



Audit Committee Meeting  
Agenda

**Date:** March 8, 2023  
**Time:** 3:30 p.m.  
**Location:** Hybrid meeting- virtual and Council Chambers, City Hall  
**Contact:** Committee Clerk, Suzanne.Gillies@burlington.ca, 905-335-7777, x 7862

Pages

**1. Declarations of Interest:**

**2. Delegation(s):**

Standing committee and City Council meetings are held using a hybrid model, allowing members of Council, city staff and the public the option of participating remotely or in-person at city hall, 426 Brant St.

Requests to delegate to this hybrid meeting can be made by completing the online delegation registration form at [www.burlington.ca/delegate](http://www.burlington.ca/delegate), by submitting a written request by email to the Office of the City Clerk at [clerks@burlington.ca](mailto:clerks@burlington.ca) or by phoning 905-335-7600, ext. 7481 by noon the business day before the meeting is to be held. It is recommended that virtual delegates include their intended remarks, which will be circulated to all members in advance, as a backup to any disruptions in technology issues that may occur.

If you do not wish to delegate, but would like to submit correspondence, please email your comments to [clerks@burlington.ca](mailto:clerks@burlington.ca). Any delegation notes and comments will be circulated to members in advance of the meeting and will be attached to the minutes, forming part of the public record.

**3. Consent Items:**

Reports of a routine nature, which are not expected to require discussion and/or debate. Staff may not be in attendance to respond to queries on items contained in the Consent Agenda.

**3.1 Financial highlights for the period ended December 31, 2022 (F-05-23)**

1 - 8

Receive and file finance department report F-05-23 providing financial highlights as at December 31, 2022

- 3.2 Summary of In-Progress Management Action Plans (CA-01-23) 9 - 12

Receive and file city auditor's office report CA-01-23 providing a summary of the Management Action Plans in progress as identified in Appendix A.

- 3.3 Quarterly dashboard for office of the city auditor (CA-02-23) 13 - 16

Receive and file office of the city auditor's report CA-02-23 providing a quarterly dashboard of City Auditor Key Performance Indicators (KPI's) attached as Appendix A.

#### 4. Regular Items:

- 4.1 Risk Management Implementation Plan update (CS-07-23) 17 - 28

Receive and file corporate strategy report CS-07-23 providing the updated implementation plan for risk governance and management for the City of Burlington.

- 4.2 2023 Audit Plan for office of the city auditor (CA-03-23) 29 - 59

Approve the 2023 Audit Plan for the office of the city auditor attached in Appendix A of city auditor office report CA-03-23.

- 4.3 Election of Chair and Vice Chair

#### 5. Confidential Items and Closed Session:

Confidential reports may require a closed meeting in accordance with the Municipal Act, 2001. Meeting attendees may be required to leave during the discussion.

Move into closed session in accordance with the following provision under the Municipal Act:

- 5.1 Confidential cyber-security audit report (CA-04-23)

Pursuant to Section 239(2)(a) of the Municipal Act regarding the security of the property of the municipality or local board

#### 6. Rise and Report from Closed Session

#### 7. Procedural Motions:

#### 8. Information Items:

9. Staff Remarks:

10. Committee Remarks:

11. Adjournment:



**SUBJECT: Financial highlights for the period ended December 31, 2022**

**TO: Audit Committee**

**FROM: Finance Department**

Report Number: F-05-23

Wards Affected: not applicable

File Numbers: 440-01

Date to Committee: March 8, 2023

Date to Council: March 21, 2023

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### **Recommendation:**

Receive and file finance department report F-05-23 providing financial highlights as at December 31, 2022

### **PURPOSE:**

#### **Vision to Focus Alignment:**

- Deliver customer centric services with a focus on efficiency and technology transformation

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### **Background and Discussion:**

The Audit Committee's terms of reference indicate that it will review and recommend for approval the annual audited consolidated financial statements of the City and will review the quarterly financial performance throughout the year. To assist the Audit Committee with these responsibilities report F-05-23 will present preliminary key financial highlights for the year ended December 31, 2022.

On an annual basis the consolidated financial statements of the City of Burlington are presented to the Audit Committee for their recommendation to Council to approve. The consolidated statements include the financial results for the City along with a number of its local boards (Burlington Public Library, Burlington Economic Development, Burlington Museums Board, Burlington Theatre Board, Burlington Downtown BIA, and Aldershot

Village BIA). The City and local boards will have their 2022 audits performed by Deloitte with the exception of the Aldershot BIA whose 2022 audit will be completed by Colin Gray Professional Corporation.

The City's consolidated financial statements are prepared in accordance with Canadian public sector accounting standards. These standards in some instances differ with the way the City reports on its daily operations. This can make the review of the financial statements challenging. This report will present preliminary financial results from an operational perspective for the year ended December 31, 2022.

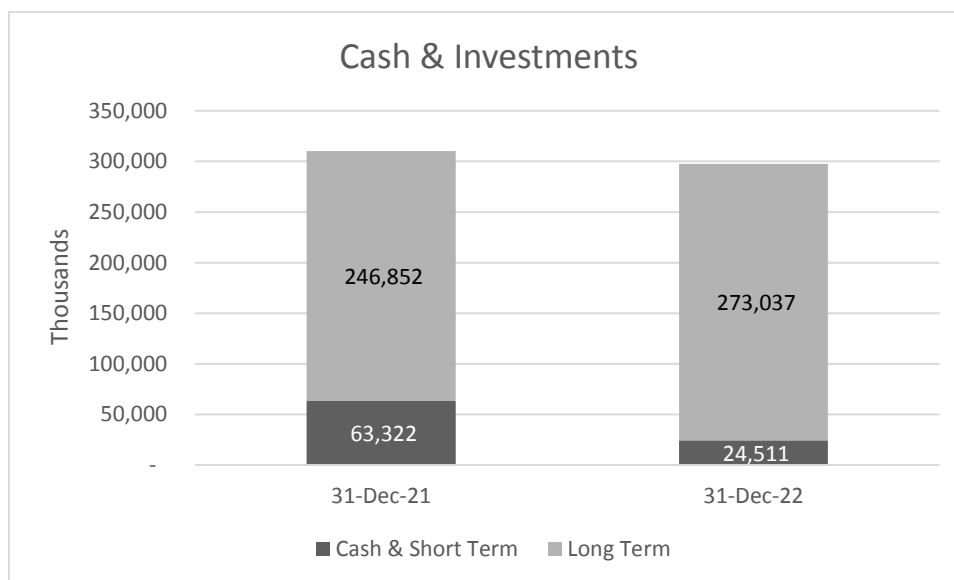
## Statement of Financial Position

The statement of financial position is the equivalent of a balance sheet. It presents information on the assets, liabilities, and the accumulated surplus of the City.

### Assets

Key assets for the City include cash and investments, accounts receivable and taxes receivable.

Cash and investment holdings reflect the City's cash flow position and investment strategy given current market conditions. Funds are allocated to maximize investment income, retain an appropriate level of liquidity, and respond to economic forces that influence the investment environment while maintaining a balanced portfolio in line with the City's investment policy. The following chart breaks down the balances of these categories as at December 31, 2021, and December 31, 2022, on an unconsolidated basis:



Accounts receivable as at December 31, 2022, was approximately \$30.0 million. In comparison the accounts receivable balance as at December 31, 2021, was approximately \$24.6 million. The increase in receivables for December 2022 is due to outstanding invoices with the Region of Halton related to capital projects.

Taxes represent the key revenue source the City uses to fund its service delivery. Taxes receivable are recorded when billed. The City issues bills twice a year, in January and May. These bills represent four installments which are due in February, April, June, and September. Taxes receivable balance at December 31, 2022, was approximately \$12.3 million as compared to \$10.7 million reported at December 31, 2021.

### **Liabilities**

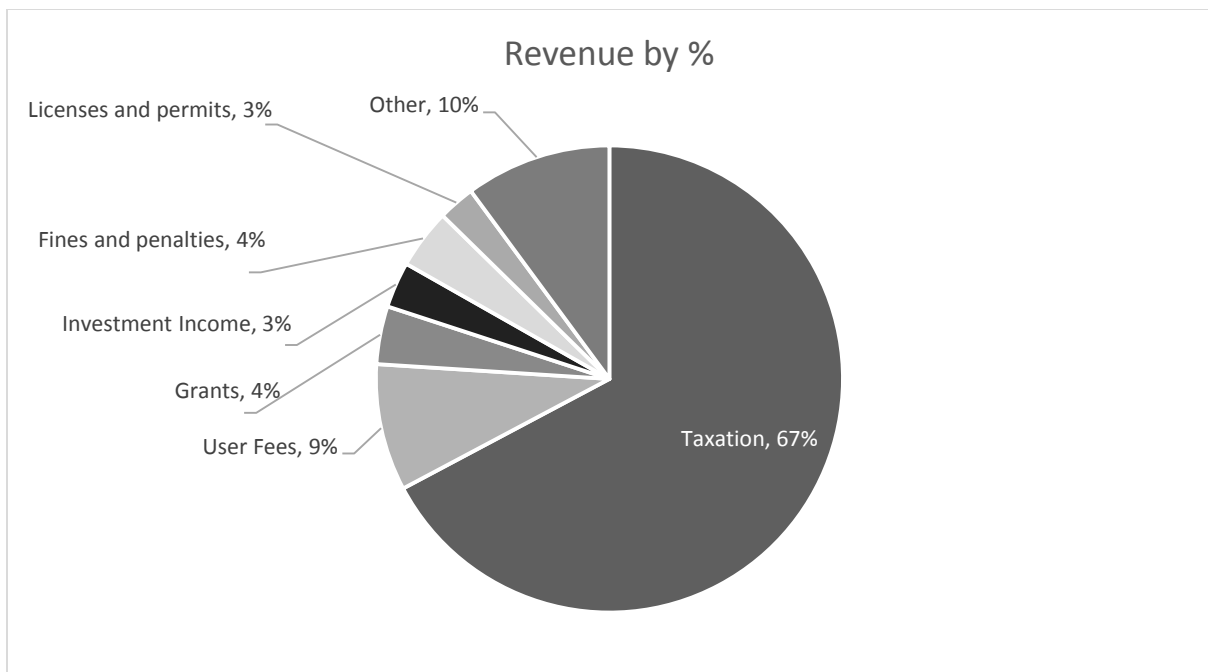
The unconsolidated balance of accounts payable and accrued liabilities at December 31, 2022, is approximately \$27.5 million compared to the balance at December 31, 2021, of \$24.9 million. The consolidated balance in the December 31, 2021, financial statements, of \$32.2 million includes accruals only recorded as part of the at year end audit.

One of the City's largest liabilities is derived from the issuance of long-term debt. The City's debt balance as at December 31, 2022, was \$73.8 million. Debt is used to fund capital expenditures. New debt issued in 2022 totaled \$13.1 million. This debt will be utilized for capital projects associated with roads and recreational facilities and to support a land purchase.

## **Statement of Operations**

### **Revenues**

The Statement of Operations provides information on the City's revenues and expenses combining the information from both the operating and capital perspectives. Although taxation revenue is the largest component of the City's revenues, user fees and charges, investment income and funds from senior levels of government all contribute to enabling the City to deliver services to the community. The following chart is provided as a reference point and provides information of the various components of the City's revenues based on revenues reported in the consolidated financial statements as at December 31, 2021:



Although a meaningful comparison cannot be made between current operations and the consolidated financial statements due to the adjustments that are made for financial statement purposes, some revenue items as of December 31<sup>st</sup> compared between current year and prior year are presented for information:

	2022	2021
General Tax Levy	\$195,498	\$185,000
User fees and charges	23,514	17,785
Grants	11,077	20,326
Investment income	9,260	9,082
Penalties and interest on taxes	2,365	2,423
Hydro dividends and interest	3,765	4,084

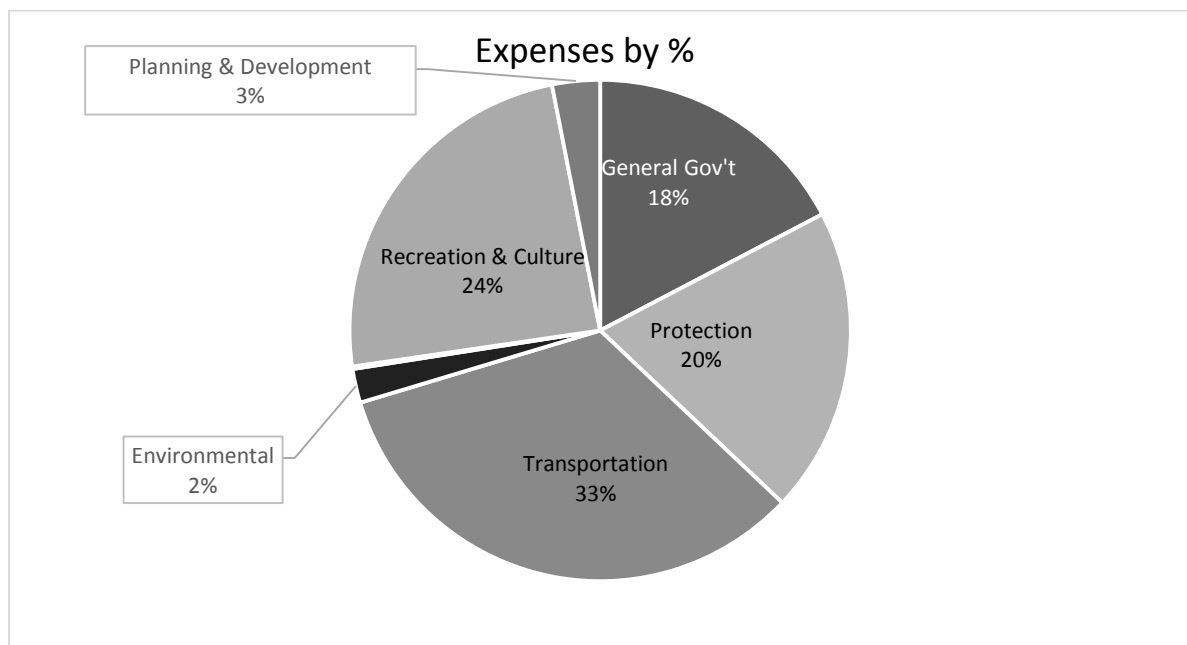
The decrease in Grant revenue in 2022 compared to 2021 is a result of the receipt of one-time Federal Gas Tax Top-Up Funding as well as additional Safe Restart Funding both of which were received in 2021.

The increase in User fees and charges year over year is mainly the result of reduced revenues in 2021 due to the effects of COVID-19 restrictions. Facility

closures and capacity limits in 2021 negatively impacted this revenue stream for the City.

### Expenses

The City's operating expenses are reported during the year on a cash basis categorized by service while the consolidated financial statements report expenses on an accrual basis by category. Certain components that are not part of operational reporting such as post-employment benefits and amortization are added to the expenses reported in the financial statements. The following chart shows the breakdown of expense attributed to the categories as reported in the 2021 consolidated financial statements:



The adjustments needed to report expenses in the financial statements are extensive including allocating post-employment benefit expense, interest expense on debt, depreciation expense and non-capital information captured in capital projects. Information extracted from the City's financial system as of December 31<sup>st</sup> provides a comparison between 2022 and 2021 with the above noted adjustments excluded:

	2022	2021
General government	\$ 42,933	\$ 40,156
Protection to persons and property	47,524	46,309
Transportation services	56,691	52,453
Environmental services	796	911
Health services	393	385
Recreation and cultural services	54,990	50,495
Planning and development	7,461	6,686
<b>Total Expenses</b>	<b>\$210,788</b>	<b>\$197,395</b>

## Other Financial Information

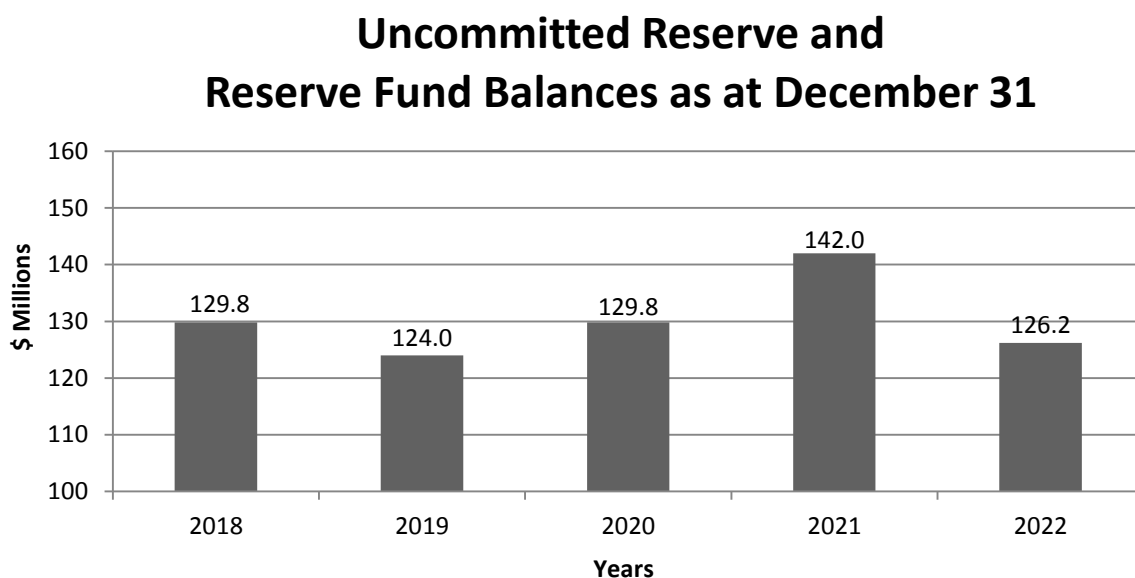
### Reserve Funds

Reserve funds are a critical component of a municipality's long-term financing plan. They provide:

- stability to the tax rate in the face of variable circumstances,
- funding for one-time expenditures,
- the ability to make provisions for the replacement and/or acquisition of infrastructure, and
- flexibility to manage debt levels to protect the municipality's financial position.

