130 courts, 10 skate parks, extensive walking trails, 73 basketball courts, 58 baseball diamonds, 150 soccer fields and more. Parks Operations is also responsible for winter maintenance on City walkways and pathways. Trail systems and other naturalized areas are maintained by the City and receive appropriate maintenance to preserve a natural habitat.</p> <p>Risk: If parks and open spaces are not properly maintained, this could lead to citizen dissatisfaction and reputational risk. In addition, there are operational, health and safety, liability and financial risks if the delivery of services by staff, contractors and other service providers is not properly managed.</p>	<p>In Progress. It is anticipated that this report will be presented to the Audit Committee on May 29th, 2023</p>
VFRS Driver Certification Audit	<p>Rationale: As of January 2nd, 2014, all participating organizations are required to arrange for an independent, comprehensive audit using an audit program and reporting form prepared by the Ministry. Internal Audit received approval from the MTO to do the audit and, going forward, will perform all DCP related audit work.</p> <p>Risk: The risk of not doing the audit is non-compliance with Ontario Legislation. This in turn may result in being removed from the program and incurring additional costs and time being retested by MTO before drivers' licenses can be renewed.</p>	<p>Complete. Presented to the Audit Committee on September 19, 2022</p>

Audit Project	Rationale and Risks	Status and Reporting Date
Property Tax and Assessment Audit	<p>Rationale: The Property Tax and Assessment Department prepares and issues property tax bills to over 112,000 Residential, Commercial and Industrial property owners under the jurisdiction of the Municipal and Assessment Act, as well as collects property taxes and maintains all tax and assessment information. Property taxes are collected for services provided by the City, York Region and local school boards. In 2021, the City of Vaughan will fund approximately \$317.9 million in gross expenditures on delivering property tax-supported programs and services and maintaining City infrastructure (buildings and roads). The City has recently transitioned to a new tax software solution.</p> <p>Risk: The City sends out two tax bills a year: interim and final. Without effective controls in place, there is a risk that property owners will not be billed or remit the correct amount owing on a timely basis.</p>	<p>In Progress. It is anticipated that this report will be presented to the Audit Committee on May 29th, 2023</p>
Construction Audit of Carville Community Centre: Phase 2 - Construction	<p>Rationale: The Construction Audit of the Carville Community Centre will encompass the complete lifecycle of the project and will be conducted in 3 phases. Individual Capital Projects can represent a significant investment for the City. Large projects are managed from a variety of aspects including financial, timeliness and meeting deliverables. Audits of individual projects can provide assurance that risks are properly managed.</p> <p>The audit will examine whether the lessons learned from the Construction Audit of Fire Station 7-4 have been applied to this project.</p> <p>Risk: If projects are not properly managed the greatest risk is they do not meet their deliverables either by not being on time or on budget. Projects that are late or over budget can lead to financial loss, quality reduction and erosion of public trust.</p>	<p>In Progress</p>
Finance Modernization	<p>Rationale: A key initiative for the City is the implementation of the Finance Modernization project. The purpose of this project is to drive efficiencies through streamlining and automating process and leveraging technology with an outcome of providing relevant, reliable and timely information to all decision makers. Finance Modernization has been ongoing for several years, using a phased implementation approach.</p> <p>Risk: If projects are not properly managed the greatest risk is they do not meet their deliverables either by not being on time or on budget. Projects that are late or over budget can lead to financial loss, quality reduction and erosion of public trust.</p>	<p>In Progress. It is anticipated that this report will be presented to the Audit Committee on May 29th, 2023</p>

