



INTERNAL AUDIT

Annual Report:

January 2024 – December 2024

May 2025

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PURPOSE OF INTERNAL AUDIT

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

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 efficiently and effectively, is in compliance with policies and legislation and that controls are properly functioning as intended.
2. **Advisory 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.

PERFORMANCE HIGHLIGHTS

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.

Our 2024 Performance Highlights include:

- Five of the six scheduled engagement were initiated. The Insurance and Risk Management Audit was deferred due to the corporate reorganization.
- A total of seven reports were completed, presented and approved by Council through the Audit Committee.
- The average budgeted time allocated to a project was 763 hours. Actual average time spent on a project was 757.1 hours, a difference of 0.77%.
- Internal Audit achieved a 100% acceptance rate for all audit recommendations.
- The overwhelming positive Audit Client Survey 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.
- Internal Audit staff continue to meet their respective Continuing Professional Education requirements and all members are in good standing with their respective professional organizations.

COMMON THEMES AND ISSUES – ANALYSIS OF 2024 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 seven reports were completed and presented to the Audit Committee in 2024.

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. Continue to address the impacts of new legislation and how they may impact internal processes and service delivery.

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

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 2024. The resulting database includes 4,077 organizations that received a total of over 2.15 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 each year.

In 2024, the NAVEX Database median reports from web & hotline intake per 100 employees decreased slightly from 1.07 to 1.04. 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 2024 to be at the median. The City received a total of 12 reports in 2024, up 6 reports from the 6 we received in 2023.

Since the system was introduced, we have received a total of 158 reports, which averages to approximately 14.4 reports per year.

Internal Audit will also continue to partner with Communications, Marketing and Engagement department to promote 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 12 reports received:

- One report (or 8%) received related to accounting, auditing and financial reporting issues such as financial misconduct, internal controls and expense reporting. The 2024 NAVEX Database median comparison for this category is 4.3%. This report was not substantiated. The 2024 NAVEX Database substantiation rate for this category is 50%.
- Two reports (or 17%) received related to business integrity issues such as conflict of interest, policy violation and vendor/customer issues. The 2024 NAVEX Database median comparison for this category is 20.0%. These reports were not substantiated. The 2024 NAVEX Database substantiation rate for this category is 50%.
- Two reports (or 17%) received related to HR, diversity and workplace respect issues such as hiring irregularities, discrimination, harassment and favouritism. The 2024 NAVEX Database median comparison for this category is 53.8%. Both reports were

substantiated. The 2024 NAVEX Database substantiation rate for this category is 40%.

- Three reports (or 25%) related to environmental, health and safety. The 2024 NAVEX Database median comparison for this category is 6.1%. None of these reports were substantiated. The 2024 NAVEX Database substantiation rate for this category is 50%.
- Two reports (or 17%) received relate to the misuse or misappropriation of corporate assets including theft and time abuse. The 2024 NAVEX Database median comparison for this category is 4.0%. One of these reports were substantiated. The 2024 NAVEX Database substantiation rate for this category is 56%.
- Two reports (or 17%) received fell into the “other” category. The 2024 NAVEX Database median comparison for this category is 13.3%. Both were inquiries that did not lead to investigations. The 2024 NAVEX Database substantiation rate for this category is 33%.

In 2024, three (or 30%) of the ten reports received that led to investigations were substantiated. The 2024 NAVEX Database overall substantiation rate comparison is 46%. Our overall substantiate rate since the system was implemented is 24%.

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 many 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.

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 2024, 67% of all reporters followed up on their report. This compares favorably to the 2024 NAVEX Database rate of 26%.

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 all of the reporters chose to remain anonymous. The 2024 NAVEX Database rate is 54%. NAVEX also reports that smaller organizations tend to register higher levels of 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 2024, our median case closure time was 31 days. This compares favourably to the 2024 NAVEX Benchmark of 42 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 146 recommendations approved by Council from February 2016 through December 2024. As of May 12th, 2025, management has fully implemented 83 of those MAPs, or 57%. A total of 63 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:

CORPORATE OVERTIME AUDIT

The Corporate Overtime Audit report was presented to FA&A on February 1st, 2016. The report contained five recommendations. Two (or 40%) of the audit recommendations remain outstanding.

In 2024, Council received and approved the Attraction and Retention Strategy Report prepared by an external consultant. Internal Audit also conducted a Workforce Planning Audit. Both the consultant and Internal Audit made recommendations which will impact how the Corporation handles overtime.

For the City of Vaughan, each department has its own resource planning needs in order to execute their operational activities. Departments continue to review their overtime usage, provided by Human Resources, which provides insight into the costs and scheduling needs for their service delivery. Overtime hours and costs are also reported to the heads of relevant portfolios. However, the Workforce Planning Audit observed that there needs to be increased support for departmental workforce planning strategies. Management agreed and plans on leveraging Human Resources data and insights, including overtime trends, to proactively identify workforce risks and opportunities.

A Time & Labour project included a plan to upgrade the current Enterprise Resource Program (JD Edwards) with time entry and employee self-service features was completed in May 2023 for most of the City. The OCIO is working with Vaughan Fire and Rescue Services and Recreation Services to define their unique system needs and additional functionality to determine the best system solution approach for their time and labour requirements.

SOCIAL MEDIA AUDIT

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

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

According to the Chief Communications Officer, the policy/framework is in progress. A social media policy and framework have been drafted and further updated. Additional next steps on how to best move forward with the policy and framework are anticipated to be determined by the end of 2025.

FACILITY MANAGEMENT AUDIT

The Facility Management Audit report was presented to CW2 on November 19th, 2019. The report contained five recommendations. All recommendations have now been fully implemented.

VFRS MECHANICAL DIVISION REVIEW

The VFRS Mechanical Division Review was presented to the Audit Committee on November 22nd, 2021. The report contained fifteen recommendations. Eight (53%) of the audit recommendations have been completed.

VFRS continues to work to implement the recommendations in the management action plan. This includes encouraging staff to upgrade their knowledge and using Fleet Software program to document PM schedules.

BUILDING STANDARDS AUDIT: PHASE 2

The Building Standards Audit Report Phase 2 was presented to the Audit Committee on April 25th, 2022. The report contained four recommendations. All recommendations have now been fully implemented.

FLEET MANAGEMENT SERVICES AUDIT

The Fleet Management Services (FMS) Audit was presented to the Audit Committee on June 13th, 2022. The report contained six recommendations. Three (50%) recommendations remain outstanding, but all are in progress.

According to the Manager of Fleet Management Services, work to complete a comprehensive Fleet Management Strategy is in progress with an expected completion date of Q4, 2026. Some of the key milestones include:

- Fleet policy was published in Q4 2024.
- FMS will establish SLA's from data that will become available through FASTER FMIS in Q4-2026.
- The FASTER FMIS provides a Fleet Asset Management Plan and condition assessment methodology.
- FMS continues the on-going discussions with Corporate Finance to explore additional funding models for capital replacements, i.e., equity-based leases.
- A standard library for all vehicles and equipment at the City is developed and will be housed on FMS VOL Page.
- Draft Green Fleet Framework-Strategy is under development.
 - Stakeholder engagement in progress
 - Scheduled for Council Presentation in Q3-2025

FMS and VFRS have implemented the FASTER Fleet Management Information System. A management dashboard using data from AVL and FMIS to support data driven decision making is in progress, with a target date of Q4-2025.