Of the total reserves and reserve funds balance at December 31, 2022, \$49.5 million is committed for various projects leaving a total uncommitted balance of \$126.2 million. The commitments represent expenditures approved by Council or funds held for specific future purposes. The decrease in the uncommitted balance of the reserves and reserve funds year over year is due to approved funding in 2022 for such initiatives as Lions Club Park acquisition, Enterprise Resource Planning (ERP) implementation and Skyway Community Centre revitalization.

The uncommitted balance of the City's reserve and reserve funds as at December 31<sup>st</sup> are presented for the last five years:



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### **Financial Matters:**

Not applicable.

### **Total Financial Impact**

Not applicable.

### **Source of Funding**

Not applicable.

### **Other Resource Impacts**

Not applicable.

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### **Climate Implications**

Not applicable.

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**Conclusion:**

A report of the quarterly financial highlights is presented for Audit Committee's information.

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Respectfully submitted,

Michelle Moore

Controller and Manager of Financial

(905) 335-7600 ext.7535

**Report Approval:**

All reports are reviewed and/or approved by Department Director, the Chief Financial Officer and the Executive Director of Legal Services & Corporation Counsel.



**SUBJECT:** Summary of In-Progress Management Action Plans

**TO:** Audit Committee

**FROM:** Office of the City Auditor

Report Number: CA-01-23

Wards Affected: Not applicable

File Numbers: 430-01

Date to Committee: March 8, 2023

Date to Council: March 21, 2023

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**Recommendation:**

Receive and file city auditor's office report CA-01-23 providing a summary of the Management Action Plans in progress as identified in Appendix A.

**PURPOSE:**

**Vision to Focus Alignment:**

- Deliver customer centric services with a focus on efficiency and technology transformation

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**Background and Discussion:**

At the conclusion of most audit projects, the City Auditor provides an audit report to Management which typically identifies one or more recommendations for Management to address. Management's response to these recommendations are called 'Management Action Plans' (MAPS).

Standard 2500 of the Institute of Internal Auditors' Professional Standards sets out requirements of internal auditors to ensure that Management Action Plans have been effectively implemented. This applies in all cases except where "*senior management has accepted the risk of not taking action*". The City Auditor follows-up regularly with Management in service areas that previously received audit projects to ensure that

there is progress against their respective MAPS. The following report to Audit Committee (submitted quarterly) is a summary of that progress.

### Strategy/process

Below is a summary of the In-Progress Management Action Plans (MAPS) from the most recent report to Audit Committee on December 14, 2022 (Report CA-07-22):

<b>Audit Project Name:</b>	<b>High</b>	<b>Medium</b>	<b>Low</b>	
Corporate Cloud Computing Management	0	1	0	
	0	1	0	Total In-Progress

Two new audit issues containing five recommendations and associated MAPS related to the 2022 Health & Safety (Pandemic Controls) Audit were added since the last meeting of Audit Committee.

The City Auditor followed-up with the Management and their respective staff in the service areas where audit projects had previously been completed and where MAPS were outstanding. Below is a summary of the in-progress MAPS from all previous audit projects as of February 22, 2023:

<b>Audit Project Name:</b>	<b>High</b>	<b>Medium</b>	<b>Low</b>	
Corporate Cloud Computing Management	0	0	0	
Health & Safety Audit (Pandemic Controls)	0	0	0	
	0	0	0	Total In-Progress

The City Auditor reviewed the detailed progress updates to determine whether the MAPS were complete as per the original Management Action Plan in the respective audit report (see Appendix-A). The table above indicates that all outstanding MAPS are complete.

### Options Considered

Following up on in-progress Management Action Plans is a Professional Standards requirement for Internal Auditors. There were no alternatives considered when drafting this report.

### Financial Matters:

Not applicable.

### Total Financial Impact

Not applicable.

**Source of Funding**

Not applicable.

**Other Resource Impacts**

Not applicable.

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**Climate Implications**

Not applicable.

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**Engagement Matters:**

Not applicable.

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**Conclusion:**

Staff accountable for Management Action Plans (MAPS) from past audits have made progress since last reported to Audit Committee. All outstanding MAPS are complete.

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Respectfully submitted,

Maciej Jurczyk, CPA, CIA, CRMA, LSSGB, CFE

City Auditor

905-335-7777

[maciej.jurczyk@burlington.ca](mailto:maciej.jurczyk@burlington.ca)

**Appendices:** (if none delete section)

A. CA-01-23 Appendix A: Detailed summary of Management Action Plans

**Report Approval:**

All reports are reviewed and/or approved by Department Director, the Chief Financial Officer and the Executive Director of Legal Services & Corporation Counsel.

CA-01-23 - Appendix-A: Outstanding Management Action Plans as of March 8, 2023

Department	Function	Audit Report	Audit Report Date	Details of Audit Issue				Expected Resolution Date	Revised Resolution Date	Status	Number		Owner
				Audit Finding Number	Risk Rating	Summary	Summary of Management Response				Days Past Due	Times End Date Revised	
ITS	Information Technology Services	Corporate Cloud Computing Management	7-Feb-20	4	Medium	<b>Recommendations:</b> - Define prescribed cloud control activities and who needs to perform them for each cloud service. Develop an application support model that includes specific process areas such as user access management, vendor management, terms and conditions, requests and incidents handling, and who is responsible for controls review over the duration. The level of detail can be determined using the classification system above, e.g. predefined activities. - Monitoring controls are needed to determine whether the processes that are in place are working and are effective. - Enforcement of policies and procedures, mechanisms to follow-up and enforce. Requirements should be clear, and it should also be clear that compliance is enforced. - Monitor and review existing applications that may evolve over time (e.g. where the uses of the app are expanded, or where new information/data is introduced or linked within the app) as changes may necessitate introduction of new or modification of existing controls/practices.	<b>Comments:</b> Agree  <b>Action Plan:</b> IT Services will develop and update existing application support models identifying cloud control activities that need to be performed. The support models will initially focus on cloud services that are classified as high risk followed by medium risk services. The application support model will identify the specific responsibilities that reside within the business and those that reside within IT Services for cloud control activities that need to be performed. Given the number of cloud services in place and the current operational workload in IT Services this work will take several months and may require additional staff resources to maintain and enforce the operating model and/or require assistance from 3rd party resources. Addressing the recommendations in this finding will require new or updated operational processes that will impact the responsibilities of both IT Services and business staff.	Q4 2021	Q1 2023 Q4-2022	<b>March 8, 2023: COMPLETED</b>  December 14, 2022: IN PROGRESS Research completed and draft application support model being developed.  September 12, 2022: IN PROGRESS Continuing work on the application support models.  June 8, 2022: IN PROGRESS Continuing work on the application support models.  Feb 9, 2022: IN PROGRESS Management provided an update consistent with the progress update below.  Dec 8, 2021: IN PROGRESS • Work is underway on formalizing an application support model. • Yearly review of existing cloud apps based on classification of cloud services (based on high risk/low risk)	0	2	Manager, Business Applications; Manager, Information Security
HR	Health, Safety, Wellness	Health & Safety (Pandemic Controls) Audit	30-Nov-22	1	Medium	<b>Recommendations:</b> 1. Follow-up with City's vendor to install MERV 13 rated air filters at the City facilities noted during the audit. Reinforce the City's specifications/requirements to the contractor for MERV 13 rated air filters to be installed at all City facilities, where applicable. 2. Update the specifications/requirements in the contract of the City's HVAC vendor to either write the replacement date on the filter OR explicitly identify the service date on the invoice OR both. 3. Procure a portable air purifier for the three RPF facilities noted in the audit (and other comparable locations) and install them in the employee office/breakroom.	<b>Management Action Plan:</b> 1. The current vendor will be advised of the incorrect filters observed at Central, Rotary and FS#7. They will also be advised that the MERV-13 filter requirement is being maintained through to the completion of their contract in March 2023. 2. The new contract will require a continuation of MERV-13 filters in the equipment inventory that handles recycled air and is capable of accepting a MERV-13 filter. The new contract will also prescribe manually dating filters. 3. RPF will provide portable air purifiers at the locations noted and will also review similar sites where this is warranted.	1. Q1 2023 2. Q2 2023 3. Dec 9, 2022	-	<b>March 8, 2023: Complete</b> 1. Per Scott Buist (Analyst - Facility Maintenance Management): The current vendor is aware of the ongoing MERV-13 requirement for equipment that recycles air, and that this requirement extends to the end of the contract term. 2. Per Scott Buist (Analyst - Facility Maintenance Management): The maintenance contract covering service from April onward prescribes the same filtration standards that are currently in place, and requires filters be dated. 3. Per Nadia Blackburn (Manager, Parks Operations): I can confirm that the locations below all have air purifiers installed at the location below the first week of December 2022. We have also taken the extra step of installing these units at all of our park satellite locations as they are all similar to the locations visited during the audit.	0	0	1. Manager of Facility Assets 2. Manager of Facility Assets 3. Director of Roads, Parks, Forestry
HR	Health, Safety, Wellness	Health & Safety (Pandemic Controls) Audit	30-Nov-22	2	Low	<b>Recommendations:</b> 1.Health, Safety & Wellness should reinforce the requirements in the COVID-19 Safety Plan including cleaning/disinfecting common touch-points at least twice per day as well as ensuring layers of passive controls prescribed in the Safety Plan exist in all facilities. This should include corporate-wide messaging directed to all staff and supported by the Burlington Leadership Team. A dedicated 'Safety Talk' directed to staff may be considered. 2.Health, Safety & Wellness should develop and facilitate a process to safely dispose of expired COVID-19 safety supplies.	<b>Management Action Plan:</b> 1.The October 2022 Safety Talk package included infographics on infection prevention measures, as well as a link to the COVID-19 Safety Plan, with a request for supervisors to communicate the updated plan to staff. An email will be sent from the Manager of Health, Safety and Wellness to people leaders who have responsibility for facility operations/mgt., to reiterate the requirements to disinfect high traffic touch points 2x daily. Further, it will be strongly recommended that facility-specific checklists are created that identify the touch points as an administrative control (if the facility does not already have one).  2.An email will be sent to the Burlington Management Team, to ask their staff to check for expired hand sanitizers and disinfectants and dispose of them in accordance with Halton Region's recommendations (hazardous waste). The Manager of HS&W will investigate potential options for a city-wide hazardous waste disposal process, including a preferred/contracted vendor.	1.Target: 12/2/2022 2.Target: 12/2/2022	-	<b>March 8, 2023: Complete</b> 1. Corporate-wide messaging regarding Health & Safety reminders was sent in November 2022. 2. Corporate-wide messaging regarding safe disposal of expired safety materials was sent in November 2022. An interim process for dealing with waste that may be considered hazardous has been established, to ensure these products are not kept and used.	0	0	Manager of Health, Safety & Wellness



**SUBJECT:** Quarterly dashboard for Office of the City Auditor

**TO:** Audit Committee

**FROM:** Office of the City Auditor

Report Number: CA-02-23

Wards Affected: Not applicable

File Numbers: 430-01

Date to Committee: March 8, 2023

Date to Council: March 21, 2023

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**Recommendation:**

Receive and file office of the city auditor's report CA-02-23 providing a quarterly dashboard of City Auditor Key Performance Indicators (KPI's) attached as Appendix A.

**PURPOSE:**

**Vision to Focus Alignment:**

- Deliver customer centric services with a focus on efficiency and technology transformation

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**Background and Discussion:**

Through report CA-05-22, the City Auditor committed to providing a quarterly dashboard of key performance indicators (KPI's) to Audit Committee. These KPI's were developed from an analysis of literature published by the Institute of Internal Auditors and is considered a leading practice amongst Directors of Internal Audit at other organizations.

**Strategy/process**

The objective of the City Auditor's quarterly dashboard is to provide Audit Committee with a one-page summary of the key performance indicators for the Office of the City Auditor and demonstrate progress against the Annual Audit Plan. This report is for informational purposes only.

### **Options Considered**

The City Auditor committed to providing Audit Committee with a quarterly dashboard for informational purposes. Although not required, this KPI reporting is considered a leading practice amongst other Internal Audit functions in other organizations. No other options were considered.

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### **Financial Matters:**

Not applicable.

### **Total Financial Impact**

Not applicable.

### **Source of Funding**

Not applicable.

### **Other Resource Impacts**

Not applicable.

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### **Climate Implications**

Not applicable.

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### **Engagement Matters:**

Not applicable.

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### **Conclusion:**

The Office of the City Auditor's Quarterly Dashboard is an accountability and transparency mechanism intended to demonstrate the quarterly progress of audit work by the City Auditor to Audit Committee.

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Respectfully submitted,

Maciej Jurczyk, CPA, CIA, CRMA, LSSGB, CFE

City Auditor

905-335-7777

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**Appendices:**

A. CA-02-2023 Quarterly Dashboard for Office of the City Auditor

**Report Approval:**

All reports are reviewed and/or approved by Department Director, the Chief Financial Officer and the Executive Director of Legal Services & Corporation Counsel.



**City of Burlington  
Office of the City Auditor  
DASHBOARD**

**Report #**  
**CA-02-23**  
**Effective:**  
**Feb 23, 2023**

**Approved Projects**

Audit Plan	Percentage Complete		Audit Phase	Project Status	Due Date
ERP Project Audit - Phase 1	<div><div></div></div>	100%	-	Complete	14-Dec-22
Health & Safety (Pandemic Controls)	<div><div></div></div>	100%	-	Complete	14-Dec-22
IT Cyber-security	<div><div></div></div>	100%		Complete	8-Mar-23
Procurement Audit (< \$50,000)	<div><div></div></div>	50%	Fieldwork	In Progress	14-Jun-23
Environmental Strategies Review	<div><div></div></div>	5%	Research	In Progress	14-Jun-23
ADD: Aldershot BIA Financial Policy Review	<div><div></div></div>	100%	-	Complete	12-Sep-22

**Annual Audit Plan Status**

**Commentary/Analysis:**

- The Audit Plan (see report **CA-03-22**; approved by Audit Committee on Feb 9, 2022) is slightly behind schedule. Audit fieldwork for the Health & Safety and ERP Project Audits took longer than expected. The Procurement Audit originally scheduled to be reported to Audit Committee on March 8, 2023 will be pushed to the following meeting.
- On May 11, 2022 Audit Committee approved a new engagement to provide advisory services to the Aldershot Village BIA; this work is completed. See report F-32-22.

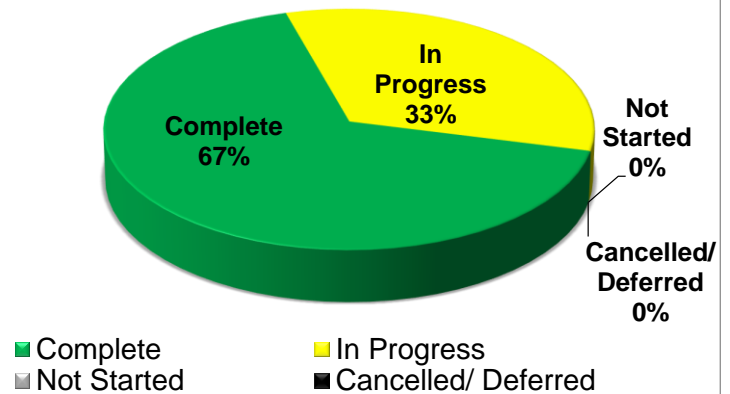
**Changes to Annual Audit Plan**

ADD: Aldershot Village BIA - review of policies & procedures re: financial management (report CM-16-22 on May 11, 2022).