Audit Project	Rationale and Risks	Status and Reporting Date
General Internal Audit Follow-up Program	<p>Rationale: As part of the Internal Audit reporting process, Internal Audit and clients agree on action plans to address issues identified in the report. Follow-up is done to determine if the action plans have been implemented.</p> <p>Risk: If action plans are not followed up there is the risk they may not implemented. Risk and control exposures could still be outstanding that could have a negative impact on the City. There is also the risk that initial action plans may not have been suitable. Internal audit can work with clients to develop more suitable plans if follow-up is done.</p>	<p>Annual update included as part of the Internal Audit Department Annual report, which was presented to the Audit Committee on April 25th, 2022</p>
Internal Audit Department Annual Report	<p>Rationale: In accordance with the City's Internal Audit Policy, an annual report shall be submitted to the Committee of the Whole outlining the annual activities of the Internal Audit Department.</p> <p>This report will outline the activities of the Internal Audit Department for the period January 1 through December 31, 2020. It is not a report on the results of the audits conducted, as this information is presented separately throughout the year.</p>	<p>Presented to the Audit Committee on April 25th, 2022</p>
Anonymous Reporting System Administration	<p>Rationale: The City's Anonymous Reporting System was implemented on April 15, 2014 as an additional mechanism for employees to confidentially and anonymously report suspected fraud and code of conduct violations.</p> <p>Report intake is operated independently by a third party and is accessible by internet and toll-free phone number. It is available 24 hours a day, 7 days a week.</p> <p>An employee who chooses to file a report is asked to create a password and is provided with a unique case tracking number so that they can log back into the system to follow the progress of their report, provide further details and to answer any questions posed by the investigator, a member of the City's Internal Audit team. Depending on the nature of the issue, management may be required to assist Internal Audit with an investigation.</p>	<p>Annual update included as part of the Internal Audit Department Annual report, which was presented to the Audit Committee on April 25th, 2022</p>

2022 INTERNAL AUDIT ANNUAL REPORT

2022 Audit Client Survey Results

Appendix A

#	Statement	Positive	Negative	N/A	Strongly Agree	Agree	Disagree	Strongly Disagree	N/A
1	Internal Audit explained the audit process steps (i.e. audit planning stage to presentation at FA&A) at the commencement of the audit.	90%	10%	0%	55.00%	35.00%	10.00%	0.00%	0.00%
2	The audit took an acceptable amount of time to complete.	80%	10%	5%	50.00%	30.00%	0.00%	10.00%	5.00%
3	The disruption of daily activities was minimized as much as possible during the audit.	85%	15%	0%	60.00%	25.00%	15.00%	0.00%	0.00%
4	Internal Audit exhibited a good understanding of the goals, objectives, strategy, and processes to effectively plan the audit.	90%	5%	5%	60.00%	30.00%	5.00%	0.00%	5.00%
5	Internal Audit demonstrated the technical proficiencies required to perform this audit.	85%	10%	5%	60.00%	25.00%	0.00%	10.00%	5.00%
6	My business concerns and perspective on key business risks were adequately considered.	90%	10%	0%	60.00%	30.00%	5.00%	5.00%	0.00%
7	The audit objectives and scope were clearly communicated to me.	90%	10%	0%	60.00%	30.00%	10.00%	0.00%	0.00%
8	Internal Audit staff were:								
	Professional	100%	0%	0%	90.00%	10.00%	0.00%	0.00%	0.00%
	Objective	90%	10%	0%	80.00%	10.00%	10.00%	0.00%	0.00%
	Positive	90%	10%	0%	80.00%	10.00%	0.00%	10.00%	0.00%
	Willing to Listen	100%	0%	0%	80.00%	20.00%	0.00%	0.00%	0.00%
	Determined to Build Rapport	100%	0%	0%	80.00%	20.00%	0.00%	0.00%	0.00%
	Courteous	100%	0%	0%	90.00%	10.00%	0.00%	0.00%	0.00%
	Constructive	90%	10%	0%	80.00%	10.00%	10.00%	0.00%	0.00%
9	Status updates and communication while the audit was ongoing was:								
	Timely	90%	10%	0%	60.00%	30.00%	10.00%	0.00%	0.00%
	Adequate	90%	10%	0%	60.00%	30.00%	10.00%	0.00%	0.00%
	Useful	90%	10%	0%	70.00%	20.00%	10.00%	0.00%	0.00%
10	I was provided opportunities to provide feedback while the audit was ongoing.	95%	0%	5%	65.00%	30.00%	0.00%	0.00%	5.00%
11	The audit report observations were:								
	Accurate	90%	10%	0%	60.00%	30.00%	0.00%	10.00%	0.00%
	Clearly Written	90%	10%	0%	60.00%	30.00%	5.00%	5.00%	0.00%
	Presented with Appropriate Context	90%	10%	0%	60.00%	30.00%	0.00%	10.00%	0.00%
12	I was given the opportunity to provide explanations and responses to the audit observations contained in the draft report.	95%	5%	0%	65.00%	30.00%	0.00%	5.00%	0.00%
13	Internal Audit's recommendations:								
	Were Constructive	90%	10%	0%	70.00%	20.00%	5.00%	5.00%	0.00%
	Were Feasible	100%	0%	0%	65.00%	35.00%	0.00%	0.00%	0.00%
	Will Improve Operations/Processes	100%	0%	0%	65.00%	35.00%	0.00%	0.00%	0.00%
	Will Provide Value to the City	100%	0%	0%	65.00%	35.00%	0.00%	0.00%	0.00%
14	From my perspective, the audit objectives were achieved.	95%	0%	5%	65.00%	30.00%	0.00%	0.00%	5.00%
15	Overall, the audit added value to the City by enhancing our understanding of risks and/or improving our approach to managing key risks.	90%	10%	0%	65.00%	25.00%	5.00%	5.00%	0.00%