Enhancing Procurement, Contract Administration, and Inventory Management Processes is still in progress with an expected completion Q4-2026. Some of the key milestones include:

- FMS has established comprehensive VOR agreements with 90% of the vendors and continue to work with procurement on the remaining 10%.
- FMS continues to execute the on-going vendor performance evaluations.
- Inventory control module of FMIS has been implemented through FASTER FMIS. Data uploading in progress and expected to be in operations in Q4-2025.
- Fleet Inventory Administrator recruited.
- FMS will document the policies and procedures for inventory control activities, incorporating segregation of duties and 3-way matching principles, with a target date of Q4-2026.
- The Work Order to install employee badge access system to all the doors in the Fleet workspace is with Facilities Management, with a target date of Q2-2026.

EMERGENCY MANAGEMENT AND BUSINESS CONTINUITY AUDIT

The Emergency Management and Business Continuity Audit was presented to the Audit Committee on June 13th, 2022. The report contained eleven recommendations. One (or 9%) of the audit recommendations remains outstanding.

The Emergency Planning team was able to develop and implement a Governance Structure that is similar to our emergency response structure. There was a risk matrix that was

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developed through the input of the working group. Each department will have a lead that will be the business continuity owners and will conduct reviews of their workbooks annually.

For the Business Continuity Plan (BCP) Leads to be successful, a two day training was conducted. There were four sessions in total. The first two sessions was part one and the last two was part two. This allowed for a flexible schedule to accommodate as many participants as possible.

The Business Continuity Workbooks for each department will continue to be reviewed by staff and the emergency planning department on an annual basis.

The final recommendation that requires attention is the business continuity software. Currently, 12th floor, the Incident Point developers, are working on the first version of the business continuity add on to Incident Point. The expected date for the first roll out is Q4-2025.

VENDOR MASTER FILE AUDIT

The Vendor Master File Audit was presented to the Audit Committee on June 13th, 2022. The report contained seven recommendations. One (or 14%) of the audit recommendations remains outstanding.

According to the Director of Finance and Director of Procurement, Financial and Procurement Services have reviewed and modified incomplete data structures on all existing active vendors in the Supplier Address Book in JDE based on the data structures outlined in the Supplier Master File Policy and Procedures. The action item was completed in Q3, 2024.

OCIO will work with Procurement and Financial Services to implement the new vendor setup form and authorization workflow using PowerApps in Q4 this year to refine the process and replace the new PDF vendor setup form. An RFQ was conducted in 2024 to investigate the feasibility of automating the new vendor setup form and authorization workflow directly within JDE. Management decided not to proceed with this option as it could not fully automate the new vendor setup process, and the cost exceeds the benefits for it.

ACCESSIBILITY AUDIT

The Accessibility Audit, presented to the Audit Committee on September 19th, 2022, identified six key recommendations and 30 action items to advance accessibility across the organization. Since then, significant progress has been made, with most actions completed and only three items remaining in progress.

Under its renewed mandate, the Inclusion and Community Outreach unit now operates under the Office of the Deputy City Manager, Strategic Initiatives. Led by the Manager of Inclusion and Community Outreach, the unit is committed to building a matrixed, integrated team across the corporation. This structure enhances collaboration and alignment, ensuring that inclusion initiatives are effectively embedded throughout the organization and the broader community.

The City remains committed to embedding accessibility and inclusion into all areas of its work. Ongoing engagement with the Accessibility Advisory Committee (AAC) is central to this commitment, ensuring that accessibility considerations are meaningfully integrated into

projects, policies, and services. The implementation of the City's [Multi-Year Accessibility Plan \(MYAP\)](#) continues to be guided by the City's internal Accessible Technical Advisory Committee, which provides regular updates, shares resources, and supports departments in meeting their accessibility goals.

In 2024, several important initiatives were completed, marking meaningful progress toward a more inclusive organization. The City enhanced its Accessibility for Ontarians with Disabilities Act (AODA) training by improving the formatting of eLearning materials to ensure greater accessibility for all staff. This training was also incorporated into the onboarding process to ensure new employees can access the required courses. Additionally, a new eLearning module was launched to provide training on the Accessibility Policy, Accommodation Policy, and Disability Management Program. To further build understanding and engagement, the City introduced “AODA & the Code: Power Hour” – an interactive session designed to familiarize staff with the Multi-Year Accessibility Plan while creating a space for discussion about accessibility and accommodation responsibilities in the workplace and the wider community.

Progress was also made in improving the accessibility of public spaces and City facilities. Building Accessibility Assessments and Condition Assessments were completed for all City-owned sites. These reports now serve as key resources to guide future facility upgrades, particularly at high-traffic locations such as City Hall, community centres, and libraries, where inclusive design is critical to ensuring safe and welcoming public access.

Work continues on the assessment report as the City develops a remediation plan to address its recommendations. Site walkthroughs are scheduled to begin in 2026, and relevant teams are exploring opportunities to engage an Accessibility Consultant to support this work.

The City is also assessing the accessibility of its external digital platforms to ensure they meet the diverse needs of residents, businesses, and visitors. A vendor has been contracted to evaluate the City's web assets, identify any gaps, and recommend improvements. This work is led by an internal working group that supports implementation across departments.

In 2025, the City will propose updates to the Inclusive Design Standards (IDS), which guide accessible and inclusive design for City buildings, facilities, and public spaces. These updates are intended to be integrated into key internal processes to ensure consistent application across projects. Consultation with the AAC is planned for spring 2025 to ensure community input directly informs the updates and helps shape future City projects.

To support more effective AAC collaboration, the [2025 Agenda Submission Process](#) has been updated to include new tools like the [PlanIT website](#) to help AAC members easily identify and select site plans for review.

The City remains committed to advancing the remaining actions and continuing progress into 2025 and beyond, building a more accessible and inclusive community for all.

SERVICE VAUGHAN AUDIT

The Service Vaughan Audit was presented to the Audit Committee on September 19th, 2022. The report contained four observations with eleven recommendations 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 recommendations, the Service Vaughan Leadership Team developed a management action plan with a total of thirty-one activities. With 77% of these activities completed or in progress, Service Vaughan staff continue to collaborate with the Internal Audit department to fulfill the priorities within the management action plans.

These components are aligned with Service Vaughan's mandate and the Service Vaughan Customer Service Strategy. Delivering on this action plan and focusing on the strategy will result in the continuation of effective wait time management, improved first point-of-contact resolution and expansion of the CRM technology.

Based on this total, 16 (or 51%) of the activities have been completed, eight (or 25%) of the activities are in progress, and seven (or 22%) of the activities are not yet started.

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 19th, 2022. The report contained seven recommendations. Three (or 43%) of the audit recommendations remain outstanding.

Management provided the following updates:

The Project Change Approval Process requires project teams to document the options considered to address a project challenge 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. The Project Change Approval Process has been updated and completed. Enhancements include the requirement for a Project Change Approval Form (PCAF) to be completed when budget shortfalls are encountered prior to awarding a contract. Project Change Control Trigger criteria have been updated, and Project Change Approval guidelines and procedural documentation have been developed. The process now requires all options to be presented to the Program Management Committee. In cases where Council approval is needed, the PCAF will be used to communicate change information to Council, including options for decision-making.