**Other Projects**

Project Name	Status
Advisory - HR Email Privacy Controls	Complete
Advisory - Vision 2040 Strategy to Risk Program	Complete
Advisory - Aldershot Village BIA Review	Complete
Advisory - Finance/Analytics Software Implementatio	Complete
Advisory - HR Respect in the Workplace Complaints	Complete

**2022 Audit Plan Status**



**Key Performance Indicators (KPI's)**

	Actual to Date	Annual Target	Comments
<b>Output</b>			
Completion of Audit Plan	67%	100%	
Percentage of recommendations accepted by Management	100%	100%	
Percentage of recommendations closed	100%	100%	
Percentage of recommendations implemented by the original agreed date	100%	85%	
<b>Quality</b>			
Post Audit Survey	80%	85%	
Quality Assurance Review	N/A	100%	Q/A work in-progress
<b>Continued Professional Education</b>			
Chartered Professional Accountant (CPA)	2	40	Various courses/webinars
CIA/CRMA/CFE Accreditations	4	40	Various events including IIA data analytics

**Budget**

	BUDGET	ACTUALS	Variance (\$)
Professional Development (i.e. Training, Prof. Memberships)	\$4,500	\$712	\$3,788
Operating / Minor Equip. (i.e. Meeting, Office expenses)	\$100	\$0	\$100
Purchased Services (i.e. External Consulting, Telephone)	\$40,520	\$0	\$40,520



**SUBJECT: Risk Management Implementation Plan update**

**TO: Audit Committee**

**FROM: Corporate Strategy**

Report Number: CS-07-23

Wards Affected: All

File Numbers: 155-03-01

Date to Committee: March 8, 2023

Date to Council: March 21, 2023

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### **Recommendation:**

Receive and file corporate strategy report CS-07-23 providing the updated implementation plan for risk governance and management for the City of Burlington.

### **PURPOSE:**

#### **Vision to Focus Alignment:**

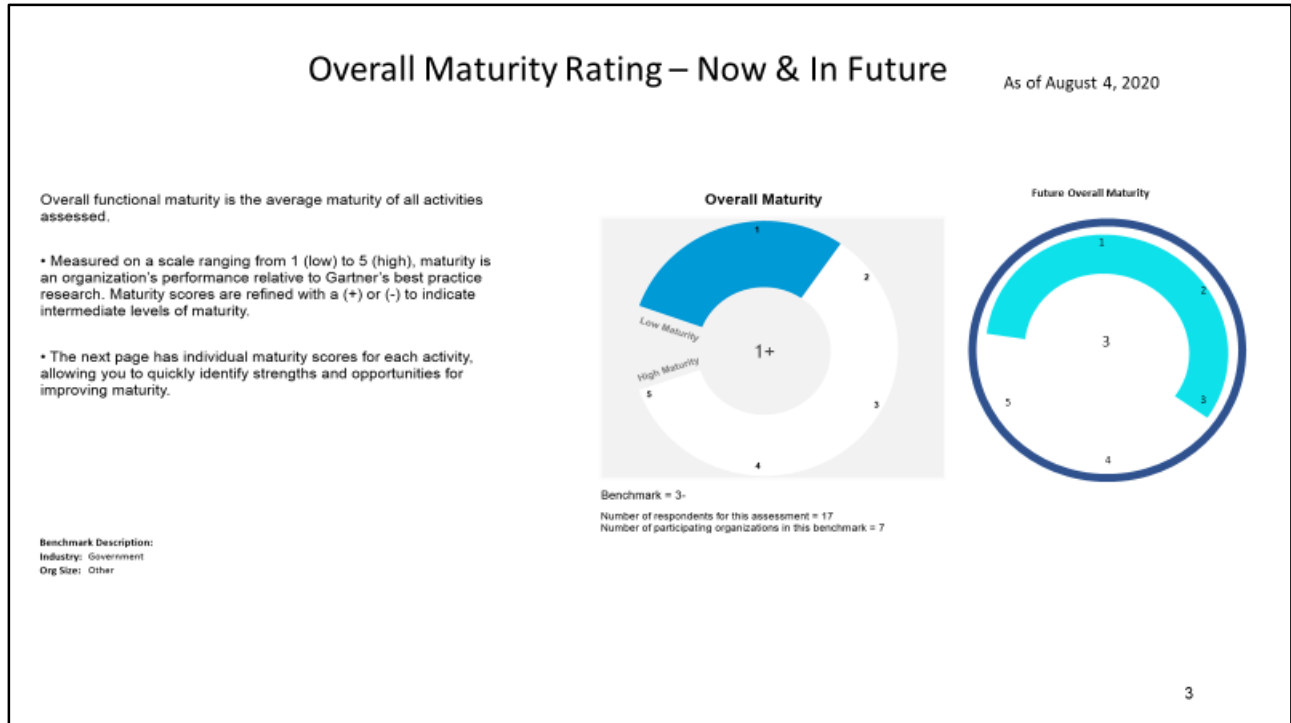
- Increase economic prosperity and community responsive city growth
- Improve integrated city mobility
- Support sustainable infrastructure and a resilient environment
- Building more citizen engagement, community health and culture
- Deliver customer centric services with a focus on efficiency and technology transformation

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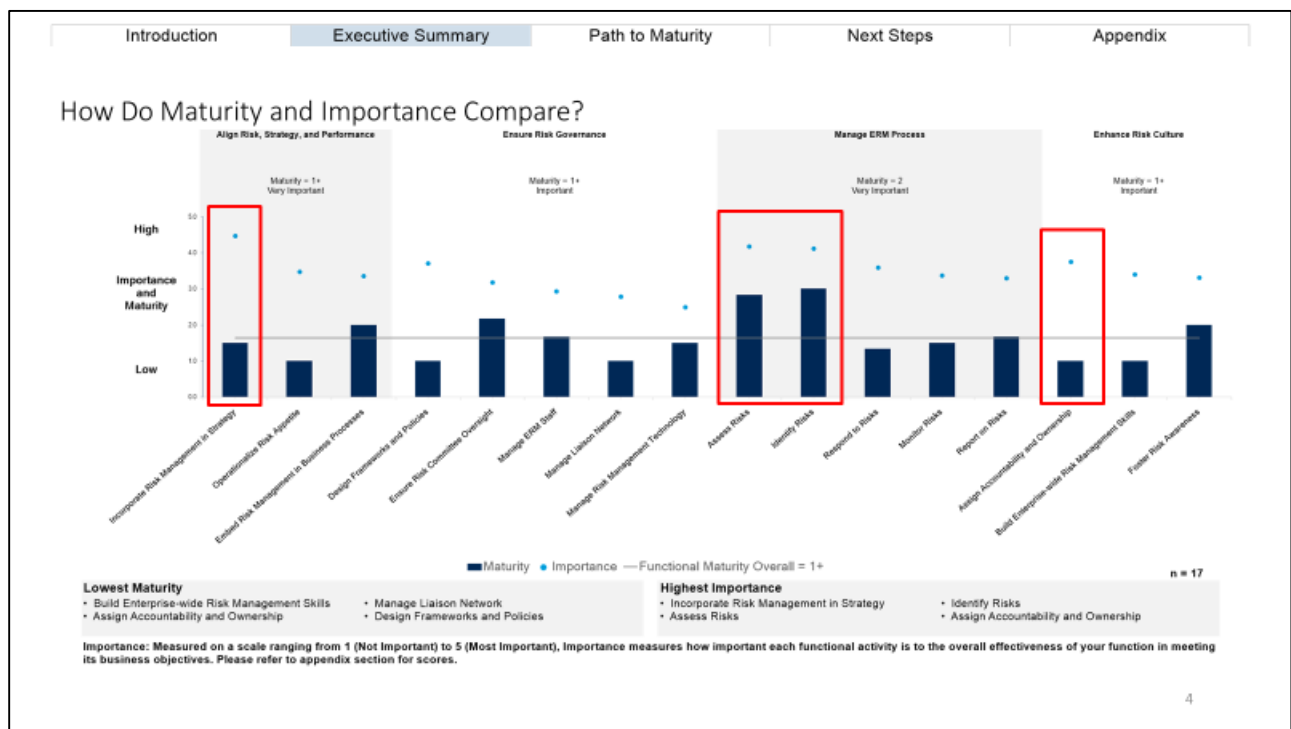
### **Background and Discussion:**

#### **Background**

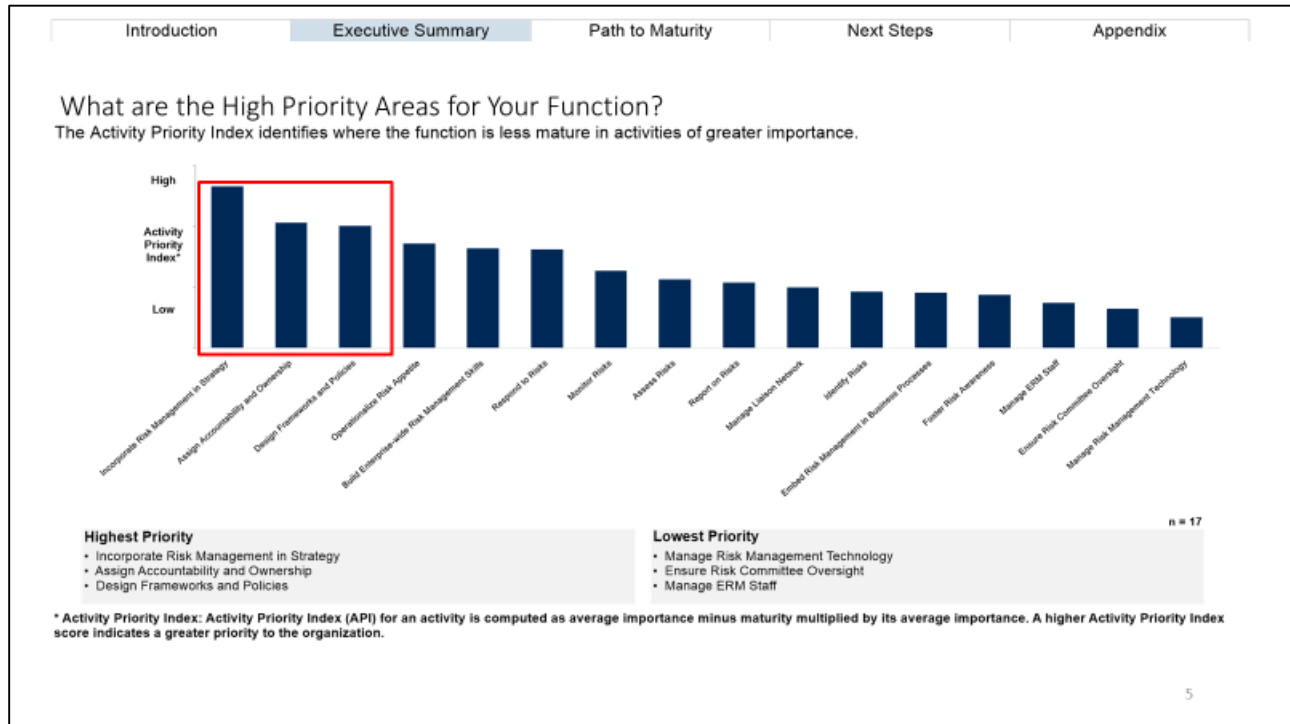
Our focused and detailed work on risk began in 2020 when we received the results of our Risk Maturity survey from our partner Gartner. In 2020, we scored an overall risk maturity rating of 1+ with a goal of rising to a 3 within three years.



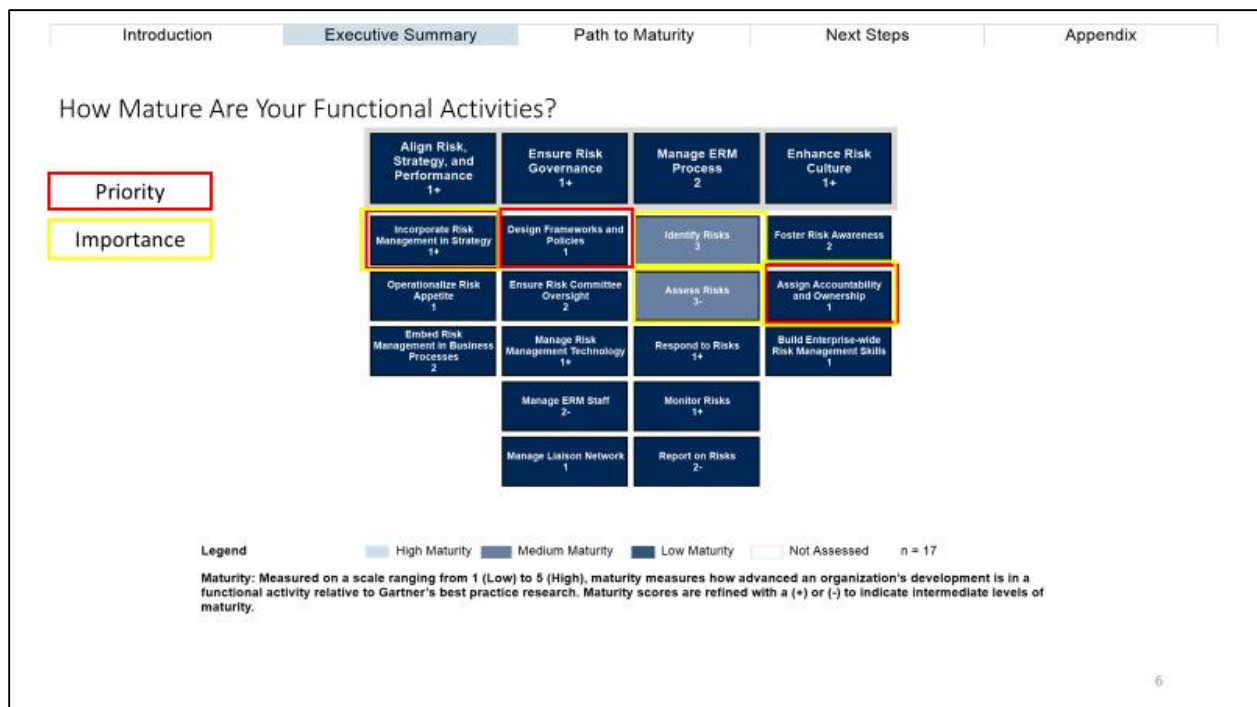
The survey provided us with data on how we rated the importance of a risk activity against our maturity for that same activity. See “How do Maturity and importance Compare” below.



It also provided us with data on how we rated our organizational priorities. See “What are the High Priority Areas for Your Function” below.



Both of these data sets were the foundation for us in developing and moving forward on our strategy and our high-level implementation plan.



This matrix formed the basis of our 2020 implementation plan and what our focus was over the next 36+ months.

Our overarching goal of increasing our risk maturity in essence is to move us from Risk Management being a process facilitator and a check box exercise, to Risk Management being a strategic asset, where it is integrated within our strategy setting processes and where we will utilize risk management to help our service owners and staff alike.

### **Strategy/process**

Over the last several years, considerable work has been done to modernize the city's risk management practices. The following is what has been shared with the Audit Committee over the last few years:

#### 2020:

December: Risk Governance Strategy and Enterprise Risk Governance and Management Policy (Refer Report [CM-34-20](#), Strategy [Appendix A](#), and Policy [Appendix B](#))

#### 2021:

June: Risk Process and Implementation Plan (Purpose and Implementation Plan) [CS-9-21](#)

All of this work has been focused on the goal of increasing the City's Risk Maturity. We have focused on the following defined purposes in our approach (presented June 2021):

Modernize Risk Management	Protect the City	Increase our Success
<ul style="list-style-type: none"><li>• Build on what staff are already doing</li><li>• Implement new processes, tools and templates</li><li>• Evolve Risk Management</li></ul>	<ul style="list-style-type: none"><li>• Protect our community, our staff and our assets</li><li>• Make better decisions</li></ul>	<ul style="list-style-type: none"><li>• Build a risk aware culture</li><li>• Support innovation</li><li>• Embed at all levels of the organization</li></ul>

This report will detail the accomplishments in 2022 and is an update to the Risk Governance and Management Workplan to keep Audit Committee apprised of the city's risk work.