2022 INTERNAL AUDIT ANNUAL REPORT

Appendix B

List of Completed Audit Projects and Status of Management Action Plans (MAPs)

Agenda Date	Audit Report	Year	Outstanding Recommendations	# of Recommendations in the Audit Report	# of Recommendations Completed	# of Recommendations In Progress	Implementation Due Dates
09-Mar-15	Recreation & Culture Revenue	2015	Accounts Receivable - Collections & Write-offs	12	12	0	Complete
08-Sep-15	Road Operations	2015	Policies & Procedures	7	7	0	Complete
01-Feb-16	Corporate Overtime	2016	Automate the Time and Labour Management Process	5	2	3	Q3 2023
			Understand What Drives Overtime Costs & Impact on Service Delivery				Q3 2023
			Examine the Impact of Overtime on Employee Wellness				Q3 2023
30-May-16	Anonymous Reporting System Annual Report	2016	Enhance the City's corporate governance, accountability and transparency framework by developing a comprehensive ethics and compliance program designed to prevent, detect and respond to fraud and misconduct.	3	1	2	Q4 2023
			Internal Audit be tasked with doing further research into the possibility of expanding the Anonymous Reporting System to the general public and, in consultation with senior management, report back to Council on the best practices in other jurisdictions and a recommended approach.				Q4 2024
06-Mar-17	Social Media Audit	2017	Develop a Comprehensive Social Media Governance Framework	4	3	1	Q1 2024
06-Jun-17	Event Management Audit	2017	Develop a Formal Event Strategy for the City	9	8	1	Q3 2023
06-Jun-18	Winter Maintenance Audit	2018	Reevaluate the City's Winter Maintenance Strategy and Service Standards	7	6	1	Q2 2023
12-Nov-19	Facility Management Audit	2019	Develop and Implement a Risk Based Preventative and Predictive Maintenance Program	5	2	3	Q4 2023
			Improving the Management and Administration of Lease and License Agreements at City Owned Facilities				Q3 2023
			Enhance Oversight Over Contract Administration				Q3 2023
20-May-20	Consulting Services Audit	2020	Establish a City-wide Contract Management and Administration Framework	6	5	1	Complete
			Standardize Procurement Templates				Q3 2023
22-Sep-20	By-Law & Compliance, Licensing & Permit Services Audit: Phase 1	2020	Reevaluate and Update the By-law Strategic Framework, Principles and Deliverables to Ensure They Remain Realistic and Achievable	6	4	2	Q4 2023
			Ensure Parking Permit Processes Comply with the City's Parking By-Law 064-2019				Complete
			Continue to Integrate Licensing, Permit and Enforcement Systems and Enable Automated Data Sharing				Complete
			Improve Oversight Over the Administrative Monetary Penalty Process				Q4 2023
			Develop Key Performance Indicators (KPIs)				Complete
			Ensure SOP's Remain Relevant and Current				Complete
31-May-21	IT Security Audit	2021	Commercial Off the Shelf Software*	11	7	4	Complete
			Hardening*				Complete
			Multi-Factor Authentication*				Complete
			Network Segmentation*				Q1 2023
			Physical Security*				Complete
			Reducing Attack Surface*				Complete
			Social Engineering*				Q1 2023
			Vulnerabilities*				Complete
			Vaughan Public Libraries*				Q1 2023
			Miscellaneous*				Q2 2023
			Resourcing*				Complete