Liquidated damages provisions are currently applied by default in all construction contract templates. Any exclusions from the default application are being handled on a case-by-case basis until the full framework is developed. As part of the ongoing PMO Framework enhancement, the Program Management Office (PMO), in consultation with Procurement Services and Legal Services, is developing a formalized framework, methodology, tools, and processes to assess and calculate the applicability of liquidated damages. Criteria will also be developed to assist management in justifying any exclusions. Procurement Services is actively benchmarking with other municipalities to incorporate best practices into the final framework.

Terms of Reference outlining the process to request, review, and approve design and construction standard deviations have been developed. It provides a formalized process for approval of products, standards, and design criteria changes. A recurring review and update

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process for the Design and Construction Standards document has been drafted and is currently under internal review. Approval of the final version is targeted for the end of December 2025.

The PMO has initiated a project to enhance project and program delivery methodologies, including processes, procedures, governance and tools to standardize project delivery across the organization. To date, efforts have focused on procedures related to project identification, monitoring, control and change. An external consultant has been engaged to assist with this work, and project completion is anticipated by December 2025.

PCI COMPLIANCE AUDIT

The PCI Compliance Audit Report was presented to the Audit Committee on January 30th, 2023. The report contained 18 recommendations. All recommendations have now been fully implemented.

PROPERTY TAX AND ASSESSMENT AUDIT

The Property Tax and Assessment Audit was presented to the Audit Committee on May 29th, 2023. The report contained four observations with six recommendations to enhance controls over system access control and system access; explore opportunities to provide on-line services to property taxpayers; develop corporate performance measures and develop formal standard operating procedures for operational and training activities.

Two recommendations remain outstanding but are in progress with the original target dates.

Management is working with the vendor to provide a TXM Customer Portal. It's anticipated that residents will have the ability to directly inquire and access their tax account to view details and transactions by the end of the year. Further improvements will follow.

The development of formal SOPs are currently being developed and documented.

FINANCE MODERNIZATION AUDIT

The Finance Modernization Audit was presented to the Audit Committee on May 29th, 2023. The report contained six recommendations. Two (or 33%) of the audit recommendations remain outstanding.

According to the Manager, Strategic Portfolio Management, progress has been made on the development of a 5-year Road Map. A draft four-year roadmap has been established for the period 2025–2029. As part of this initiative, the Finance Modernization program will undergo rebranding and renaming at the conclusion of the current council term in 2026. However, the rebranded program will retain its commitment to the original program's objectives and continue advancing its outcomes. Approval of the roadmap is expected to be completed by Q3 2025.

Public Works was descoped from this specific deployment of the Work Order Management module. Currently, at a project level, the team utilizes project change orders when there are changes to the schedule, costs, and scope. If the project change affects the overall program, then at a program level, the program utilizes the PMO Program Change Approval forms. During the pre-project phase, an extensive assessment was conducted jointly with the

Finance Modernization team, Public Works and CAM to determine a path forward and appropriate solution for the Work Orders initiative. A decision document was created and approvals from each area (Finance Modernization, Public Works and CAM) obtained. Once a vendor has been awarded and an implementation plan created a Change Order will be created. This is in progress and a new due date of Q3 2025 has been established.

DEVELOPMENT ENGINEERING AUDIT

The Development Engineering Audit was presented at the Audit Committee on October 2nd, 2023. The Audit Report contained six recommendations. Three (50%) of the audit recommendations are complete.

While the remaining action items are in progress, Management have provided the following updates:

Recommendation 1 - Continue Collaborating with Stakeholder Departments to Address the Impacts of New Legislation

Service Level Agreements (SLA's) have been formalized with stakeholder departments to improve service delivery timelines. The two remaining stakeholder department SLA's will be finalized in Q2 2025.

Recommendation 3 - Continue Developing Dashboards and Other Mechanisms to Measure Department Performance and Public Satisfaction

Dashboards Phase 1, 2 and 4 are complete and active. The phase 3 Financials dashboard production is underway and is scheduled for completion by Q4 2025.

Recommendation 4 - Leverage Advances in Technology to Enhance Business Processes, Records Management and Online Services

DE will be participating in the Enterprise Content Management (ECM) project as a solution to a centralized digital file system; the estimated rollout to DE is Q1 2026.

AMANDA software is being leveraged to implement a new digital solution to the agreement modernization process. Prototype testing is underway and on track to be in place and operational by Q4 2025.

PARKS OPERATIONS AUDIT

The Parks Operations Audit was presented to the Audit Committee on October 2nd, 2023. The Internal Audit report contained eight recommendations, encompassing a total of twenty-four action items. To address these recommendations, the Parks Operations Leadership established a *Parks Operations Audit Working Group*. This group comprises a diverse team of parks staff, contributing to the necessary expertise to effectively implement the audit's recommendations. Leads were designated for each action item, and a structured meeting schedule was set up to ensure consistent progress. Action items were meticulously using a Gantt chart, with specific milestones planned and addressed in chronological order. As of January 2025, a significant number of action items have been implemented.

Of the twenty-four action items stemming from the eight recommendations, 14 (58%) have been completed, while 10 (42%) are in progress. All action items are currently on track for completion within their respective target dates.

According to the Director of Parks, Forestry and Horticulture Operations (PFHO), the department has implemented a robust system for developing and maintaining relevant and current Standard Operating Procedures (SOPs). A centralized Document Hub has been established on SharePoint, serving as the official repository for all operational and administrative documents—including policies, SOPs, work instructions, forms, and GembaDocs.

The document control system features two distinct environments: one for working drafts and another for fully approved documents. Access to both is permission-controlled, and SharePoint's built-in audit trail functionality tracks all user activity. Each document is assigned comprehensive metadata to support governance and traceability.

To ensure timely reviews, a Power Automate workflow has been implemented. This includes:

- A 60-day email reminder to document authors ahead of the scheduled review date,
- A 30-day follow-up reminder,
- Bi-weekly overdue notifications if the review is missed.

Additionally, a Change Control System has been introduced to manage new document requests and revisions. Power Automate notifications keep stakeholders informed throughout each step of the process. The department is also working in collaboration with the Office of the City Clerk to implement the city-wide Enterprise Content Management (ECM) system, positioning PFHO as the first department in Public Works to adopt it.

The PFHO leadership team has also implemented a comprehensive staff training program. This initiative includes:

- A formalized onboarding process for both new hires and returning seasonal employees,
- A consistent, year-over-year training approach,
- Designation of an administrative lead to maintain training records and ensure regular reviews,
- A structured assessment and sign-off process for key on-the-job tasks.

To promote uniformity across districts, a "train-the-trainer" curriculum has been developed, requiring sign-off from both trainers and trainees. In addition, forms and live dashboards have been introduced for district health and safety meetings, using Microsoft Forms for signoffs and facilitating real-time reporting and oversight.

In collaboration with the Corporate Services Portfolio, the department continues working toward implementing a comprehensive work order management system. This system will streamline operations, enhance oversight, and improve the effectiveness of the Customer Relationship Management (CRM) system. Currently, the absence of a centralized system limits service performance tracking and relies heavily on manual processes.

Key achievements to date include:

- Development of a long-term strategy with input from Subject Matter Experts,

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- Completion of a Request for Information (RFI) process that attracted 19 vendor proposals,
- Selection of Microsoft Dynamics 365 as the preferred platform, following extensive evaluation and project steering committee approval.