2022 High level Objectives:

To increase the risk maturity of the organization by raising risk awareness and introducing the process and tools necessary to align risk, strategy, and performance, enhance risk governance and culture, and modernize risk management process and practices.

2022:

April: Risk to Strategy – Vision 2040 Report [CS-5-22](#) ([Five Lines of Accountability](#), Risk in Strategy Tools: Scenario Analysis and Confidence Scales and the Pilot for a City that Moves)

June: Risk in Strategy – Vision 2040 Final Report [CS-6-22](#) and Appendices

- [CS-06-22 Appendix A - A City That Grows.pdf](#)
- [CS-06-22 Appendix B - A City that Moves.pdf](#)
- [CS-06-22 Appendix C - A Healthy and Greener City.pdf](#)
- [CS-06-22 Appendix D - An Engaging City.pdf](#)

What we accomplished in the area of Risk in 2022:

- Completed Risk in Strategy Work – including new tools of Scenario Analysis, Confidence Scale (initial and residual)
- Increased focus on risk in Service Business Plans
- Addition of “Risk to our Objectives” in Service Information Sessions with Council
- Some staff layered in risk to strategy and work from Vision 2040
- Launched Risk Community of Practice
- Worked with Data Visualization staff on Vision 2040 Risk Catalogue
- Worked with Clerk’s staff on report template change

Recently, we have begun to focus on the last steps in our risk process; Respond, Monitor and Report. (For the full risk process please see Appendix A)

**Respond, Monitor and Report:**

**Respond:**

- Risk in Strategy V2040 work – identification, how we are going to deal with those risks (responses), assigned accountability

Monitor:

- Developed the Repository Catalogue – simplify the ability of assigned staff to query and keep track of risks/responses

Report:

- Making changes to the City's Report templates – Feb/March of 2023 in connection with Clerk's – staff will be able to utilize the information from catalogue, service information sessions and business plans or other risk identification in staff reports
- Report on Risk in Strategy V2040 – Audit Committee expectation of receiving an annual corporate update on the risks and how staff are managing those risks – Manager of Corporate Strategy and Risk responsibility – Q4

We will be launching the following tools to assist with this focus on the final stages of the process:

- Report template changes:

We are embedding risk identification and responses/outcomes into the process of recommendation development and strategy thinking.

It will be incorporated into our reports to Committee and Council and will be part of our templates and included within the Background and Discussion section under the sub-section "Strategy/Process/ **Risk**".

- Vision 2040 Risk Catalogue
  - Housed on Internal Staff Website for access by all staff
  - Highly searchable (by Strategic Direction, Grouping, Staff Assigned, Initial Confidence, Residual Confidence)
  - Can be utilized by all staff for reports, analysis and reporting

What's next in 2023?

This report is also to provide Audit Committee with an update on the implementation plan and to make committee aware of the plans for 2023. The following one-page implementation plan has been previously endorsed by the Strategy, Risk and Accountability Committee and presented to Audit Committee.

**Risk Governance and Enterprise Risk Management Implementation Plan Summary**

	Purpose	Modernize Risk Management	Protect the City		Increase our Success
		<ul style="list-style-type: none"> <li>Build on what staff are already doing</li> <li>Implement new processes, tools and templates</li> <li>Evolve Risk Management</li> </ul>	<ul style="list-style-type: none"> <li>Protect our community, our staff and our assets</li> <li>Make better decisions</li> </ul>	<ul style="list-style-type: none"> <li>Build a risk aware culture</li> <li>Support innovation</li> <li>Embed at all levels of the organization</li> </ul>	
	Functional Activity Category	Align Risk, Strategy and Performance	Ensure Risk Governance	Manage Enterprise Risk Management Process	Enhance Risk Culture
		Incorporate Risk Management in Strategy	Design Frameworks and Policies		Assign Accountability and Ownership
Dec 2020 - June 2021	12 - 18m				
July 2021 – Jan 2024	18 – 36m	Operationalize Risk Appetite	Ensure Risk Committee Oversight	Respond to Risks	Foster Risk Awareness
		Embed Risk Management in Business Processes		Monitor Risks	Build Enterprise-Wide Risk Management Skills
				Report on Risks	
Jan 2024 +	36 m +		Manage ERM Staff	Identify Risks	
			Manage Liaison Network	Assess Risks	

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In summary, the following is the detailed disposition of the workplan organized by functional activity category and is provided to show Audit Committee the work as it is aligned with the Gartner categories and functional activities:

**Align Risk Strategy and Performance****Functional Activities:**

- Incorporate Risk Management in Strategy – Ensure the risk-resilience of our corporate strategy planning and execution processes.
- Operational Risk Appetite – Ensure risk exposures are within our appetite as agreed upon and articulated by senior leadership
- Embed Risk Management in Business Processes – Embed risk management principles and methodologies in other core business processes.

**Completed:**

- Risk Governance Framework
- Risk Process tools for Strategy/goals/objectives
- Tools applied to Pilot: City that Moves
- Risk Analysis of Vision 2040 (Identify risks, responses, assign accountability)
- Work with Service Leads on Risk in Business Plans and Council Service Information Sessions
- Embed Risk Analysis into City reports
- Embed Risk Management in Service Business Planning

2023:

- Continue working with Service Leads on Risk in Business Plans
- Present at BMT Meeting (Risk in report templates, Roles & Responsibilities)
- Work with Risk Community of Practice on risk reporting
- Integrated Risk Approach and Reporting

### **Ensure Risk Governance**

Functional Activities:

- Design Frameworks and Policies – Establish risk management standards and procedures to be applied consistently throughout the organization.
- Ensure Risk Committee Oversight – Ensure various risk committees receive the support they need to execute their oversight responsibilities.
- Manage ERM Staff – Manage our team to fulfill its functional objectives
- Manage Liaison Network – Support a network of liaisons who spend a small fraction of time on risk management

Completed:

- ED and Manager positions
- ERM Governance and Management Policy
- Risk Governance Framework
- Reporting Committee Scope and Assignment
- Risk Process
- Purpose & Plan for Risk Community of Practice

2023:

- Launch updated process and guide, present to BMT & hold Information Sessions
- Update Risk Tolerance/Appetite
- Develop Reporting Cycle for risk to SRT and Audit Committee

### **Manage Enterprise Risk Management Process**

Functional Activities:

- Identify Risks – Identify and validate risks that could potentially impact operations or strategy.
- Assess Risks – Size enterprise risk exposures and priorities for response.
- Respond to Risks – Manage risks through avoidance, acceptance, mitigation or transfer.
- Monitor Risks – Track levels of risk exposure and the progress on response plans to manage risks.

- Report on Risks – Communicate status and trends in risk exposure and response progress to relevant stakeholders.

Completed:

- Risk Process
- Risk Process tools for Strategy/goals/objectives
- Risk Reporting Tools and Templates
- Risk analysis into city reports
- Embed Risk Management in Service Business Planning
- Embed Risk Analysis into City reports
- Risk catalogue V2040

2023:

- Update Risk tolerance/appetite
- Work with Risk Community of Practice on risk reporting
- Develop Reporting Cycle for risk to SRT and Audit Committee
- Integrated Risk Approach and Reporting

**Enhance Risk Culture**

Functional Activities:

- Foster Risk Awareness – Build and maintain awareness of risk management among employee population.
- Assign Accountability and Ownership – Allocate and enforce risk management accountability across different roles.
- Build Enterprise-wise Risk Management Skills – Provide employee based with skills to manage risks as part of their day-to-day workflow.

Completed:

- ED and Manager positions
- Risk Process
- Implementation Plan
- Communications plans (Risk Process, Framework, Policy)
- Risk Owners for Pilot: A City that Moves
- Risk Analysis of Vision 2040 (Identify risks, responses, assign accountability)
- Purpose & Plan for Risk Community of Practice

2023:

- Train staff on risk analysis into city reports and V2040 reporting
- Launch updated process and guide, present to BMT & hold Information Sessions
- Update Risk tolerance/appetite

- Work with Risk Community of Practice on risk reporting
- Develop Reporting Cycle for risk to SRT and Audit Committee
- Integrated Risk Approach and Reporting

Provided for Audit Committee is a high-level review of the work for 2023:

- Updated workplan to SRT February 16, 2023
- Report to Audit Committee March 8, 2023 (CS-7-23)
- Soft launch of new report templates in March
- Formalize BLT Risk Roles and Responsibilities
- Present new tools and responsibilities to BMT in April
- Further our thinking in Integrated Risk Approach and Reporting (engaging with Risk Community of Practice)
- Connecting and integrating risk and corporate strategy planning in work on new V2F throughout 2023
- Maturity Rating refresh in Q4 2023 with our partner Gartner
- Work with staff on update to Vision 2040 Risk in Strategy - report to Audit Committee Q4 2023

The soft launch of the changes to the city's report template will follow the ADKAR change model and focus on Awareness and Desire and move towards Knowledge over the course of 2023. The goal is to provide report authors with guidance through drop in sessions, management committee presentations as well as one on one coaching.

With all of this work planned for 2023, we will continue to make progress in increasing our risk maturity level at the City of Burlington.

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### **Financial Matters:**

Not Applicable

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### **Climate Implications**

Not Applicable

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### **Engagement Matters:**

All of the work contained in Corporate Strategy report CS-07-23 on risk has been presented, discussed and endorsed by the Strategy and Risk Team and the Burlington Leadership Team.

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### **Conclusion:**

Staff recommend Audit Committee Receive and file corporate strategy report CS-07-23 providing the updated implementation plan for risk governance and management for the City of Burlington.

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Respectfully submitted,

Leah Bisutti, CRM

Manager Corporate Strategy & Risk

(905) 630-3761

### **Appendices:**

A. Risk Process

### **Report Approval:**

All reports are reviewed and/or approved by Department Director, the Chief Financial Officer and the Executive Director of Legal Services & Corporation Counsel.

## Appendix A: Risk Process

# COB Risk Process



As of March 24, 2021



**SUBJECT: 2023 Audit Plan for Office of the City Auditor**

**TO: Audit Committee**

**FROM: Office of the City Auditor**

Report Number: CA-03-23

Wards Affected: Not applicable

File Numbers: 430-01

Date to Committee: March 8, 2023

Date to Council: March 21, 2023

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**Recommendation:**

Approve the 2023 Audit Plan for the office of the city auditor attached in Appendix A of city auditor office report CA-03-23.

**PURPOSE:**

**Vision to Focus Alignment:**

- Deliver customer centric services with a focus on efficiency and technology transformation

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**Background and Discussion:**

Standards 2010 and 2020 of the International Standards for the Professional Practice of Internal Auditing require that:

*“The chief audit executive must establish a risk-based plan to determine the priorities of the internal audit activity, consistent with the organization’s goals.”*

*“The chief audit executive must communicate the internal audit activity’s plans and resource requirements, including significant interim changes, to senior management and the board for review and approval.”*

The following report outlines the process for developing the Audit Plan; refer to Appendix-A for details of the 2023 Audit Plan.

The objectives of the 2023 Audit Plan are:

1. To provide assurance to Audit Committee and Management that business processes and internal controls are operating effectively and efficiently
2. To focus internal audit resources and attention on high-risk areas
3. To identify incremental improvements within City operations
4. To provide value through meaningful recommendations to staff

The mandate of the Office of the City Auditor was previously reviewed and approved by Audit Committee in report #CA-03-21. This document (called an Internal Audit Charter) describes the mission, objectives and responsibility of the Office of the City Auditor. The creation of the annual risk-based audit plan (in Appendix-A) fulfills the professional obligation for internal auditors and requirements under the Internal Audit Charter.

### **Strategy/process**

The 2022 Audit Plan was influenced by the following five sources:

1. A corporate-wide inherent risk assessment
2. A jurisdictional scan of internal audit plans in 26 other municipalities
3. A review of major corporate strategic projects or initiatives
4. One-to-one consultation meetings with members of the Audit Committee and Burlington Leadership Team
5. A review of past internal audit projects

#### **1.1 INHERENT RISK ASSESSMENT**

Using a comprehensive risk assessment methodology (identified in Appendix-B), the inherent risk assessment allowed for 37 City services and 134 sub-services to be quantitatively measured using a risk score as identified through the Audit Universe (see Appendix-C). The outcome of this inherent risk assessment identified the areas of the organization with a higher risk profile (see Appendix-D). The inherent risk assessment supports a risk-based audit plan to ensure significant risks are being addressed; and is a requirement of the Institute of Internal Auditors.

#### **1.2 JURISDICTIONAL SCAN**

The jurisdictional scan of 26 Canadian municipalities revealed common themes or audit projects being undertaken by Directors of Internal Audit (or Auditor Generals) in those organizations. This additional layer of intelligence demonstrates trending risk areas or 'hot topics' in other municipalities; (see Appendix-E).

### 1.3 MAJOR CORPORATE PROJECTS

A review of Council's Strategic Plan 2015-2040 and Term of Council Workplan (Vision-to-Focus) as well as key project documentation provided by staff was also undertaken to develop an understanding of the major initiatives in the organization. The 'Service Information Workshops' delivered to Council in November-December 2022 also informed this Audit Plan. During that series of eight presentations to Council, Management identified major corporate projects/initiatives occurring in their respective service areas as well as potential risks and operational impediments.

### 1.4 CONSULTATION

A series of one-to-one consultative meetings was held with members of the Audit Committee to receive their feedback about priority risk areas in the organization and to solicit feedback about an interim shortlist of potential audit projects. Further consultation was performed with members of the Burlington Leadership Team to obtain feedback about the inherent risk assessment and potential audit projects within their respective service areas. Consultation with Service Leads for Risk Governance & ERM as well as Emergency Management was also held to inform the Inherent Risk Assessment. Finally, the City Auditor met with the External Auditor to discuss audit coverage across the City of Burlington.

### 1.5 PAST AUDIT PROJECTS

During the process to update the inherent risk assessment, historical audit projects were reviewed and mapped against the City's 134 sub-services (called an 'Audit Universe'; see Appendix-C). For example, this helped to inform the requirement of a Cash Handling Audit in 2023 and Payroll Audit in 2024.

The resulting Audit Plan identified in Appendix-A identifies four audit projects recommended to be performed by the City Auditor during the year. This detailed appendix also identifies the scope, rationale and inherent risks for each audit project. The table below summarizes the 2023 Audit Plan at a high level:

Audit Project	Project Type	Last Time Audited	Service Area	Proposed Time-Frame
Environmental Strategies Review ( <i>carry-forward from 2022</i> )	Performance Audit	Never	EICS	Q1-Q2 2023
ERP Project Audit - Phase 2 Pre-implementation Assessment	Project Audit	2022	Digital Services, HR & Finance	Q1-Q2 2023
Cash Handling/Revenues	Operational & Compliance Audit	2017	Finance & All Service Areas	Q3 2023

Cyber-Security - CIS CSS "Detect" controls	Operational Audit	2022	Digital Services	Q4 2023
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In addition to performing the audit projects identified in Appendix-A, the City Auditor also sets time aside for:

1. Providing advisory services to Management in the areas of: risk, internal controls, fraud, corporate governance and/or performing investigations (as required)
2. Following-up with Management on historical audit findings
3. Reporting quarterly to the Audit Committee
4. 2024 Audit Planning
5. Supporting a bi-annual review of the Audit Committee Terms of Reference and City Auditor's Charter
6. Facilitating a quality assurance review of the City Auditor's working papers
7. Assisting the External Auditor (if required)
8. Administrative time / Professional Development

The City Auditor will report to the Audit Committee on a quarterly basis with a status update of each approved audit project, completed Audit Reports and a dashboard of performance measures. Throughout 2023, the City Auditor will be responsive and flexible to accept new assurance or advisory projects identified by the Audit Committee or the Burlington Leadership Team. The Audit Committee has the discretion to amend the Annual Audit Plan through a staff direction voted on by a majority of members.

The City Auditor will re-evaluate the Audit Plan on an annual basis with a goal of prioritizing high risk processes, programs and services. Audits have also been tentatively scheduled for 2024 and 2025 as a long-term Audit Plan (see Appendix-A, page 2 and 3); however the City Auditor will report back with an updated recommendation to Audit Committee in December 2023.