2022 INTERNAL AUDIT ANNUAL REPORT

List of Completed Audit Projects and Status of Management Action Plans (MAPs)

Agenda Date	Audit Report	Year	Outstanding Recommendations	# of Recommendations in the Audit Report	# of Recommendations Completed	# of Recommendations In Progress	Implementation Due Dates
22-Nov-21	VFRS Mechanical Review	2021	Create an RFP for FMIS	15	5	10	Complete
			Develop fleet policies, encompassing the flow charts developed				Q2 2023
			Develop a 20-year Replacement Plan				Q3 2023
			Define job duties and reporting relationships in updated job descriptions				Complete
			Acquire a fit-for-purpose fleet management system				Q4 2023
			Implement cross training and backup staff when leave is taken to ensure operations are not interrupted				Complete
			Implement incentives to encourage staff to pursue professional certification				Q4 2023
			Adopt a condition assessment methodology to prioritize vehicle replacement				Q4 2023
			Adopt a proactive PM schedule and work towards 95% compliance				Q4 2022
			Assess the need for a full-time fleet manager position as the organization grows				Q2 2023
			Consider future facility needs as the organization grows				Q2 2023
			Determine which KPIs are most valuable to their organization and develop regular reporting procedures.				Q2 2023
			VFRS should add staff capacity to perform administrative work and parts support.				Complete
			VFRS should create a Fleet Policy Manual that incorporates the flow charts created during this review.				Complete
			Develop future operating (maintenance) budgets using information provided by the FMIS.				Q2 2023
22-Nov-21	Building Standards Audit: Phase 1	2021	Improve the Ownership Verification Process for Request for Information Applications	7	7	0	Complete
			Leverage Advances in Technology to Improve Business Processes and Controls				Complete
25-Apr-22	Building Standards Audit: Phase 2		Improve the Oversight and Controls over Outstanding Violations and Investigations	4	2	2	Complete
			Develop and Implement a Policy to Guide the Preparation, Documentation, Supervision and Follow-up of Prosecution Files				Complete
		2022	Develop Inspection Documentation Standards and Leverage Technology to Ensure that Inspection Records are Complete and Reliable				Q2 2023
			Develop and Implement an Action Plan to Monitor and Resolve Inactive Building Permits				Q4 2023
25-Apr-22	Vaughan Animal Services Audit	2022	Investigate the Feasibility of Acquiring a Permanent Location for the VAS Shelter	10	8	2	Q2 2023
			Implement an inventory management system				Complete
			Develop and Implement a Formal Process for Accepting Food and Medical Donations				Complete
			Develop and Implement a Formal Adoption Follow-up Process				Complete
			Leverage Advances in Technology to Improve Business Processes				Complete
			Develop a Formal Staff Training Program				Q4 2023
			Periodically Review Authorized Access to the Animal Shelter				Complete
			Update Standard Operating Procedures				Complete
			Develop Additional Strategies to Increase Pet Licensing				Complete
			Procurement Services Needs to be more Strategic, Proactive and Client Oriented				Complete
13-Jun-22	Fleet Management Services Audit	2022	Develop a Comprehensive Fleet Management Strategy	6	0	6	Q4 2024
			Acquire a Fit-for-Purpose Fleet Management Information System (FMIS) and Upgrade the Automatic Vehicle Localization (AVL) Units				Q4 2024
			Improve Compliance to Vehicle Inspection Requirements				Q4 2024
			Investigate the Feasibility of Exiting the Fuel Distribution Business				Q4 2024
			Enhance Procurement, Contract Administration, and Inventory Management Processes				Q4 2024
			Develop a Progressive Strategic Staffing and Training Plan				Q4 2024