This decision supports long-term goals of enhancing service delivery, increasing automation, and enabling integration with existing municipal systems. A pilot for the Horticulture division is planned for Q4 2025, with full onboarding for Parks Operations scheduled for Q2 2026.

The department has also implemented a tool inventory management system, allowing assets to be digitally tracked through forms and dashboards. Procedures outlining staff responsibilities in the service request administration process are nearing finalization.

The remaining recommendations continue to progress as scheduled and are expected to be fully implemented by Q4 2025. The only exception being the phased implementation of the comprehensive workorder management system over the next year.

MUNCIPAL ACCOMODATION TAX AUDIT

The Muncipal Accomodation Tax Audit was presented to the Audit Committee on February 5th, 2024. The report contained four observations with fourteen recommendations to develop a program to validate MAT submissions, ensure technology is fully leveraged to restrict input errors, improve communication between integrated systems and facilitate management oversight, develop SOPs and SLAs with departmental stakeholders, and ensure staff have resources to provide sufficient administration and oversight over the MAT Program.

All recommendations remain outstanding but are in progress with the original target dates. Progress includes the engagement of KPMG to conduct rotating annual audits of operators collecting MAT. Management continues to work with the software vendor for system enhancements. Program oversight has been enhanced by receiving quarterly occupancy reports.

PARKS INFRASTRUCTURE AND DEVELOPMENT AUDIT

The Parks Infrastructure Planning and Development Audit report was presented to Audit Committee on March 20th, 2024. The report contained ten recommendations. According to the Director of Facilities and Parks Delivery, Facilities and Parks Delivery has completed two of the ten recommendations which were not affected by recent organizational changes with the Parks and Open Space Planning division transferring to PGM-HD portfolio in November 2024.

The following has been implemented in response to two of the recommendations that have been address.

Staff collaborates regularly with Corporate Asset Management, Parks, Forestry & Horticulture Operations, and the Program Management Office to refine the Parks Asset condition assessment process, project pre-planning and budget submission process, and to develop a long-term State of Good Repair parks asset plan wholly informed by the Non-core Asset Management Plan. Facilities and Parks Delivery staff have incorporated the Corporate CRM

system into the department and is closely aligned with Corporate and Strategic Communications collaborating on all projects that require outreach and public engagement.

The balance of the recommendations are being addressed and delivered through Facilities and Parks Delivery or in collaboration with other partner departments and projects such as the POPS Study, Greenspace Strategic Plan and the Development Charge Study update. However, a number of sub-recommendations will be reviewed on the appropriateness of Facilities and Parks Delivery to deliver in light of organizational changes. In particular, all sub-recommendations associated with planning and policy matters should be transferred to PGM HD portfolio to be led by Development and Parks Planning Department.

DEVELOPMENT PLANNING AUDIT

The Development and Parks Planning Audit was presented to the Audit Committee on September 30th, 2024. The Audit Report contained eight recommendations. Two (or 25%) of the eight recommendations are complete and one recommendation will be transferred to another Department effective Q2 2025.

According to the Director of Development and Parks Planning, all action items are currently in effect or shall be implemented per the planned remediation schedule. Recommendation updates are as follows:

1. Continue transforming the Development Planning and Cultural Heritage Processes and Policies in response to the new legislation.

The Urban Design and Cultural Heritage unit is on track to complete the review of internal processes in response to recent changes to Ontario Heritage Act by Q1 2025. The Development and Parks Planning Department are continuing to monitor internal processes as more development applications are submitted for review. This will be ongoing into Q2 2025.

2. Expedite the migration to one system to collect/monitor development activity for business enhancement.

In collaboration with OCIO, testing for a new web app for public planning data is underway, and to acquire resources to assist with the implementation of this project. The Department is also working with OCIO and PMO on a data migration plan to start data mapping Q2 2025. Business requests have been submitted to OCIO to secure resources for AMANDA's automatic circulations for other City of Vaughan Departments. This will be ongoing into 2026.

3. Improve management oversight to ensure the completeness of application documentation and the timely updating of application status.

The Department has been actively working on this initiative and has incorporated quality assurance/quality control as part of the quarterly development application status report. The Department continues to monitor and update SOP's (Standard Operating Procedures) as required to implement legislative updates and process changes through to Q4 2025.

4. Establish Key Performance Indicators to measure department performance by benchmarking against peer municipalities and industry standards.

The Department continues to work towards establishing benchmarks and key performance measures with an expected completion timeline of Q4 2025.

5. Enhance the Heritage Permit Process.

- The integration of the heritage review permit process including demolition and building permit into AMANDA has been completed.
- The recommendation to engage Legal Services to explore feasibility of collection of missed fees was not recommended due to the nominal amount.

6. Refine Collaboration and Information Sharing in the Tree Protection Agreement (TPA) Process.

The Tree Protection Review Process will be moving to the Forestry Department in Q2 2025 who will be responsible for the integration into the AMANDA system to complete this process.

7. Improve the Urban Design and Cultural Heritage Capital Project Process.

This initiative has been completed, all Urban Design and Cultural Heritage capital projects have been transferred to the Eclipse system through PMO to improve budget, timeline tracking and centralize records management.

8. Follow Best Practices and Improve Online Development Guidance and Services.

- The Department continues to monitor and engage feedback from external stakeholders for improvements.
- The online payment option is being explored through meetings with Finance and OCIO to explore the use of online payments for some of our fees given the dollar value threshold of \$10,000 CDN whereby most development application fees are much higher than this value.

MOVESMART MOBILITY MANAGEMENT STRATEGY AUDIT

The MoveSmart Mobility Management Audit was presented to the Audit Committee on November 25th, 2024. The Audit Report contained three recommendations, two of which were under the purview of MoveSmart and the other one is owned by IPCAM and Legal Services.

The IPCAM Transportation Planning Data Management Strategy Project Team has submitted a formal business request to OCIO. IT SMEs have been identified to support the Project Team in developing the Strategy.

According to the Director of TFMS, all action items under the purview of MoveSmart are currently in effect or shall be implemented per the planned remediation schedule.

Recommendation updates are as follows:

1. Staff to review invoice status every quarter within the Public Works Capital Dashboard. Target completion: Q1 2025 - underway

There is an ongoing corporate-wide project focused on the Electronic Fund Transfer (EFT) payment system, which will include notifications for vendor payments.

Separately, Public Works has submitted a business request that is currently being processed by OCIO to develop an internal payment notification system for vendor payments. This system will help Public Works staff verify proof of payment and ensure that funds are allocated to the correct projects and line items. This process is known as a 3-way match, where the purchase order, invoice, and receiver copy are compared to ensure they align before approving the invoice and issuing payment. A Standard Operating Procedure (SOP) will also be created to support this process.

In the interim, Management monitors compliance with payment procedures through bi-weekly contract meetings, ensuring that payment tracking is happening as expected. Staff are also setting internal reminders to increase the frequency of tracking and monitoring of the Public Works Dashboard to ensure compliance.

2. Continue to expand data sources to develop comprehensive Key Performance Indicators (KPIs) to evaluate MoveSmart's overall effectiveness and align with peer municipalities Targeted completion: Q4 2025 – underway

Staff continue to utilize benchmark protocols to compare the City's performance with that of other municipalities. These benchmarks will ensure that MoveSmart's initiatives are aligned with industry best practices and the evolving needs of the community.