Below is a listing of other audit areas/business processes that did not make the short list of audit projects recommended for approval. These areas will be considered for future audit plans:

- Planning & Development permitting process
- Facilities Management – Repairs, Maintenance & Physical Security
- Service Agreements with City Agencies, Boards & Commissions
- Trust Funds

- Transit Operations, Maintenance or Customer Service
- Bylaw Enforcement Operations

### **Options Considered**

Preparing a risk-based Annual Audit Plan is professional requirement prescribed by the Institute of Internal Auditors. Through the audit planning process, multiple audit projects in various City service areas were considered. A shortlist of potential audit projects was shared through the consultation phase that was ultimately narrowed to the final list of recommended audit projects in Appendix-A.

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### **Financial Matters:**

The procurement of third-party consultants with expert skill and knowledge for specific assurance services is required, particularly in small internal audit departments. Third-party consultants will be procured to support the Cyber-Security Audit, subject to approval of this Audit Plan. The City Auditor will act in accordance with existing policies and by-laws (e.g. City Procurement By-Law) to facilitate these procurements.

### **Total Financial Impact**

Base budget for external audit services = \$40,000.

### **Source of Funding**

Office of the City Auditor operating budget.

### **Other Resource Impacts**

Staff time will be modestly impacted for every audit project approved in this Audit Plan. Staff ranging from the Executive Director down to front-line staff typically participate in the audit process, including attending kick-off and closing meetings, retrieving requested documentation, assisting with mapping current state business processes, facilitating on-site fieldwork etc.

As a working estimate, for every hour of internal audit staff time, approximately 10 - 15 minutes is required from management and staff within the audit unit. For example, if an audit is expected to take 100 hours to complete from the initial planning to the final reporting, then there is a reasonable expectation management and staff time (collectively) will require up to 16 - 25 hours in total time.

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### **Climate Implications**

One of the audit projects recommended for Audit Committee's consideration is a review of the progress against Council's approved environmental strategies.

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### **Engagement Matters:**

As previously noted, members of the Burlington Leadership Team, members of Audit Committee, the External Auditor and other select staff were consulted during the development of this Audit Plan.

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### **Conclusion:**

The 2023 Audit Plan was developed through a combination of a corporate-wide risk assessment, a review of major corporate projects/initiatives, a scan of audit plans in other municipalities, and consultation with members of Audit Committee and the Burlington Leadership Team. The audit projects recommended in Appendix A are designed to provide assurance to Audit Committee and Management that programs/projects/services under review are operating effectively, efficiently and identify potential improvements to City services.

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Respectfully submitted,

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City Auditor

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### **Appendices:**

- A. CA-03-23 Appendix A: Detailed 2023 Audit Plan
- B. CA-03-23 Appendix B: Inherent Risk Assessment Methodology
- C. CA-03-22 Appendix C: Audit Universe
- D. CA-03-22 Appendix D: Inherent Risk Assessment Scoring
- E. CA-03-22 Appendix E: Jurisdictional Scan
- F. CA-03-22 Appendix F: Presentation to Audit Committee

### **Report Approval:**

All reports are reviewed and/or approved by Department Director, the Chief Financial Officer and the Executive Director of Legal Services & Corporation Counsel.

Audit Project	Project Type	Last Time Audited	Service Area	Proposed Time-Frame	Budgeted Time (hrs.)	Scope, Rational, Risks
Environmental Strategies Review <i>Carry-forward from 2022</i>	Performance Audit	Never	EICS	Q1-Q2 2023	210	<p><b>Scope:</b> The Audit will review environmental strategies approved by City Council that are aligned with the City's Strategic Plans. The associated workplans or implementation plans will be further reviewed to assess their relative performance/progress as well as the effectiveness of communications back to Council and residents.</p> <p><b>Rationale:</b> The City has approved a number of high profile environmental strategies this term of Council including the declaration of a climate emergency in 2019, 'Corporate Energy and Emissions Management Plan' in 2019, 'Climate Action Plan' in 2020, and 'Climate Resilient Burlington' in 2022. Environmental stewardship is featured prominently in the City's Strategic Plan (Vision 2040) and Council's Vision to Focus Roadmap. This review will evaluate the effectiveness of the City's investment in its environmental strategies.</p> <p><b>Risks:</b> Given that environmental stewardship was approved by the City's Council as a major strategic initiative, there is a reputational risk to Burlington's residents if these initiatives do not meet their stated objectives.</p>
ERP Project Audit - Phase 2 Pre-implementation Assessment	Project Audit	2022	Digital Services, HR & Finance	Q1-Q2 2023	245	<p><b>Scope:</b> The objective of this Audit will be to ensure that the ERP Project has progressed to an acceptable point from a risk perspective; that key high-use business processes in HR, Finance &amp; ITS can 'go-live' on the new ERP solution from their legacy platforms. The scope of this assessment will include: confirmation that the data migrated from the legacy platforms to the new ERP system is accurate and complete, validation that training and change management strategies have been adopted, and individual project risks have been documented and remedied to an acceptable level.</p> <p><b>Rationale:</b> The ERP Project has an enterprise wide scope, that will transform the City's key financial and HR business processes. The transformative nature of an ERP Implementation has generally a high risk profile in any organization due to the degree of change in key high-use HR, Finance and ITS business processes. With a budget of \$13.98M, this project is among the highest resourced projects in the capital budget.</p> <p><b>Risks:</b> Project management execution is typically the largest risk associated with ERP Project implementations. This may manifest itself with a loss of project control (i.e. ineffective or untimely decision making, lack of resources, re-work, changes, delays etc.) or a lack of staff adoption of the solution post-implementation (i.e. whereby the benefits of the ERP solution are not realized due to a lack of staff buy-in).</p>
Cash Handling/Revenues	Operational & Compliance Audit	2017	Finance & All Service Areas	Q3 2023	280	<p><b>Scope:</b> Review the internal control framework around cash handling across the City's service areas that accept payment for goods/services at the Point-of-Sale for compliance to the City's policies and procedures. For clarity, this includes cash, cheques, credit card, debit cards, gift cards, play-passes etc. as aligned to definition of cash handling in the Cash Handling Policy. For clarity, PCI DSS compliance will not be reviewed as a part of this audit as it is currently under review as a corporate initiative.</p> <p><b>Rationale:</b> Cash is the City's most liquid asset and is regularly received as payment from customers in multiple service areas including Transit, RCC, Transportation (Parking), Service Burlington, Building, Animal Services etc. As a liquid asset, cash is susceptible to fraud or misappropriation (common in most organizations). Lastly, the City has implemented two new Point-of-Sale systems across the City since the last audit in 2017.</p> <p><b>Risks:</b> The risk of fraud or misappropriation may occur, thereby incurring financial losses or reputation damage to the City.</p>
Cyber-Security - CIS CSS "Detect" controls	Operational Audit	2022	Digital Services	Q4 2023	210	<p><b>Scope:</b> The purpose of this audit is to review the 97 security controls related to the "Detect" domain within the Center for Internet Security Critical Security Controls framework (CIS CSS). Working in conjunction with Digital Services staff &amp; the City Auditor, a third-party consultant with expertise in cyber-security will be procured to conduct the required technical testing and evaluation.</p> <p><b>Rationale:</b> City of Burlington like many other organizations will continue to have exposure to cyber-attacks. As the City transitions to ever greater digitization of its services, the exposure to unwanted intrusions will likely increase.</p> <p><b>Risks:</b> The risk of unauthorized external (or internal) access to the City's IT infrastructure may result in data loss, operational downtime, reputational damage, privacy breaches and/or financial losses.</p>
Audit Project	Project Type	Last Time Audited	Service Area	Proposed Time-Frame	Budgeted Time (hrs.)	Scope, Rational, Risks
Cyber-Security - CIS CSS "Protect" & Respond controls	Operational Audit	2022	Digital Services	2024	140	<p><b>Scope:</b> The purpose of this audit is to review the 37 security controls related to the "Protect" and 17 controls within the "Respond" domains within the Center for Internet Security Critical Security Controls (CIS CSS) framework. Working in conjunction with Digital Services staff &amp; the City Auditor, a third-party consultant with expertise in cyber-security will be procured to conduct the required technical testing and evaluation.</p> <p><b>Rationale:</b> City of Burlington like many other organizations will continue to have exposure to cyber-attacks. As the City transitions to ever greater digitization of its services, the exposure to unwanted intrusions will likely increase.</p> <p><b>Risks:</b> The risk of unauthorized external (or internal) access to the City's IT infrastructure may result in data loss, operational downtime, reputational damage, privacy breaches and/or financial losses.</p>
Payroll Audit - Phase 1: Time-keeping	Operational Audit	2016 Corporate Payroll Audit	Finance & All Service Areas	Post ERP implementation (2024)	315	<p><b>Scope:</b> The first phase of the payroll audit will focus the time keeping process (i.e. scheduling, time reporting, time exceptions, management approvals etc.). The objective of this review is to ensure that payable time is captured accurately, completely and is approved by the appropriate supervisor/manager. Time exceptions including statutory holidays, overtime, vacation, premiums etc. will be captured in this portion of the audit. The internal controls related to payroll for new hires will also be evaluated here.</p> <p><b>Rationale:</b> The total proposed budget for Human Resources related costs in 2023 exceeded \$156M; making this by far the largest expense category in the corporation (approximately 50% of total expenditures). Time-keeping is a complex business process that includes: four union groups and one non-union group with each having distinctive compensation provisions, a large workforce (1315 FTE in 2023) divided into 37 unique service areas, a wide distribution of FT &amp; PT staff with various pay grades, premiums etc. Time-keeping is a decentralized process occurring in multiple service areas and using various procedures, thereby increasing the risk profile.</p> <p><b>Risks:</b> Inaccurate, incomplete or unapproved time-keeping may increase the risk of inaccurate processing of payroll thereby leading to errors, employee grievances, or non-compliance with legislation or associated regulations.</p>
Payroll Audit - Phase 2: Payroll processing	Operational Audit	2016 Corporate Payroll Audit	Finance & All Service Areas	2025	280	<p><b>Scope:</b> The second phase of the payroll audit includes the actual processing of the weekly or bi-weekly payroll. The principle objective of this review is to ensure that the amounts remitted to each employee are accurate, complete and remitted on a timely basis. This phase will also include a review of corporate and employee deductions, payroll accounting and government remittances, T4's and Records of Employment. Compliance to corporate policies, procedures and relevant regulations will be assessed in this audit project.</p> <p><b>Rationale:</b> The total proposed budget for Human Resources related costs in 2023 exceeded \$156M; making this by far the largest expense category in the corporation (approximately 50% of total expenditures). Time-keeping is a complex business process that includes: four union groups and one non-union group with each having distinctive compensation provisions, a large workforce (1315 FTE in 2023) divided into 37 unique service areas, a wide distribution of FT &amp; PT staff with various pay grades, premiums etc.</p> <p><b>Risks:</b> Inaccurate payroll processing may result in under (or over) payments to employees thereby affecting employee engagement or morale. Inaccurate statutory remittances may result in financial or legal/regulatory implications.</p>

Staff Attraction & Retention Audit	Operational Audit	Never	HR & All Service Areas	2024	245	<p><b>Scope:</b> To evaluate whether the recruitment and retention processes are effective and operating as intended. In addition, to assess the City's ability to attract and retain talent, including an assessment of the staff total rewards framework, performance management structures and succession planning. The objective of this audit is to determine if the City is applying appropriate practices related to employee attraction and retention and, if not, to identify recommendations to address priority challenges.</p> <p><b>Rationale:</b> Staff retention and attraction of high-caliber recruits was consistently cited by a majority of senior leaders during the 2022 Council Information Sessions as a major risk area in their respective departments. The City of Burlington 'competes' to attract high quality candidates for numerous hard-to-fill professional and technical roles against other organizations. In addition, the pandemic has caused a broader societal shift that encourages employees to seek new opportunities and transformed working hours, conditions and benefits; thereby making it more difficult for the City to retain key staff.</p> <p><b>Risks:</b> As a service-based organization with 37 distinct lines of service, having technically proficient staff is critical to meeting the needs of the City's various customers. Vacancies and/or staff with skills/capabilities mis-aligned with the expectations of their customers increases the risk of inadequate service delivery, delays or dissatisfied customers.</p>
Fleet Services: AVL post-implementation	Performance Audit	Never	Roads, Parks, Forestry & Corporate-wide	2024	280	<p><b>Scope:</b> Assess the success of the implementation of the City's Automated Vehicle Location (AVL) Project. Review the performance of the AVL Program to determine whether City service areas are utilizing the new tools and capabilities within the system as described in the original business case.</p> <p><b>Rationale:</b> Council approved a capital budget of \$1.795M for this multi-year project in 2020. The system has been widely implemented (thus far) to 250 City vehicles across 19 service areas. As a high-profile corporate project, multiple staff are impacted with varying roles and responsibilities which increases the complexity of the program.</p> <p><b>Risks:</b> The City may not be receiving value-for-money for its investment into this AVL system if it has not been successfully implemented and if staff are not utilizing the capabilities and tools built into the system.</p>
Community Funding and Grant Programs	Operational & Compliance Audit	Never	RCC & Corporate-wide	2024	175	<p><b>Scope:</b> Ensure that the portfolio of Council approved grant programs are aligned with Council's strategies. Review the policies and procedures around eligibility of recipients, processing grant applications, evaluation criteria, and conflict of interest against guidelines from leading industry research and internal control leading practices. Review a sample of grants from 2023 and 2024 to ensure compliance within existing policies and procedures. Scope will include (but not be limited to): 'Love my Neighbourhood', 'Neighbourhood Community Matching Fund', 'Community Support Fund', 'Plumbing Permit Free Grant Program', 'Fee waiver program', 'Burlington Arts and Culture Fund.</p> <p><b>Rationale:</b> The City manages multiple Council approved programs to deliver funding to a wide variety of eligible recipients and organizations.</p> <p><b>Risks:</b> The City may incur a reputation risk if funding provided to recipients are misappropriated or otherwise not utilized within the guidelines of the respective grant program. Further, the portfolio of grant programs may not be meeting the needs of City stakeholders if they are under-subscribed, not aligned to the City's strategic plans or have inconsistent eligibility and evaluation requirements. The City may incur financial losses if grant funding is inappropriately utilized by recipients.</p>
Service Burlington	Operational	Never	Service Burlington	2025	245	<p><b>Scope:</b> Assess the business process for capturing, managing and actioning customer interactions for efficiency and effectiveness in Service Burlington. Review the performance of customer service transactions against pre-defined service standards, KPI's and related policies/procedures. Obtain the strategic plan for Service Burlington and assess the performance of the department against its strategic objectives. Recognizing that customer service occurs across the organization, evaluate the roles and responsibilities of Service Burlington in the context of the overall corporation.</p> <p><b>Rationale:</b> Council approved \$3.11M through the 2015-2021 capital budgets for the implementation of the CRM system. This major corporate-wide project moved to the operationalization phase in 2022 however will continue to on-board additional City services in to the future; therefore there is a continuing pace of change and transformation within the City's customer services programs. As a principle point of first contact for many residents, the Service Burlington team plays a critical role in maintaining the goodwill and reputation of the City.</p> <p><b>Risks:</b> Expectations of customers may not be met if the City has under-developed customer service processes and systems, thereby impairing the City's reputation. The City may not realize the benefits of its investments into its new business processes and technology systems if those processes are under-resourced, disconnected, ineffective or inefficient.</p>
Investments	Operational & Compliance Audit	2017	Finance	2025	228	<p><b>Scope:</b> Review the internal controls within the City's investment process and ensure there is alignment with provincial legislation and associated regulations. Review a sample of transactions and test for compliance against the City's Investments Policy.</p> <p><b>Rationale:</b> The City has a vast investment portfolio totaling \$394M (as of Sept 2022) generating investment income of \$9.2M in 2022.</p> <p><b>Risks:</b> The City is responsible for complying with provincial legislation and regulations surrounding its investment portfolio; non-compliance may lead to legal/regulatory risks. Further, the City is susceptible to evolving external market conditions (i.e. interest rates, inflation, etc.) which may result in fluctuations in the financial performance of its investment portfolio. Finally, City stakeholders including tax-payers and developers whose funds are invested until they are used on City projects may lose trust if an investment error or other risk event occurs thereby impairing the City's reputation.</p>
Property Tax Billing & Collection	Operational	Never	Finance	2025	280	<p><b>Scope:</b> To assess the accuracy and completeness of the property tax billing and collection process within the City's new tax software system. Re-performance of a sample of property units will be executed as well as an assessment of the efficiency and effectiveness of the billing and collection processes.</p> <p><b>Rationale:</b> Council approved \$1.5M in the 2020 capital budget to procure and implement a new property tax software. Revenues collected through this business process and system make up the vast majority of the City's own source revenues (\$217.3M budgeted for 2023).</p> <p><b>Risks:</b> Financial risks may include inaccurate or incomplete collection of property taxes approved by Council. Further, this business process is highly regulated and prescribed by provincial legislation and associated regulations; therefore exceptions in the process may result in regulatory non-compliance. Finally, there may also be reputational risk as this business process impacts individual residents and property-owners whereby potential errors may impair the City's reputation.</p>
Commercial Vehicle Operator's Registration (CVOR)	Compliance	2010	Roads, Parks, Forestry	2025	105	<p><b>Scope:</b> Review the City's performance for compliance to the Ministry of Transportation's (MTO) CVOR Certification Program. The audit will evaluate the accuracy and completeness of City's records related to: fleet size, kilometers travelled, safety rating, violations, driver convictions, reportable collisions, CVOR safety inspections, and MTO interventions.</p> <p><b>Rationale:</b> This audit was requested by Management to evaluate compliance to the province's CVOR Certification Program and raise awareness of potential issues prior to a potential full external audit by the Ministry of Transportation (MTO).</p> <p><b>Risks:</b> As an organization that utilizes multiple commercial heavy vehicles to provide City services, the City is required to have a CVOR certificate governed by the Ministry of Transportation. Violations of the terms and conditions of this program may result in a full external audit by the MTO resulting in a 'conditional' safety rating which may significantly impact the City's vehicle insurance rates.</p>
Enterprise Risk Management	Operational Audit	2019	Corporate Strategy	2025	140	<p><b>Scope:</b> Assess the effectiveness of the City's Enterprise Risk Management (ERM) Program.</p> <p><b>Rationale:</b> The IIA's International Standards for the Professional Practice of Internal Auditing Standard 2120 requires the internal audit activity to evaluate the effectiveness and contribute to the improvement of risk management processes.</p> <p><b>Risks:</b> The risk of not exercising a robust Risk Management function may include a weakening or deterioration of the City's overall internal control framework.</p>
External Quality Assessment	Compliance	2018	City Auditor	2025	70	<p><b>Scope:</b> Perform a self assessment against the Institute of Internal Auditor's Professional Standards. Contract an independent third-party auditing firm to review and validate the self-assessment.</p> <p><b>Rationale:</b> The IIA's International Standards for the Professional Practice of Internal Auditing Standard 1312 requires external assessments be conducted at least once every five years by a qualified, independent assessor or assessment team from outside the organization. The standard allows for self-assessment with independent validation.</p> <p><b>Risks:</b> Not performing this assessment will impact the credibility and reputation of the Office of City Auditor.</p>