2022 INTERNAL AUDIT ANNUAL REPORT

List of Completed Audit Projects and Status of Management Action Plans (MAPs)

Agenda Date	Audit Report	Year	Outstanding Recommendations	# of Recommendations in the Audit Report	# of Recommendations Completed	# of Recommendations In Progress	Implementation Due Dates
13-Jun-22	Emergency Planning and Business Recovery – COVID-19 Audit	2022	Ensure Compliance with Employee and Vendor Screening Requirements	11	6	5	Complete
			Improve Business Reintegration Decision Making				Complete
			MNP: Key Person Risk				Complete
			MNP: Leveraging Technology – Business Continuity software				Q4 2024
			MNP: Adherence to Established Response Procedures				Complete
			MNP: Business Continuity Plan – Governance Structure				Q4 2024
			MNP: Training – Business Continuity				Q4 2024
			MNP: Business Continuity Plan – Focus Areas for Upcoming Review Period				Q4 2024
			MNP: Pandemic Management Guidelines				Complete
			MNP: Leveraging BCP Information to Define Essential Services				Q4 2023
			MNP: After Action Reporting				Complete
13-Jun-22	Vendor Master File Audit	2022	Enhance Controls over System User Access and Segregate Incompatible Duties	7	0	7	Q4 2023
			Enhance Processes and Controls over the Management, Administration and Oversight of the Vendor Master File Data				Q4 2023
			Ensure the Low Dollar Procurement Module (LDM) is Only Used If Other Procurement Options are not Operationally Feasible				Q4 2023
			Enhance Controls over the Vendor Setup and Change Request Process				Q4 2023
			Enhance Controls over the Vendor Validation Process				Q4 2023
			Enhance Controls over the Vendor Reactivation Process				Q4 2023
			Transition Medical Note and Safety Footwear Reimbursements from A/P to Payroll				Q4 2024
19-Sep-22	Accessibility Audit	2022	Strengthen Governance and Oversight over the City's Accessibility Initiatives	6	0	6	Q4 2023
			Improve the MYAP Development and Implementation Process				Q2 2023
			Enhance Training to Promote Accessibility Knowledge and Awareness				Q1 2024
			Incorporate Regular Independent Accessibility Assessments and Certification into the Development of Future MYAP's				Q3 2024
			Improve Management Oversight over the Customer Feedback Process				Q3 2023
			Implement and Record Periodic Reviews of Accessibility Policies				Q1 2024
19-Sep-22	Service Vaughan Audit	2022	Develop Operational and Staffing Strategies to Achieve Acceptable Service Levels	4	0	4	Q4 2024
			Leverage Advances in Technology to Improve Business Processes				Q4 2023
			Develop Standard Operating Procedures and Improve the CSR Training Program				Q4 2023
			Enhance Service Offerings, Communication and Relationship Management with Internal Stakeholders.				Q4 2023
19-Sep-22	Construction Audit of the Carrville CC, Library and District Park: Phase 1	2022	Enhance the Project Budget Increase Request Process	7	1	6	Q2 2024
			Ensure a Liquidated Damages Provision is included in all Construction Contracts				Q2 2024
			Enhance the Fairness Monitor Process				Q3 2023
			Ensure the Formation and Composition of Proposal Evaluation Committees is Appropriate				Q3 2023
			Document Vendor Pre-qualification Criteria Assessed				Complete
			Enhance the Design and Construction Standards Document				Q3 2023
			Continue to Enhance Project Management Methodologies, Policies and Procedures				Q2 2024
Total	21 Reports	-		152	86	66	