The City is also actively participating in the development of a central repository for policies, standards, and guidelines, which is being led by York Region. This centralized system will facilitate the seamless sharing of data, insights, and best practices, enabling municipalities to collaborate more effectively and strengthen overall performance measurement.

Furthermore, the City is committed to enhancing its data collection and reporting capabilities through the exploration and integration of new technologies. This will improve the accuracy and comprehensiveness of the data and enable more timely and informed decision-making. The expansion of data sources will support the creation of KPIs that are not only comprehensive but also relevant and actionable, ensuring that MoveSmart's effectiveness is continually evaluated and optimized. MoveSmart is on track to develop a sophisticated set of KPIs that align with peer municipalities and provide meaningful insights into road safety and mobility management.

INFORMATION TECHNOLOGY (IT) ASSET MANAGEMENT AND CONTRACTS AUDIT

The IT Asset Management and Contracts Audit was presented to the Audit Committee on November 25th, 2024. The Internal Audit Report contained five recommendations, for a total of fourteen action items. Of the fourteen action items within the five recommendations, 2 (or 14%) are complete, 3 (22%) are in-progress, 2 (or 14%) will be started in Q2/Q3, and 7 (or 50%) will be started after Q3. All the action items are on track for completion.

To address the recommendations, OCIO Leadership has organized a Management Action Plan (MAP) Working Group. This group is tasked with successfully addressing and implementing the audit recommendations. Key actions have been performed to ensure continued progress to address the management actions. Leads were chosen for each action item. A weekly group meeting schedule was established to ensure consistent progress. Action items are tracked, with milestones being monitored. Regular status update meetings are held, and monthly updates are shared with leadership. This structured approach ensures that all action items are on track for timely completion, demonstrating a strong commitment to improving IT asset management and contract processes.

According to the Manager, Enterprise Systems IT Assets and Contracts, the team is actively working towards addressing the management actions. To date, enhanced status tracking of assets during the decommissioning and disposal lifecycle phase in the inventory tracking system has been completed. The Footprints asset repository tracks assets throughout their lifecycle using the "Status" and "Sub-Status" fields; "Status" represents the high-level phase of the asset lifecycle ("Active" or "Retired"), while "Sub-Status" covers specific functions within the lifecycle phase. Two new sub-statuses were added to FootPrints: "Quarantined" and "Decommissioned". This additional end-user asset tracking provides greater visibility when assets transition between the "Active" and "Retire" phases of the IT Asset Lifecycle. This facilitates tracking of assets removed from active use but not yet disposed of via public bid. In addition, associated procedures were added to the IT Assets Management Operational Guidelines manual to address the process of updating assets to Quarantined.

Additionally, the Manager, Enterprise Systems IT Assets and Contracts directed all OCIO staff via email that moving forward, all OCIO owned IT-related contracts should be routed to the ITAC@vaughan.ca email, monitored by the ITAC team, who will engage subject matter experts (SMEs) during the process when required, and that all communication with Procurement and Legal will be done through the ITAC team to streamline the process. The intent is to ensure that all OCIO-owned IT-related contracts are centralized through the ITAC team by 2027, as identified in the audit recommendation.

Currently in progress is the recommendation to continue to Mature the ITAM Program and Governance Process. This entails the review and update of job descriptions for key staff positions in ITAC, as it is important that job descriptions remain current, to ensure expected competencies for prospective new hires are reflected, in the event new staff need to be added to the team. Job descriptions are undergoing updates and will be submitted to the Office of the Chief Human Resources Officer and OCIO Management for review and approval.

Also in progress is the recommendation to enhance tracking of IT Asset inventory in a centralized repository and regularly monitor ongoing asset usage. The team is developing a process to request that departments provide a business reason for keeping SIM cards active, for mobile devices repeatedly identified on the zero-device usage report. This process will involve a written script for department engagement and follow up, as well as an Audit Tracking Spreadsheet that captures the mobile lines, name of department, department responses (suspend, cancel, keep) and date of response. An escalation process for non-responsive departments will be included in the revised procedures along with updates from the validations being applied to the asset register.

Finally, OCIO staff are finalizing the process to review and confirm that all assets received for decommissioning are included in the competitive bid disposal, contributing to the enhanced status tracking of Assets during the decommissioning and disposal lifecycle phase.

Recommendations/action items that will start in Q3-2025 include:

- To continue to Mature the ITAM Program and Governance Process and develop an IT Asset Management Strategy, OCIO will review IT Asset Management frameworks from the International Association of IT Asset Managers (IAITAM), Information Technology Infrastructure Library (ITIL), or a suitable combination that fits IT Asset Lifecycle requirements, including a jurisdictional scan of peer municipalities. High-Level ITAM Strategic Goals will then be assessed and revised to align with the identified best practices. Lastly, foundational ITAM program documentation will be presented to the Enterprise Governance of IT Committee for review and approval. OCIO recently executed a successful bid to acquire an industry leading ITSM tool: ServiceNow. This platform will be assessed for core functionality, such as generating asset tags that are unique, sequential and unalterable, to determine the feasibility of centralizing IT assets in ServiceNow. The team will then provide recommendations on a path forward.
- OCIO will revise and enhance the procedures to verify and monitor personal computers (PCs) with low or zero usage. Scheduled checks will be implemented after a set period of inactivity with follow-up communications sent to departments to confirm device existence and provide valid business justification for their continued usage. An escalation process for non-responsive departments will be included in the revised procedures along with updates from the validations being applied to the asset register.

CONCLUSION

Internal Audit will continue to follow-up 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.

2024 INTERNAL AUDIT WORK PLAN STATUS AND SCHEDULE

The 2024 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 2024 and their status.

Audit Project	Rationale and Risks	Status and Reporting Date
Recreation Services Audit	<p>Rationale: Recreation Services delivers diverse and inclusive recreation programs, services and events that enhance the quality of life and leisure time of Vaughan's diverse community by supporting the physical, mental and social well-being of our citizens. Through the City's 10 community centres that include six fitness facilities, five arenas and 10 pools, and in partnership with community service organizations and groups, Recreation Services provides access to a wide range of indoor and outdoor recreation opportunities that keep Vaughan residents of all ages active and engaged.</p> <p>Over the course of COVID-19, Recreation Services has worked diligently to keep community centres open in order to safely provide recreational programs and services to the citizens of Vaughan, launching several initiatives including, virtual programming and events, online fitness classes and snowshoe rentals. In addition, Recreation Services worked to combat the spread of COVID-19 by partnering with York Region to use community centres as vaccine clinics.</p> <p>Risk: According to management, the recovery from COVID-19 is anticipated to take a few years given the current staffing shortage that is impacting the department's ability to offer more programs. Recreation Services will need to remain dynamic and flexible to meet their objectives in an efficient and effective manner while ensuring satisfaction and excellence in service delivery.</p>	<p>This audit is being conducted in phases. Phase 1 was presented to the Audit Committee on May 26th, 2025.</p>