**Inherent Risk Assessment Methodology for City of Burlington**  
Current as of Jan 2023

**Risk Factors and Associated Criteria**

The City Auditor’s Annual Audit Plan is established based on the assessment of risks and exposures in City services. The assessed risk is “inherent risk”; that is, the total risk without controls or raw risk. The level of inherent risk (as determined through risk factors) is used to ensure significant risks are addressed and there is effective use of audit resources.

**Inherent Risk Factors**

Risk factors include quantitative and qualitative criteria and attributes used to identify areas of City operations that would benefit most from an internal audit. Inherent risk is determined by considering all the factors; not just an individual factor. However, not all factors are considered equal. A weighting is applied to each factor to reflect their relative importance (which is a matter for judgment) based on business practices, legislation and regulations, and Council’s strategic plan.

There are many risk factors that can be used in assessing inherent risk. For example, quantitative criteria may include: size of the budget and payroll, number of employees, value of capital equipment, the time elapsed since the last audit, client satisfaction, and extent of partnering/alliances. Qualitative criteria may include: areas of concern to management, possibility of adverse publicity, complexity of IT infrastructure, the effect of governmental or other regulations, technological innovation and information integrity.

The inherent risk factors must be tailored to the City and its operating environment.

**Calculating the Overall Inherent Risk Ranking**

The overall inherent risk ranking is calculated using the following formula:

OVERALL INHERENT RISK RANKING SCORE =  $\Sigma$ (INHERENT RISK ATTRIBUTE RANKING SCORE  
x FACTOR WEIGHTING)

Risk assessed audit entities will be listed from highest to lowest score.

# Inherent Risk Assessment for Audit Units

The following table contains the factors and a set of attributes for each criterion to assist in assessing the inherent risk of the service and/or sub-service.

## Inherent Risk Factors and Criteria for Services

Factor (Weighting) & Criteria	Inherent Risk Attribute Ranking (Score)				
	Very High (100)	High (75)	Moderate (50)	Low (25)	Very Low (1)
<b>Complexity of Service Delivery (30%)</b> <ul style="list-style-type: none"> <li>Nature of technology/equipment used in service delivery (e.g. sophisticated vs. simple)</li> <li>Degree of customization of process (e.g. customized vs. standardized)</li> <li>Number of people involved in service delivery</li> <li>Service delivery sites (e.g. multi-site/counter vs. single site/counter)</li> <li>Level of exposure to hazardous activity (physical health &amp; safety)</li> </ul>	<ul style="list-style-type: none"> <li>Requires sophisticated technology/equipment with multiple interfaces</li> <li>Customized process for each transaction</li> <li>More than 30 people involved in delivering the service</li> <li>Multi-site/counter service delivery (&gt;5) sites/counters <u>AND</u> contracted services</li> <li>Work involves daily exposure to high hazard activity (e.g. use of heavy machinery/small equipment, working at heights, chemical handling, working in traffic, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>Requires sophisticated technology/equipment with minimal interfaces</li> <li>Specialized process for majority of transactions; standardized process for less than a quarter of transactions</li> <li>22 - 29 people involved in delivering the service</li> <li>Multi-site/counter service delivery (&gt;5) sites/counters <u>OR</u> contracted services</li> <li>Work involves frequent exposure to high hazard activity (e.g. use of heavy machinery/small equipment, working at heights, chemical handling, working in traffic, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>Requires standalone sophisticated technology/equipment</li> <li>Standardized process for half of transactions; remaining transactions require exceptions to process "rules"</li> <li>11 - 21 people involved in delivering the service</li> <li>Multi-site/counter service delivery (from 3 – 4 sites/counters)</li> <li>Work involves repeated exposure to manual labour (e.g. lifting, pushing, pulling, digging, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>Requires simple technology/equipment with few interfaces</li> <li>Standardized process for three quarters of transactions; minimal exceptions to process "rules" required</li> <li>6 - 10 people involved in delivering the service</li> <li>Multi-site/counter service delivery (from 2 - 3 sites/counters)</li> <li>Work involves daily exposure to low hazard activity (e.g. use of computers, desk work, repetitive movement, etc.)</li> </ul>	<ul style="list-style-type: none"> <li>Requires standalone simple technology/equipment</li> <li>Standardized process for all transactions (same process each time; no exceptions)</li> <li>1 - 5 people involved in delivering the service</li> <li>Single site/counter service delivery (from one site/counter)</li> <li>Work involves limited exposure to low hazard activity (e.g. use of computers, desk work, etc.) <u>OR</u> remote work environment</li> </ul>

# Inherent Risk Assessment for Audit Units

Factor (Weighting) & Criteria	Inherent Risk Attribute Ranking (Score)				
	Very High (100)	High (75)	Moderate (50)	Low (25)	Very Low (1)
<ul style="list-style-type: none"> <li>Level of disruption and complexity of business continuity due to pandemic/ other emergencies</li> </ul>	<ul style="list-style-type: none"> <li>Catastrophic disruption to traditional business model impacting a majority of staff including lay-offs or re-deployments; budget variance of &gt;50%; unable to provide service to customers for 4 weeks or longer. Transforming business model requires significant staff involvement, financial resources, Council approval and stakeholder consultation.</li> </ul>	<ul style="list-style-type: none"> <li>Significant disruption to business model. A majority of staff involved in delivering the service are impacted, significant budget variance &gt;25% and customers are unable to receive the service for 2-4 weeks. Recovery to the business process is expected to take weeks, require &gt;\$100,000 new funding and involve a majority of staff to re-engineer the process.</li> </ul>	<ul style="list-style-type: none"> <li>Moderate disruption to business model. Service can be modified/restored within 5-15 business days however will require financial resources (\$10,001-\$99,999) and a majority of staff to execute changes. Most customers are impacted, though some simple service transactions may continue manually through work-arounds.</li> </ul>	<ul style="list-style-type: none"> <li>Modest impact of service delivery. Service model can be quickly modified with limited (i.e. &lt;\$10,000) financial resources and quick turnaround by staff (i.e. 0-5 business days). Modest disruption to customers, although manual workarounds can be easily adopted.</li> </ul>	<ul style="list-style-type: none"> <li>Nominal impact to business model and service delivery. Staff continue to provide services to customers with limited impact to financial budget or customer expectations.</li> </ul>

## Inherent Risk Assessment for Audit Units

<b>Financial Materiality &amp; Susceptibility to Error/Fraud (25%)</b> <ul style="list-style-type: none"> <li>Gross revenue (excluding recovery from capital)</li> <li>Gross operating expenditures (including human resource costs and excluding one-time project costs)</li> <li>Transparency/openness to scrutiny</li> <li>Nature of Assets Used in Service Delivery (i.e. tangible/intangible, convertibility to cash)</li> <li>Involvement in known risk areas of misconduct <sup>1</sup></li> <li>Dollar value of daily cash deposits</li> </ul>					
	– > \$400,000	– Between \$250,001 and \$399,999	– Between \$100,001 and \$250,000	– Between \$25,001 and \$100,000	– < \$25,000
	– > \$2,000,000	– Between \$1,000,000 and \$1,999,999	– Between \$500,000 and \$999,999	– Between \$250,000 and \$499,999	– < \$250,000
	– One person responsible for tracking, reporting and monitoring	– Limited number (1-2) of people involved in tracking, reporting and monitoring	– Small group (3-4) of people involved in tracking, reporting and monitoring	– Group (5-6) of people involved in tracking, reporting and monitoring	– Larger number of people (6+) involved in tracking, reporting and monitoring
	– Liquid (e.g. cash includes cheques and debit/credit card, bonds, etc.)	– Easily converted to cash (i.e. < 14 days); readily available market; highly liquid	– Can be converted to cash (i.e. between 15 days and 29 days); market is specialized; somewhat liquid	– Difficult to convert to cash (i.e. 30 days); small market	– No cash value; not liquid
	– Involved in more than one of procurement/ contracting, approvals/ permits and licensing, by-law enforcement		– Involved in any of procurement/ contracting, approvals/permits and licensing, by-law enforcement		– Not involved in any of procurement/ contracting, approvals/permits and licensing or by-law enforcement
	– greater than \$5,001	– between \$2,501 and \$5,000	– between \$1,501 and \$2,500	– between \$251 and \$1,500	– less than \$250

<sup>1</sup> International Centre for Criminal Law Reform and Criminal Justice Policy, *Municipal “Best Practices”: Preventing Fraud, Bribery and Corruption* (Vancouver: ICCLR 2013) < <http://icclr.law.ubc.ca/sites/icclr.law.ubc.ca/files/publications/pdfs/Municipal%20Best%20Practices%20-%20Preventing%20Fraud,%20Bribery%20and%20Corruption%20FINAL.pdf> >

# Inherent Risk Assessment for Audit Units

<b>Community Trust/Reputation (10%)</b> <ul style="list-style-type: none"> <li>Degree of public/external customer involvement</li> <li>Degree of internal customer involvement</li> <li>History of media attention (e.g. newspapers, blogs, op eds, etc.)</li> <li>Employee Base Involved</li> </ul>	<ul style="list-style-type: none"> <li>Everyday direct involvement of public/external customers</li> <li>Everyday direct involvement of internal customers</li> <li>Subject of regular and sustained media attention</li> <li>Every employee involved</li> </ul>	<ul style="list-style-type: none"> <li>Frequent direct involvement of public/external customers</li> <li>Frequent direct involvement of internal customers</li> <li>Subject of frequent media attention</li> <li>More than three-quarters of employees involved</li> </ul>	<ul style="list-style-type: none"> <li>Periodic direct involvement of public/external customers</li> <li>Periodic direct involvement of internal customers</li> <li>Subject of minimal or short-lived media attention</li> <li>Half of employees involved</li> </ul>	<ul style="list-style-type: none"> <li>Infrequent direct involvement of public/external customers</li> <li>Infrequent direct involvement of internal customers</li> <li>Subject of infrequent media attention</li> <li>More than one-quarter of employees involved</li> </ul>	<ul style="list-style-type: none"> <li>Rare direct involvement of public/external customers</li> <li>Rare direct involvement of internal customers</li> <li>Never been subject of media attention</li> <li>Less than one-quarter or one group of employees involved</li> </ul>
<b>Degree of Change (20%)</b> (over last 12 months and expected within next 6 months) <ul style="list-style-type: none"> <li>Changes to service and/or processes</li> <li>Technology/equipment change</li> </ul>	<ul style="list-style-type: none"> <li>Totally new service and/or delivery process(es)</li> <li>Implemented new software/hardware/equipment to support service</li> </ul>	<ul style="list-style-type: none"> <li>Multiple/major changes to service and/or delivery process(es)</li> <li>Major upgrade or update to <u>all</u> software/hardware/equipment to support service</li> </ul>	<ul style="list-style-type: none"> <li>Small number changes to service and/or delivery process(es)</li> <li>Major upgrade or update to <u>some</u> software/hardware/equipment to support service</li> </ul>	<ul style="list-style-type: none"> <li>Infrequent/minor changes to service and/or delivery process(es)</li> <li>Minor upgrade or update to all or some software/hardware/equipment to support service</li> </ul>	<ul style="list-style-type: none"> <li>No changes to service and/or delivery process(es)</li> <li>No changes to software/hardware/equipment to support service</li> </ul>

# Inherent Risk Assessment for Audit Units

HR/Staffing Factors (15%)					
<ul style="list-style-type: none"> <li>Staff turnover (due to reasons such as retirement, leaves of absence, job rotations, etc.)</li> <li>Staff performing “must do” activity(ies)</li> <li>Difficulty in filling positions (beyond normal recruitment timing)</li> <li>Difficulty in attracting candidates</li> </ul>	<ul style="list-style-type: none"> <li>More than 35% of all staff has changed in last year</li> <li>Only one person knows how “must do” activity(ies) are performed. <u>OR</u> key person dependency</li> <li>Takes 8 or more months longer</li> <li>Had to go back to market &gt; 2 times after original recruitment <u>OR</u> &gt; 2 offers made and declined</li> </ul>	<ul style="list-style-type: none"> <li>Between 24% - 34% of all staff have changed in last year</li> <li>2 people know how “must do” activity(ies) are performed</li> <li>Takes 6 – 7 months longer</li> <li>Had to go back to market 2 times after original recruitment <u>OR</u> 2 offers made and declined</li> </ul>	<ul style="list-style-type: none"> <li>Between 14% - 24% of all staff have changed in last year</li> <li>3 people know how “must do” activity(ies) are performed</li> <li>Takes 4 – 5 months longer</li> <li>Had to go back to market 1 time after original recruitment <u>AND</u> 1 offer made and declined</li> </ul>	<ul style="list-style-type: none"> <li>Between 5% - 14% of all staff have changed in last year</li> <li>4 people know how “must do” activity(ies) are performed</li> <li>Takes 2 – 3 months longer</li> <li>Had to go back to market 1 time after original recruitment <u>OR</u> 1 offer made and declined</li> </ul>	<ul style="list-style-type: none"> <li>Less than 5% of all staff has changed in last year</li> <li>5 or more people know how “must do” activity(ies) are performed</li> <li>Takes less than 1 month</li> <li>Filled position from original recruitment <u>OR</u> no offers declined</li> </ul>