Audit Project	Rationale and Risks	Status and Reporting Date
<p>Solid Waste Management Audit</p>	<p>Rationale: Environmental Services provides waste collection services to eligible residential properties. These services include the collection of blue box recycling, green bin organics, leaf and yard waste, and collection of residual waste (garbage). In addition, Christmas trees and appliance/metal recovery items are also collected. The department has a comprehensive communication and education program to encourage residents to fully participate in the City's and Region's waste diversion programs.</p> <p>Risk: If significant issues were to arise with respect to solid waste management, it 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 contractors and staff is not properly managed.</p>	<p>Complete. Presented to the Audit Committee on May 26th, 2025.</p>
<p>Environmental Sustainability and Governance Audit</p>	<p>Rationale: Environmental Sustainability is one of seven Strategic Priorities in the City's 2022 – 2026 Term of Council Strategic Plan. The goal is to protect the environment and foster a sustainable future through our social and economic initiatives. The objectives include Advance Stewardship of Green Infrastructure, Support Community and Corporate Sustainability Initiatives and Invest in Climate Change Mitigation and Resilience.</p> <p>Risk: As the City continues to execute the key activities that support this strategic priority, it is imperative that the key performance indicators are continually reviewed and reflect any environmental issues/changes and their associated risks. It is also important that there are appropriate levels of governance and oversight and that communication protocols are in place to keep stakeholders updated and engaged.</p>	<p>In Progress. It is anticipated that this report will be presented to the Audit Committee on September 29th, 2025.</p>
<p>Real Estate Audit</p>	<p>Rationale: The Real Estate Department oversees the negotiation, acquisition, disposition, and leasing of all City properties and buildings while also determining Cash-in-lieu of parkland calculations. They handle property transactions, including purchases, sales, and lease agreements, and ensure compliance with regulations.</p> <p>Risk: Some of the key objectives of the Real Estate Department in 2023 included implementing and overseeing recommendations approved by Council from the Land Acquisition Strategy and review and determine the 2023 cash-in-lieu of parkland dedication and Community Benefits Charges. It is important that these objectives are successful to achieve community satisfaction, meet legislative compliance and to meet the City Building Term of Council strategic initiative.</p>	<p>In Progress. After the corporate reorg and retirement of the previous department head, it was decided with the client to change this from an assurance engagement to an advisory engagement.</p>

Audit Project	Rationale and Risks	Status and Reporting Date
<p>Consulting and Professional Services Audit</p>	<p>Rationale: As the City continues to grow and work expands, additional resources are needed to provide services. Consulting and professional services are used to either backfill for extra work or perform work where additional skills are needed. Consulting and professional services represent a significant expenditure to the City.</p> <p>Risk: Not having effective controls over the use and administration of consulting and professional services can result in work not meeting expectations, increased costs and reputational damage to the City.</p> <p>An audit of this area, presented in 2020, did not find any evidence of non-compliance to corporate policies. However, improvements were recommended to ensure that risks related to the procurement and use of consultants are effectively and efficiently mitigated. The objective of this audit will focus on whether the actions that have been implemented have improved the City's processes.</p>	<p>In Progress. It is anticipated that this report will be presented to the Audit Committee on September 29th, 2025.</p>
<p>Construction Audit of Carville Community Centre: Phase 3 – Close Out</p>	<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>This audit is being conducted in phases and is moving at the pace of the construction project.</p>
<p>Insurance and Risk Management Audit</p>	<p>Rationale: Managing risk requires the assistance and cooperation of all City departments, and it is for this reason that the Insurance and Risk Management section of the Office of the City Clerk works with all departments to understand operations and provide support through risk mitigating strategies. The Insurance and Risk Management section is responsible for risk financing, risk control and claims administration.</p> <p>Risk: It is imperative that the City has the appropriate processes and controls in place to ensure that Insurance and Risk Management is able to manage the City's claims and recoveries and ensuring the City is adequately insured, using a risk based approach.</p>	<p>Due to the recent corporate reorganization and Regional Governance Review, this engagement is being deferred until the next Term of Council.</p>

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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>	Annual update included as part of the Internal Audit Department Annual report, which was presented to the Audit Committee on May 28th, 2024.
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, 2022. It is not a report on the results of the audits conducted, as this information is presented separately throughout the year.</p>	Presented to the Audit Committee on May 28th, 2024.
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>	Annual update included as part of the Internal Audit Department Annual report, which was presented to the Audit Committee on May 28th, 2024.

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There are two additional audit engagements from prior Internal Audit Work Plans that are still in progress and are both expected to be completed and presented in 2025:

Audit Project	Rationale and Risks	Status and Reporting Date
Construction Audit of Carville Community Centre: Phase 2 – Construction (2022 Work Plan)	<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. It is anticipated that this report will be presented to the Audit Committee on September 29th, 2025.</p>
By Law & Compliance, Licensing & Permit Services: Enforcement Services Audit (2023 Work Plan)	<p>Rationale: The City of Vaughan's By-law and Compliance, Licensing and Permit Services issues licenses and permits and maintains, administers, creates, develops and enforces the City's by-laws. By-laws and the related public policies are put in place to ensure a safe and orderly community for all who live, work and play in Vaughan. Licenses and permits establish a regulatory framework and are required to do many things in the City like running a business, hosting a special event and owning an animal. Expansive development and growth, as well as ever increasing emerging issues and legislative changes are significant risks that are and will need to continue to be mitigated.</p> <p>Risk: If services are not delivered in a manner that demonstrates support of the greater public interest and in line with public expectation there could be increased reputational risks to the City. In addition, there could be health and safety issues resulting in possible legal exposure, an adverse affect to wellbeing of residents and the over all quality of life within the City.</p>	<p>In Progress. It is anticipated that this report will be presented to the Audit Committee on November 24th, 2025.</p>

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2024 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.	100%	0%	0%	100.00%	0.00%	0.00%	0.00%	0.00%
2	The audit took an acceptable amount of time to complete.	100%	0%	0%	57.14%	42.86%	0.00%	0.00%	0.00%
3	The disruption of daily activities was minimized as much as possible during the audit.	100%	0%	0%	85.71%	14.29%	0.00%	0.00%	0.00%
4	Internal Audit exhibited a good understanding of the goals, objectives, strategy, and processes to effectively plan the audit.	100%	0%	0%	71.43%	28.57%	0.00%	0.00%	0.00%
5	Internal Audit demonstrated the technical proficiencies required to perform this audit.	100%	0%	0%	42.86%	57.14%	0.00%	0.00%	0.00%
6	My business concerns and perspective on key business risks were adequately considered.	100%	0%	0%	71.43%	28.57%	0.00%	0.00%	0.00%
7	The audit objectives and scope were clearly communicated to me.	100%	0%	0%	57.14%	42.86%	0.00%	0.00%	0.00%
8	Internal Audit staff were:								
	Professional	100%	0%	0%	100.00%	0.00%	0.00%	0.00%	0.00%
	Objective	100%	0%	0%	71.43%	28.57%	0.00%	0.00%	0.00%
	Positive	100%	0%	0%	85.71%	14.29%	0.00%	0.00%	0.00%
	Willing to Listen	100%	0%	0%	85.71%	14.29%	0.00%	0.00%	0.00%
	Determined to Build Rapport	100%	0%	0%	100.00%	0.00%	0.00%	0.00%	0.00%
	Courteous	100%	0%	0%	85.71%	14.29%	0.00%	0.00%	0.00%
	Constructive	100%	0%	0%	71.43%	28.57%	0.00%	0.00%	0.00%
9	Status updates and communication while the audit was ongoing was:								
	Timely	100%	0%	0%	42.86%	57.14%	0.00%	0.00%	0.00%
	Adequate	100%	0%	0%	42.86%	57.14%	0.00%	0.00%	0.00%
	Useful	100%	0%	0%	57.14%	42.86%	0.00%	0.00%	0.00%
10	I was provided opportunities to provide feedback while the audit was ongoing.	100%	0%	0%	71.43%	28.57%	0.00%	0.00%	0.00%
11	The audit report observations were:								
	Accurate	100%	0%	0%	57.14%	42.86%	0.00%	0.00%	0.00%
	Clearly Written	100%	0%	0%	71.43%	28.57%	0.00%	0.00%	0.00%
	Presented with Appropriate Context	100%	0%	0%	71.43%	28.57%	0.00%	0.00%	0.00%
12	I was given the opportunity to provide explanations and responses to the audit observations contained in the draft report.	100%	0%	0%	71.43%	28.57%	0.00%	0.00%	0.00%
13	Internal Audit's recommendations:								
	Were Constructive	100%	0%	0%	57.14%	42.86%	0.00%	0.00%	0.00%
	Were Feasible	100%	0%	0%	57.14%	42.86%	0.00%	0.00%	0.00%
	Will Improve Operations/Processes	100%	0%	0%	57.14%	42.86%	0.00%	0.00%	0.00%
	Will Provide Value to the City	100%	0%	0%	57.14%	42.86%	0.00%	0.00%	0.00%
14	From my perspective, the audit objectives were achieved.	100%	0%	0%	85.71%	14.29%	0.00%	0.00%	0.00%
15	Overall, the audit added value to the City by enhancing our understanding of risks and/or improving our approach to managing key risks.	86%	14%	0%	85.71%	0.00%	14.29%	0.00%	0.00%

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

Appendix B

Agenda Date	Audit Report	Year	Outstanding Recommendations	# of Recommendations in the Audit Report	# of Recommendations Completed	# of Recommendations In Progress	Implementation Due Dates
01-Feb-16	Corporate Overtime	2016	Automate the Time and Labour Management Process	5	3	2	Q4 2026
			Understand What Drives Overtime Costs & Impact on Service Delivery				Q4 2026
			Examine the Impact of Overtime on Employee Wellness				Complete
06-Mar-17	Social Media Audit	2017	Develop a Comprehensive Social Media Governance Framework	4	3	1	Q4 2025
12-Nov-19	Facility Management Audit	2019	Develop and Implement a Risk Based Preventative and Predictive Maintenance Program	5	5	0	Complete
			Improving the Management and Administration of Lease and License Agreements at City Owned Facilities				Complete
			Enhance Oversight Over Contract Administration				Complete
22-Nov-21	VFRS Mechanical Review	2021	Develop fleet policies, encompassing the flow charts developed	15	8	7	Q1 2026
			Develop a 20-year Replacement Plan				Complete
			Acquire a fit-for-purpose fleet management system				Complete
			Implement incentives to encourage staff to pursue professional certification				Complete
			Adopt a condition assessment methodology to prioritize vehicle replacement				Q4 2026
			Adopt a proactive PM schedule and work towards 95% compliance				Q4 2025
			Assess the need for a full-time fleet manager position as the organization grows				Q4 2026
			Consider future facility needs as the organization grows				Q4 2028
			Determine which KPIs are most valuable to their organization and develop regular reporting procedures.				Q1 2026
			Develop future operating (maintenance) budgets using information provided by the FMIS.				Q4 2026
25-Apr-22	Building Standards Audit: Phase 2		Develop Inspection Documentation Standards and Leverage Technology to Ensure that Inspection Records are Complete and Reliable	4	4	0	Complete
			Develop and Implement an Action Plan to Monitor and Resolve Inactive Building Permits				Complete
13-Jun-22	Fleet Management Services Audit	2022	Develop a Comprehensive Fleet Management Strategy	6	3	3	Q4 2026
			Acquire a Fit-for-Purpose Fleet Management Information System (FMIS) and Upgrade the Automatic Vehicle Localization (AVL) Units				Q4 2025
			Improve Compliance to Vehicle Inspection Requirements				Completed
			Investigate the Feasibility of Exiting the Fuel Distribution Business				Completed
			Enhance Procurement, Contract Administration, and Inventory Management Processes				Q4 2026
			Develop a Progressive Strategic Staffing and Training Plan				Completed
13-Jun-22	Emergency Planning and Business Recovery – COVID-19 Audit	2022	MNP: Leveraging Technology – Business Continuity software	11	10	1	Q4 2025
			MNP: Business Continuity Plan – Governance Structure				Completed
			MNP: Training – Business Continuity				Completed
			MNP: Business Continuity Plan – Focus Areas for Upcoming Review Period				Completed
			MNP: Leveraging BCP Information to Define Essential Services				Complete
13-Jun-22	Vendor Master File Audit	2022	Enhance Processes and Controls over the Management, Administration and Oversight of the Vendor Master File Data	7	6	1	Complete
			Enhance Controls over the Vendor Setup and Change Request Process				Q4 2025

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Agenda Date	Audit Report	Year	Outstanding Recommendations	# of Recommendations in the Audit Report	# of Recommendations Completed	# of Recommendations In Progress	Implementation Due Dates
19-Sep-22	Accessibility Audit	2022	Strengthen Governance and Oversight over the City's Accessibility Initiatives	6	4	2	Q3 2025
			Improve the MYAP Development and Implementation Process				Complete
			Enhance Training to Promote Accessibility Knowledge and Awareness				Complete
			Incorporate Regular Independent Accessibility Assessments and Certification into the Development of Future MYAP's				Q4 2026
			Improve Management Oversight over the Customer Feedback Process				Complete
			Implement and Record Periodic Reviews of Accessibility Policies				Complete
19-Sep-22	Service Vaughan Audit	2022	Develop Operational and Staffing Strategies to Achieve Acceptable Service Levels	4	0	4	Q4 2025
			Leverage Advances in Technology to Improve Business Processes				Q4 2025
			Develop Standard Operating Procedures and Improve the CSR Training Program				Q4 2025
			Enhance Service Offerings, Communication and Relationship Management with Internal Stakeholders.				Q4 2025
19-Sep-22	Construction Audit of the Carrville CC, Library and District Park: Phase 1	2022	Enhance the Project Budget Increase Request Process	7	4	3	Complete
			Ensure a Liquidated Damages Provision is included in all Construction Contracts				Q4 2025
			Enhance the Design and Construction Standards Document				Q4 2025
			Continue to Enhance Project Management Methodologies, Policies and Procedures				Q4 2025
30-Jan-23	PCI Compliance	2023	Secure ARR approval, create job description and release posting for a PCI DSS Compliance Lead role	18	18	0	Complete
			Implement a DLP (Data Loss Prevention) policy to prevent Cardholder information from residing in Office 365 or e-mailed with Exchange Online				Complete
			Define PCI DSS Program components including governance structure, KPIs, awareness, workplan, risk management, etc. and create an operations manual				Complete
			Re-architect Libraries payment processing channel to bring it into SAQ A compliance by fully outsourcing all components of the payment website and acquiring appropriate AOC and responsibilities matrix				Complete
			Determine and document appropriate action for non-compliance with AOC and Responsibilities Matrix requirements				Complete
			Modify annual web-based training to include physical terminal inspection component				Complete
			Complete first-pass for appropriate SAQs targeting reduced scope requirements				Complete
			Update internal PCI DSS questionnaire to include SAQ requirements to be addressed by the departments involved in payment processing				Complete
			Draft Terms of Reference for both governance levels "Enterprise Governance of IT" and "PCI DSS Compliance Team"				Complete
			Establish PCI DSS Program governance meetings at executive and operational levels				Complete
			Update RFP and Contract Templates to mandate PCI DSS compliance for all service providers engaged in payment processing on City's behalf				Complete
			Define and integrate PCI compliance validation (AOC and roles and responsibilities matrix) into the procurement process and templates.				Complete
			Define process for obtaining AOC and Responsibilities matrices from existing service providers and finalize obtaining all outstanding documents including pursuing non-compliant service providers				Complete
			Initiate projects to discontinue services provided by non-compliant service providers				Complete
			Update Cardholder Data Protection policy to address the following: -Prevent procurement of services from vendors unable to provide appropriate AOC and responsibilities matrix -Assign annual awareness verification responsibility -Assign responsibility to notify training administrator of new hires -Mandate formal solution owner for each payment processing application on OCIO and Business side -Mandate physical inspections of PIN pads				Complete
			Finalize decision documents to de-scope phone-based and PC-based payment channels scope				Complete
			Update the PCI DSS compliance program details in the operations manual to address PCI 4.0 requirements				Complete
			Conduct PCI DSS SAQ compliance re-assessment to confirm compliance status				Complete