Imported from 2019 Audit Universe				Updated for 2023	
#	Category	Service	Audit Unit	Service Lead	Past Internal Audit Projects
1	Legislative Services	Council and Citizen Committee	Council and Committee	City Clerk	
2	Legislative Services	Council and Citizen Committee	Citizen Advisory Committee	City Clerk	2014 Committee of Adjustment Audit
3	Legislative Services	Council and Citizen Committee	Election	City Clerk	
4	Legislative Services	Council and Citizen Committee	Records & Information Management	City Clerk	2011 Records Management 2012 Corporate Delegation of Authority Audit
5	Corporate Customer Experience	Service Burlington	Customer Experience Business Development	Strategic Lead Customer Experience	
6	Corporate Customer Experience	Service Burlington	Service Burlington Contact Center	Strategic Lead Customer Experience	2017 Inventory Audit 2017 Corporate Cash Handling Audit
7	Corporate Customer Experience	Service Burlington	Customer Experience Design and consultation	Strategic Lead Customer Experience	
8	Corporate Customer Experience	Service Burlington	CRM System Admin and User community support	Strategic Lead Customer Experience	2019 CRM Implementation & On-going Operations
9	Design and Build	Building Code Permits and Inspection	Application Process	Director of Building and By-law, Chief Building Official	
10	Design and Build	Building Code Permits and Inspection	Plans Review	Director of Building and By-law, Chief Building Official	2014 Plans Review Audit 2018 Plans Review Follow-up Audit
11	Design and Build	Building Code Permits and Inspection	Building Inspections	Director of Building and By-law, Chief Building Official	2016 Building Inspections Audit
12	Design and Build	Community Design and Development Review	Policy and Research	Director of Community Planning	
13	Design and Build	Community Design and Development Review	Official Plan Amendments and Zoning By-law Amendments	Director of Community Planning	
14	Design and Build	Community Design and Development Review	Site Plan/Minor Development/Zoning Certificates	Director of Community Planning	
15	Design and Build	Community Design and Development Review	Subdivision/Condo/Part Lot Control	Director of Community Planning	
16	Design and Build	Community Design and Development Review	Variances, Consent and Other City Tribunals	Director of Community Planning	2014 Committee of Adjustment Audit
17	Design and Build	Community Design and Development Review	Data Management	Director of Community Planning	
18	Design and Build	Facilities And Buildings - Design and Construction	Facilities And Buildings - Design and Construction	Manager of Facility Assets	
19	Design and Build	Parks and Open Space - Design and Development	Parks and Open Space Planning	Director of Engineering Services	
20	Design and Build	Parks and Open Space - Design and Development	Parks and Open Space Design and Construction	Director of Engineering Services	
21	Design and Build	Parks and Open Space - Design and Development	Parks and Open Space Asset Management	Director of Engineering Services	
22	Design and Build	Parks and Open Space - Design and Development	Landscape Architecture	Director of Engineering Services	
23	Design and Build	Parks and Open Space - Design and Development	Planning Applications	Director of Engineering Services	
24	Internal Support and Administration	Asset Management	Asset Management Oversight	Director of Engineering Services	2014 Roads Infrastructure Asset Management
25	Internal Support and Administration	Asset Management	Long-Range Financial and Operational Planning	Director of Engineering Services	
26	Internal Support and Administration	Corporate Legal	Insurance/Risk Management	Executive Director of Legal Services & Corporation Counsel	
27	Internal Support and Administration	Corporate Legal	Real Estate Service (Property & Land)	Executive Director of Legal Services & Corporation Counsel	2015 Lease Mngt and Administration Audit
28	Internal Support and Administration	Corporate Legal	Legal Services	Executive Director of Legal Services & Corporation Counsel	
29	Internal Support and Administration	Corporate Strategy & Risk Management	Corporate and Strategic Planning	Executive Director, Strategy, Risk & Accountability	
30	Internal Support and Administration	Corporate Strategy & Risk Management	Corporate Risk & Accountability	Executive Director, Strategy, Risk & Accountability	
31	Internal Support and Administration	Corporate Strategy & Risk Management	Business Performance and Continuous Improvement	Executive Director, Strategy, Risk & Accountability	
32	Internal Support and Administration	Corporate Strategy & Risk Management	Board Liaison	City Manager	
33	Internal Support and Administration	Corporate Strategy & Risk Management	Corporate Culture Leadership	City Manager	2012 BCP-DRP-CERP Audit 2014 Corporate-wide Elements of an Ethical Organization Audit
34	Internal Support and Administration	Corporate Strategy & Risk Management	Corporate Project Management	City Manager	
35	Internal Support and Administration	Corporate Strategy & Risk Management	Government Relations	Executive Director, Strategy, Risk & Accountability	
36	Internal Support and Administration	Financial Management	Procurement Process	Chief Financial Officer	2013 Procure to Pay (under \$20,000) Audit 2014 Procurement Transactions >\$25,000 Audit 2019 Accounts Payable & P-Card Audit 2022 Procurement Audit (<\$50,000 transactions)
37	Internal Support and Administration	Financial Management	Transactional Processing	Chief Financial Officer	2010 Accounts Payable 2010 Investments 2011 Grant Application Management 2011 Charitable Donations Mgmt. & Admin Audit 2013 SAP Controls Audit 2013 Investments Audit 2015 Follow Up Audit for Charitable Donations Management & Administration 2015 Phase III: Financial Accounts 2015 Phase I: Manage General Ledger 2016 Phase II: General Ledger Account Reconciliation Audit 2017 Investments Audit 2017 Corporate Cash Handling Audit
38	Internal Support and Administration	Financial Management	Payroll process	Chief Financial Officer	2016 Corporate Payroll Audit
39	Internal Support and Administration	Financial Management	Financial Reporting and Business Planning	Chief Financial Officer	
40	Internal Support and Administration	Financial Management	Collection and Payment Processing	Chief Financial Officer	2019 Accounts Payable & P-Card Audit
41	Internal Support and Administration	Financial Management	Property Tax Billing	Chief Financial Officer	
42	Internal Support and Administration	Fleet Management	Vehicle and Equipment Maintenance	Director of Roads, Parks & Forestry	2011 Fleet Management Audit 2017 Inventory Audit
43	Internal Support and Administration	Fleet Management	Vehicle Procurement	Director of Roads, Parks & Forestry	2011 Fleet Management Audit
44	Internal Support and Administration	Fleet Management	Vehicle and Equipment Operator Training	Director of Roads, Parks & Forestry	
45	Internal Support and Administration	Geographic Information and Mapping	Property/Land Information Service, Advocacy, Map production & Open Data	Director of Engineering Services	
46	Internal Support and Administration	Geographic Information and Mapping	Spatial Data Management and Analysis	Director of Engineering Services	
47	Internal Support and Administration	Corporate Communications and Engagement	Strategic Communications	Director of Corporate Communications & Engagement	
48	Internal Support and Administration	Human Resources	Compensation and Benefits	Executive Director of Human Resources	
49	Internal Support and Administration	Human Resources	Organizational Development	Executive Director of Human Resources	
50	Internal Support and Administration	Human Resources	Recruitment	Executive Director of Human Resources	
51	Internal Support and Administration	Human Resources	Health, Safety and Wellness	Executive Director of Human Resources	2018 Health Safety & Wellness Audit 2022 Health & Safety Audit (Pandemic Controls)
52	Internal Support and Administration	Human Resources	Employee & Labour Relations	Executive Director of Human Resources	2012 Corporate Employee Performance Management Program Audit
53	Internal Support and Administration	Information Technology	IT Support Service	Chief Information Officer	2012 BCP-DRP-CERP Audit 2013 SAP Controls Audit 2016 Enterprise Mobility Consulting Project 2019 Corporate Cloud Computing Mngt 2022 Cyber-Security Audit (CIS CSS Identify controls)
54	Internal Support and Administration	Information Technology	IT Consulting Service	Chief Information Officer	
55	Internal Support and Administration	Information Technology	IT Solution Delivery	Chief Information Officer	2022 ERP Project Audit - Phase 1 (Project Management)
56	Internal Support and Administration	Internal Audit	Internal Audit	City Auditor	
57	Internal Support and Administration	Sign Production	Sign Production	Director of Roads, Parks & Forestry	
58	Internal Support and Administration	Sign Production	Sign Installation	Director of Roads, Parks & Forestry	
59	Internal Support and Administration	Sign Production	Sign Design	Director of Roads, Parks & Forestry	
60	Internal Support and Administration	Facilities And Buildings - Operations	Facility Operations	Director of Recreation, Community and Culture	2014 Facility Operations Audit
61	Leisure	Arts and Culture	Festivals and Events	Director of Recreation, Community and Culture	
62	Leisure	Arts and Culture	Public Art Collection Management	Director of Recreation, Community and Culture	
63	Leisure	Arts and Culture	Arts & Cultural Programs & Services	Director of Recreation, Community and Culture	
64	Leisure	Arts and Culture	Cultural Mapping and Community Liaison	Director of Recreation, Community and Culture	

65	Leisure	Arts and Culture	Relationship Liaison with Arts & Culture Boards	Director of Recreation, Community and Culture	2022 Advisory Services for Aldershot Village BIA
66	Leisure	Organized Sport Support	Sport Organization Relationships, Granting, Allocation of Space & Joint Ventures	Director of Recreation, Community and Culture	
67	Leisure	Organized Sport Support	Sport Venue Operations & Renovations	Director of Recreation, Community and Culture	
68	Leisure	Recreation	Aquatic Programs	Director of Recreation, Community and Culture	
69	Leisure	Recreation	Ice Programs	Director of Recreation, Community and Culture	
70	Leisure	Recreation	Golf Course and Program	Director of Recreation, Community and Culture	2017 Inventory Audit
71	Leisure	Recreation	Food and Beverage Services	Director of Recreation, Community and Culture	2017 Corporate Cash Handling Audit
72	Leisure	Recreation	Parks and Trails	Director of Recreation, Community and Culture	
73	Leisure	Recreation	General Recreation Programs	Director of Recreation, Community and Culture	
74	Leisure	Recreation	Community Garden Program	Director of Recreation, Community and Culture	
75	Maintenance	Cemetery	Customer Service and Sales	Director of Roads, Parks & Forestry	2012 Parks & Rec Customer Service Audit
76	Maintenance	Cemetery	Interment Services	Director of Roads, Parks & Forestry	
77	Maintenance	Cemetery	Grounds Maintenance	Director of Roads, Parks & Forestry	2017 Inventory Audit
78	Maintenance	Environment and Energy	Community Energy Plan	Manager of Sustainability	
79	Maintenance	Environment and Energy	Energy Management Plan (City Operations)	Manager of Sustainability	
80	Maintenance	Environment and Energy	Sustainability Initiatives	Manager of Sustainability	
81	Maintenance	Parks and Open Space Maintenance	Parks and Open Space Maintenance	Director of Roads, Parks & Forestry	2017 Inventory Audit
82	Maintenance	Parks and Open Space Maintenance	Horticulture	Director of Roads, Parks & Forestry	2011 Roadside Horticulture Program Audit
83	Maintenance	Parks and Open Space Maintenance	Technical Services	Director of Roads, Parks & Forestry	
84	Maintenance	Roadway and Sidewalk Maintenance	Road and Sidewalk Inspection	Director of Roads, Parks & Forestry	
85	Maintenance	Roadway and Sidewalk Maintenance	Roadway & Routine Maintenance	Director of Roads, Parks & Forestry	
86	Maintenance	Roadway and Sidewalk Maintenance	Sidewalk Maintenance	Director of Roads, Parks & Forestry	
87	Maintenance	Roadway and Sidewalk Maintenance	Winter Maintenance	Director of Roads, Parks & Forestry	2017 Winter Maintenance Audit
88	Maintenance	Roadway and Sidewalk Maintenance	Leaf Pick Up Program	Director of Roads, Parks & Forestry	
89	Maintenance	Surface Water Drainage	Surface Water Drainage Project Management	Director of Engineering Services	
90	Maintenance	Surface Water Drainage	Surface Water Drainage Maintenance & Storm Sewer Discharge	Director of Engineering Services	
91	Maintenance	Surface Water Drainage	Resident Drainage Customer Service	Director of Engineering Services	
92	Maintenance	Surface Water Drainage	Storm Water Management Design and Review	Director of Engineering Services	
93	Maintenance	Surface Water Drainage	Site Alteration Permitting and Administration	Director of Engineering Services	
94	Maintenance	Tree Management	Tree Maintenance	Director of Roads, Parks & Forestry	
95	Maintenance	Tree Management	Tree Planting	Director of Roads, Parks & Forestry	
96	Maintenance	Tree Management	Urban Forest Health and Pest Management	Director of Roads, Parks & Forestry	
97	Maintenance	Tree Management	Public Tree Bylaw Administration and Enforcement	Director of Roads, Parks & Forestry	
98	Maintenance	Tree Management	Private Tree By-law Pilot	Director of Roads, Parks & Forestry	
99	Public Safety	Animal Control	Dog Licensing	Director of Building and By-law	2011 Animal Control Audit
100	Public Safety	Animal Control	Adoption and Care	Director of Building and By-law	2013 Animal Control Follow Up Audit
101	Public Safety	Animal Control	Animal By-law Enforcement & Education	Director of Building and By-law	2011 Animal Control Audit
102	Public Safety	By-law Enforcement	By-law Enforcement Complaints and Inspections	Director of Building and By-law	2013 Animal Control Follow Up Audit
103	Public Safety	By-law Enforcement	By-law Licensing	Director of Building and By-law	2013 Animal Control Follow Up Audit
104	Public Safety	By-law Enforcement	By-Law Permits	Director of Building and By-law	2013 Building Administration & Licensing
105	Public Safety	By-law Enforcement	By-law Lottery Licensing and Liquor Licensing	Director of Building and By-law	2013 Building Administration & Licensing
106	Public Safety	Emergency Management	Whole of Government emergency management program	Fire Chief	
107	Public Safety	Emergency Management	Continuity of Operations Planning	Fire Chief	
108	Public Safety	Emergency Management	Whole Community Emergency Management	Fire Chief	2012 BCP-DRP-CERP Audit
109	Public Safety	Fire Communications	Fire 911 Communications Dispatch	Fire Chief	2010 Communications Supervisory Organizational Structure Audit
110	Public Safety	Fire Prevention & Public Education	Fire Safety Education and Prevention	Fire Chief	2019 Fire Emergency Comms Audit
111	Public Safety	Fire Emergency Response	Fire Training & Emergency Response	Fire Chief	2016 Fire Emergency Response Training Audit
112	Public Safety	Fire Emergency Response	Fire Fleet and Station Operations	Fire Chief	2011 Fire Vehicle Equipment Maintenance Audit
					2013 Fire Vehicle Equip Maintenance Audit
					2017 Inventory Audit
113	Public Safety	Fire Emergency Response	Fire Administration	Fire Chief	2014 DCP Benchmark Compliance Audit
114	Public Safety	Halton Court Service	Halton Court Services Prosecution	Executive Director of Legal Services & Corporation Counsel	
115	Public Safety	Halton Court Service	Halton Court Services Administration	Executive Director of Legal Services & Corporation Counsel	2011 Halton Court Services Finance & Accounting Audit
116	Public Safety	Halton Court Service	Halton Court Services Courtroom Support	Executive Director of Legal Services & Corporation Counsel	2017 Corporate Cash Handling
117	Public Safety	Halton Court Service	Halton Court Services Collection of Unpaid Fines	Executive Director of Legal Services & Corporation Counsel	
118	Roads and Transportation	Parking Management	Parking Space Management	Director of Transportation	
119	Roads and Transportation	Parking Management	Parking Revenue Management	Director of Transportation	2017 Corporate Cash Handling Audit
120	Roads and Transportation	Parking Management	Parking By-law Enforcement	Director of Transportation	2018 Parking By-Law Enforcement VFM Audit
121	Roads and Transportation	Roads and Structures - Design and Construction	Survey	Director of Engineering Services	
122	Roads and Transportation	Roads and Structures - Design and Construction	Design	Director of Engineering Services	
123	Roads and Transportation	Roads and Structures - Design and Construction	Construction Administration	Director of Engineering Services	2012 Contingency Payments Management - Design & Construction Audit
124	Roads and Transportation	Roads and Structures - Design and Construction	Construction Inspection	Director of Engineering Services	2018 Construction Field Inspections Audit
125	Roads and Transportation	Roads and Structures - Design and Construction	Municipal Consent	Director of Engineering Services	
126	Roads and Transportation	Traffic Operations Management	Traffic Operations	Director of Transportation	
127	Roads and Transportation	Traffic Operations Management	Traffic Signals	Director of Transportation	
128	Roads and Transportation	Traffic Operations Management	Crossing Guard Program	Director of Transportation	
129	Roads and Transportation	Traffic Operations Management	Streetslighting	Director of Transportation	
130	Roads and Transportation	Transit	Transit	Director of Transit	2011 Transit Inventory Physical Count
					2012 Transit Business Services
					2012 Transit Physical Inventory Count Limited Scope Audit
					2014 Transit Business Services Follow-up Audit
					2014 DCP Benchmark Compliance Audit
					2015 PRESTO User Entity Controls Audit
					2017 Inventory Audit
131	Roads and Transportation	Specialized Transit	Specialized Transit	Director of Transit	
132	Roads and Transportation	Transportation Planning	Developer Application Review	Director of Transportation	
133	Roads and Transportation	Transportation Planning	Long Range Transportation Planning	Director of Transportation	
134	Roads and Transportation	Transportation Planning	Active Transportation	Director of Transportation	