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Agenda Date	Audit Report	Year	Outstanding Recommendations	# of Recommendations in the Audit Report	# of Recommendations Completed	# of Recommendations In Progress	Implementation Due Dates
29-May-23	Property Tax and Assessment	2023	Enhance Controls over System User Access and Segregate Incompatible Duties	4	2	2	Completed
			Explore Opportunities to Provide On-line Services to Taxpayers				Q4 2025
			Develop Corporate Performance Measures				Completed
			Develop Formalized Standard Operating Procedures (SOPs) to Support Operational and Training Activities				Q4 2025
29-May-23	Finance Modernization	2023	Expand the Scope of the Current Finance Modernization Program to Encompass the Original Program Outcomes	6	4	2	Q3 2025
			Establish a City-Wide Program Management Framework				Complete
			Develop Business Cases for Evidence Based and Transparent Decision Making				Complete
			Enhance Project Scheduling and Resourcing				Q3 2025
			Improve Program Financial Reporting				Complete
			Standardize Risk Registers and Risk Management Process Across the Program				Complete
02-Oct-23	Development Engineering	2023	Continue Collaborating with Stakeholder Departments to Address the Impacts of New Legislation	6	3	3	Q2 2025
			Strengthen Overall Governance and Oversight of the Department and Key Processes				Complete
			Continue Developing Dashboards and Other Mechanisms to Measure Department Performance and Public Satisfaction				Q4 2025
			Leverage Advances in Technology to Enhance Business Processes, Records Management, and Online Services				Q1 2026
			Develop Inspection Documentation Standards to Ensure that Inspection Records are Complete and Reliable				Complete
			Ensure SOP's Remain Relevant and Current				Complete
02-Oct-23	Parks Operations Audit	2023	Develop a Strategic Resourcing Plan	8	2	6	Q4 2025
			Review and Monitor Acceptable Service Levels				Q4 2025
			Enhance Monitoring and Oversight of Service Requests				Q4 2025
			Appropriately Safeguard Assets, Equipment and Inventory				Q2 2025
			Enhance the Inspections Process				Q4 2025
			Enhance the Staff Training Program				Complete
			Develop a Noxious Weeds Strategy				Q3 2025
			Continue to Develop and Update Relevant, Current and Appropriate Standard Operating Procedures (SOP's)				Complete
5-Feb-24	Municipal Accommodation Tax	2023	Develop a Program to Validate MAT Submissions	4	0	4	Q4 2025
			Ensure Technology is Fully Leveraged to Restrict Input Errors, Improve Communication Between Integrated Systems and Facilitate Management Oversight				Q4 2025
			Develop Standard Operating Procedures and Service Level Agreements with Departmental Stakeholders				Q4 2025
			Ensure Staff Have Resources to Provide Sufficient Administration and Oversight Over the MAT Program				Q1 2026
20-Mar-24	Parks Infrastructure Planning and Development Audit	2024	Develop a Strategic Resource Plan	10	2	8	Q4 2025
			Determine the Impact of Bill 23 on Municipal Finances				Q2 2025
			Provide Guidance on the Strata Parks and Privately Owned Public Accessible Spaces				Q4 2025
			Update Park Asset Condition Assessments and Forecast for the Capital Asset Backlog and Requirements to Maintain a State of Good Repair (SOGR)				Complete
			Undertake a Parkland Observation Project				Q3 2025
			Address the Remaining Recommendations from the Active Together Master Plan Review and Update (ATMP)				Q2 2025
			Improve General Design Standards and Procurement Strategy				Q2 2025
			Review Contractual Holdback Requirements				Q4 2025
			Develop a Communication Plan Supported by Updated Technology				Complete
			Enhance and Update Policies and Procedures				Q4 2025

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Agenda Date	Audit Report	Year	Outstanding Recommendations	# of Recommendations in the Audit Report	# of Recommendations Completed	# of Recommendations In Progress	Implementation Due Dates
30-Sep-24	Development Planning	2024	Continue transforming the Development Planning and Cultural Heritage Processes and Policies in response to the new legislation.	8	2	6	Q2 2025
			Expedite the migration to one system to collect/monitor development activity for business enhancement.				Q2 2025
			Improve management oversight to ensure the completeness of application documentation and the timely updating of application status.				Q4 2025
			Establish Key Performance Indicators to measure department performance by benchmarking against peer municipalities and industry standards.				Q4 2025
			Enhance the Heritage Permit Process				Complete
			Refine Collaboration and Information Sharing in the Tree Protection Agreement (TPA) Process				Q2 2025
			Improve the Urban Design and Cultural Heritage Capital Project Process				Complete
			Follow Best Practices and Improve Online Development Guidance and Services				Q4 2025
25-Nov-24	MoveSmart Mobility Management Strategy	2024	Continue to Develop Comprehensive KPIs to Evaluate the Overall Effectiveness of MoveSmart by Aligning With Peer Municipalities	3	0	3	Q4 2025
			Ensure City Projects Adhere to Industry Frameworks and Best Practices for Data and Security Management (Owned by IPCAM and Legal Services)				Q2 2026
			Continue to Enhance Project Management by Leveraging Best Practices and Advances in Technology				Q3 2025
25-Nov-24	Information Technology (IT) Asset Management and Contracts Audit	2024	Continue to Mature the ITAM Program and Governance Process	5	0	5	Q2 2026
			Track IT Asset Inventory in a Centralized Repository and Regularly Monitor Ongoing Asset Usage				Q4 2025
			Incorporate Enhanced Status Tracking of Assets During the Decommissioning and Disposal Lifecycle Phase				Q4 2025
			Capture All IT Asset Contracts in the Contract Tracking Dashboard				Q1 2027
			Continue to Develop and Update Relevant, Current and Appropriate Policies and Procedures, Operational Guidelines and Standards				Q2 2026
Total	21 Reports	-		146	83	63	