## CA-03-23 Appendix D: Inherent Risk Assessment Scoring

Imported from 2021 Audit Universe				RISK SCORING (with factor weighting applied)					RISK SCORE TOTAL
#	Category	Service	Audit Unit	Complexity	Financial	Reputation	Change	HR/People	
37	Internal Support and Administration	Financial Management	Transactional Processing	22.5	18.75	10	15	3.75	70
68	Leisure	Recreation	Aquatic Programs	22.5	18.75	5	10	3.75	60
69	Leisure	Recreation	Ice Programs	22.5	18.75	5	10	3.75	60
130	Roads and Transportation	Transit	Transit	22.5	18.75	5	10	3.75	60
36	Internal Support and Administration	Financial Management	Procurement Process	15	18.75	10	10	3.75	57.5
39	Internal Support and Administration	Financial Management	Financial Reporting and Business Planning	22.5	6.25	10	15	3.75	57.5
8	Corporate Customer Experience	Service Burlington	CRM System Admin and User community support	22.5	6.25	7.5	15	3.75	55
38	Internal Support and Administration	Financial Management	Payroll process	22.5	6.25	7.5	15	3.75	55
11	Design and Build	Building Code Permits and Inspection	Building Inspections	22.5	12.5	5	10	3.75	53.75
51	Internal Support and Administration	Human Resources	Health, Safety and Wellness	22.5	6.25	7.5	10	7.5	53.75
61	Leisure	Arts and Culture	Festivals and Events	22.5	12.5	5	10	3.75	53.75
87	Maintenance	Roadway and Sidewalk Maintenance	Leaf Pick Up Program	22.5	12.5	5	10	3.75	53.75
88	Maintenance	Roadway and Sidewalk Maintenance	Winter Maintenance	22.5	12.5	5	10	3.75	53.75
70	Leisure	Recreation	Golf Course and Program	15	18.75	5	10	3.75	52.5
73	Leisure	Recreation	General Recreation Programs	15	18.75	5	10	3.75	52.5
119	Roads and Transportation	Parking Management	Parking Revenue Management	15	18.75	5	10	3.75	52.5
6	Corporate Customer Experience	Service Burlington	Service Burlington Contact Center	15	12.5	7.5	15	0.15	50.15
3	Legislative Services	Council and Citizen Committee	Election	22.5	6.25	7.5	10	3.75	50
48	Internal Support and Administration	Human Resources	Compensation and Benefits	15	6.25	5	15	7.5	48.75
85	Maintenance	Roadway and Sidewalk Maintenance	Roadway & Routine Maintenance	22.5	12.5	5	5	3.75	48.75
96	Maintenance	Roadway and Sidewalk Maintenance	Sidewalk and Walkway Maintenance	22.5	12.5	5	5	3.75	48.75
98	Maintenance	Tree Management	Private Tree By-law Pilot	15	12.5	7.5	10	3.75	48.75
111	Public Safety	Fire Emergency Response	Fire Training & Emergency Response	22.5	12.5	5	5	3.75	48.75
126	Roads and Transportation	Traffic Operations Management	Traffic Operations	22.5	12.5	5	5	3.75	48.75
127	Roads and Transportation	Traffic Operations Management	Traffic Signals	22.5	12.5	5	5	3.75	48.75
129	Roads and Transportation	Traffic Operations Management	Streetlighting	22.5	12.5	5	5	3.75	48.75
5	Corporate Customer Experience	Service Burlington	Customer Experience Business Development	15	12.5	5	15	0.15	47.65
7	Corporate Customer Experience	Service Burlington	Customer Experience Design and consultation	15	6.25	7.5	15	3.75	47.5
50	Internal Support and Administration	Human Resources	Recruitment	15	6.25	7.5	15	3.75	47.5
53	Internal Support and Administration	Information Technology	IT Support Service	22.5	6.25	5	10	3.75	47.5
102	Public Safety	By-law Enforcement	By-law Enforcement Complaints and Inspection	22.5	6.25	5	10	3.75	47.5
9	Design and Build	Building Code Permits and Inspection	Application Process	15	12.5	5	10	3.75	46.25
10	Design and Build	Building Code Permits and Inspection	Plan Review	15	12.5	5	10	3.75	46.25
66	Leisure	Organized Sport Support	Sport Organization Relationships, Granting, All	15	12.5	5	10	3.75	46.25
71	Leisure	Recreation	Food and Beverage Services	15	12.5	5	10	3.75	46.25
81	Maintenance	Parks and Open Space Maintenance	Parks and Open Space Maintenance	22.5	12.5	2.5	5	3.75	46.25
82	Maintenance	Parks and Open Space Maintenance	Horticulture	22.5	12.5	2.5	5	3.75	46.25
83	Maintenance	Parks and Open Space Maintenance	Technical Services	22.5	12.5	2.5	5	3.75	46.25
115	Public Safety	Halton Court Service	Halton Court Services Administration	15	12.5	5	10	3.75	46.25
117	Public Safety	Halton Court Service	Halton Court Services Collection of Unpaid Fin	15	12.5	5	10	3.75	46.25
120	Roads and Transportation	Parking Management	Parking By-law Enforcement	15	12.5	5	10	3.75	46.25
52	Internal Support and Administration	Human Resources	Employee & Labour Relations	15	6.25	5	15	3.75	45
42	Internal Support and Administration	Fleet Management	Vehicle and Equipment Maintenance	15	12.5	2.5	10	3.75	43.75
54	Internal Support and Administration	Information Technology	IT Consulting Service	15	6.25	5	10	7.5	43.75
55	Internal Support and Administration	Information Technology	IT Solution Delivery	15	6.25	5	10	7.5	43.75
67	Leisure	Organized Sport Support	Sport Venue Operations & Renovations	15	12.5	2.5	10	3.75	43.75
131	Roads and Transportation	Specialized Transit	Specialized Transit	15	12.5	2.5	10	3.75	43.75
13	Design and Build	Community Design and Development Review	Official Plan Amendments and Zoning By-law /	15	6.25	7.5	10	3.75	42.5
18	Design and Build	Facilities And Buildings - Design and Construct	Facilities And Buildings - Design and Construct	22.5	6.25	5	5	3.75	42.5
47	Internal Support and Administration	Corporate Communications and Engagement	Strategic Communications	15	6.25	7.5	10	3.75	42.5
110	Public Safety	Fire Prevention & Public Education	Fire Safety Education and Prevention	22.5	6.25	5	5	3.75	42.5
44	Internal Support and Administration	Fleet Management	Vehicle and Equipment Operator Training	15	6.25	2.5	10	7.5	41.25
60	Internal Support and Administration	Facilities And Buildings - Operations	Facility Operations	15	6.25	2.5	10	7.5	41.25
109	Public Safety	Fire Communications	Fire 911 Communications Dispatch	15	12.5	5	5	3.75	41.25
1	Legislative Services	Council and Citizen Committee	Council and Committee	15	6.25	10	5	3.75	40
24	Internal Support and Administration	Asset Management	Asset Management Oversight	15	6.25	5	10	3.75	40
63	Leisure	Arts and Culture	Arts & Cultural Programs & Services	15	6.25	5	10	3.75	40
64	Leisure	Arts and Culture	Cultural Mapping and Community Liaison	15	6.25	5	10	3.75	40
72	Leisure	Recreation	Parks and Trails	15	6.25	5	10	3.75	40
84	Maintenance	Roadway and Sidewalk Maintenance	Road and Sidewalk Inspection	22.5	6.25	2.5	5	3.75	40
94	Maintenance	Tree Management	Tree Maintenance	22.5	6.25	2.5	5	3.75	40
96	Maintenance	Tree Management	Urban Forest Health and Pest Management	22.5	6.25	2.5	5	3.75	40
116	Public Safety	Halton Court Service	Halton Court Services Courtroom Support	15	6.25	5	10	3.75	40
124	Roads and Transportation	Roads and Structures - Design and Constructio	Construction Inspection	15	6.25	5	10	3.75	40
4	Legislative Services	Council and Citizen Committee	Records & Information Management	15	6.25	7.5	10	0.15	38.9
40	Internal Support and Administration	Financial Management	Collection and Payment Processing	7.5	12.5	5	10	3.75	38.75
41	Internal Support and Administration	Financial Management	Property Tax Billing	7.5	12.5	5	10	3.75	38.75
97	Maintenance	Tree Management	Public Tree Bylaw Administration and Enforcem	15	12.5	2.5	5	3.75	38.75
106	Public Safety	Emergency Management	Whole of Government emergency management	7.5	6.25	7.5	10	7.5	38.75
101	Public Safety	Animal Control	Animal By-law Enforcement & Education	15	12.5	5	5	0.15	37.65
74	Leisure	Recreation	Community Garden Program	15	6.25	2.5	10	3.75	37.5
77	Maintenance	Cemetery	Grounds Maintenance	15	6.25	2.5	10	3.75	37.5
90	Maintenance	Surface Water Drainage	Surface Water Drainage Maintenance & Storm	15	6.25	7.5	5	3.75	37.5
114	Public Safety	Halton Court Service	Halton Court Services Prosecution	15	6.25	2.5	10	3.75	37.5
118	Roads and Transportation	Parking Management	Parking Space Management	15	6.25	7.5	5	3.75	37.5
108	Public Safety	Emergency Management	Whole Community Emergency Management	7.5	6.25	5	10	7.5	36.25
99	Public Safety	Animal Control	Dog Licensing	7.5	12.5	5	10	0.15	35.15
100	Public Safety	Animal Control	Adoption and Care	7.5	12.5	5	10	0.15	35.15
29	Internal Support and Administration	Corporate Strategy & Risk Management	Corporate and Strategic Planning	7.5	6.25	7.5	10	3.75	35
49	Internal Support and Administration	Human Resources	Organizational Development	15	6.25	5	5	3.75	35
104	Public Safety	By-law Enforcement	By-Law Permits	15	6.25	5	5	3.75	35
112	Public Safety	Fire Emergency Response	Fire Fleet and Station Operations	15	6.25	5	5	3.75	35
121	Roads and Transportation	Roads and Structures - Design and Constructio	Survey	15	6.25	5	5	3.75	35
122	Roads and Transportation	Roads and Structures - Design and Constructio	Design	15	6.25	5	5	3.75	35
123	Roads and Transportation	Roads and Structures - Design and Constructio	Construction Administration	15	6.25	5	5	3.75	35
125	Roads and Transportation	Roads and Structures - Design and Constructio	Municipal Consent	15	6.25	5	5	3.75	35
134	Roads and Transportation	Transportation Planning	Active Transportation	7.5	6.25	7.5	10	3.75	35
12	Design and Build	Community Design and Development Review	Policy and Research	7.5	6.25	7.5	5	7.5	33.75
14	Design and Build	Community Design and Development Review	Site Plan/Minor Development/Zoning Certificate	7.5	12.5	5	5	3.75	33.75
15	Design and Build	Community Design and Development Review	Subdivision/Condo/Part Lot Control	7.5	12.5	5	5	3.75	33.75
16	Design and Build	Community Design and Development Review	Variances, Consent and Other City Tribunals	7.5	12.5	5	5	3.75	33.75
27	Internal Support and Administration	Corporate Legal	Real Estate Service (Property & Land)	7.5	12.5	5	5	3.75	33.75
107	Public Safety	Emergency Management	Continuity of Operations Planning	7.5	6.25	2.5	10	7.5	33.75
19	Design and Build	Parks and Open Space - Design and Developm	Parks and Open Space Planning	15	6.25	2.5	5	3.75	32.5
20	Design and Build	Parks and Open Space - Design and Developm	Parks and Open Space Design and Constructio	15	6.25	2.5	5	3.75	32.5
21	Design and Build	Parks and Open Space - Design and Developm	Parks and Open Space Asset Management	15	6.25	2.5	5	3.75	32.5
25	Internal Support and Administration	Asset Management	Long-Range Financial and Operational Plannin	15	6.25	2.5	5	3.75	32.5
43	Internal Support and Administration	Fleet Management	Vehicle Procurement	7.5	6.25	5	10	3.75	32.5
65	Leisure	Arts and Culture	Relationship Liaison with Arts & Culture Boards	7.5	6.25	5	10	3.75	32.5
80	Maintenance	Environment and Energy	Sustainability Initiatives	7.5	6.25	5	10	3.75	32.5
89	Maintenance	Surface Water Drainage	Surface Water Drainage Project Management	15	6.25	2.5	5	3.75	32.5
91	Maintenance	Surface Water Drainage	Resident Drainage Customer Service	15	6.25	2.5	5	3.75	32.5
92	Maintenance	Surface Water Drainage	Storm Water Management Design and Review	15	6.25	2.5	5	3.75	32.5
95	Maintenance	Tree Management	Tree Planting	15	6.25	2.5	5	3.75	32.5
26	Internal Support and Administration	Corporate Legal	Insurance/Risk Management	7.5	6.25	5	5	7.5	31.25
28	Internal Support and Administration	Corporate Legal	Legal Services	7.5	6.25	5	5	7.5	31.25
75	Maintenance	Cemetery	Customer Service and Sales	7.5	12.5	2.5	5	3.75	31.25
35	Internal Support and Administration	Corporate Strategy & Risk Management	Government Relations	7.5	6.25	7.5	5	3.75	30
113	Public Safety	Fire Emergency Response	Fire Administration	7.5	6.25	7.5	5	3.75	30

128	Roads and Transportation	Traffic Operations Management	Crossing Guard Program	15	6.25	2.5	0.2	3.75	27.7
23	Design and Build	Parks and Open Space - Design and Development	Planning Applications	7.5	6.25	5	5	3.75	27.5
30	Internal Support and Administration	Corporate Strategy & Risk Management	Corporate Risk & Accountability	7.5	6.25	5	5	3.75	27.5
34	Internal Support and Administration	Corporate Strategy & Risk Management	Corporate Project Management	7.5	6.25	5	5	3.75	27.5
45	Internal Support and Administration	Geographic Information and Mapping	Property/Land Information Service, Advocacy,	7.5	6.25	5	5	3.75	27.5
46	Internal Support and Administration	Geographic Information and Mapping	Spatial Data Management and Analysis	7.5	6.25	5	5	3.75	27.5
93	Maintenance	Surface Water Drainage	Site Alteration Permitting and Administration	7.5	6.25	5	5	3.75	27.5
132	Roads and Transportation	Transportation Planning	Developer Application Review	7.5	6.25	5	5	3.75	27.5
133	Roads and Transportation	Transportation Planning	Long Range Transportation Planning	7.5	6.25	5	5	3.75	27.5
17	Design and Build	Community Design and Development Review	Data Management	7.5	6.25	2.5	5	3.75	25
22	Design and Build	Parks and Open Space - Design and Development	Landscape Architecture	7.5	6.25	2.5	5	3.75	25
57	Internal Support and Administration	Sign Production	Sign Production	7.5	6.25	2.5	5	3.75	25
58	Internal Support and Administration	Sign Production	Sign Installation	7.5	6.25	2.5	5	3.75	25
59	Internal Support and Administration	Sign Production	Sign Design	7.5	6.25	2.5	5	3.75	25
62	Leisure	Arts and Culture	Public Art Collection Management	7.5	6.25	2.5	5	3.75	25
76	Maintenance	Cemetery	Interment Services	7.5	6.25	2.5	5	3.75	25
78	Maintenance	Environment and Energy	Community Energy Plan	7.5	6.25	2.5	5	3.75	25
79	Maintenance	Environment and Energy	Energy Management Plan (City Operations)	7.5	6.25	2.5	5	3.75	25
103	Public Safety	By-law Enforcement	By-law Licensing	7.5	6.25	2.5	5	3.75	25
105	Public Safety	By-law Enforcement	By-law Lottery Licensing and Liquor Licensing	7.5	6.25	2.5	5	3.75	25
3	Internal Support and Administration	Corporate Strategy & Risk Management	Corporate Culture Leadership	0.3	6.25	7.5	5	3.75	22.8
2	Legislative Services	Council and Citizen Committee	Citizen Advisory Committee	7.5	0.25	5	5	3.75	21.5
32	Internal Support and Administration	Corporate Strategy & Risk Management	Board Liaison	0.3	6.25	5	5	3.75	20.3
31	Internal Support and Administration	Corporate Strategy & Risk Management	Business Performance and Continuous Improvement	0.3	6.25	2.5	5	3.75	17.8
56	Internal Support and Administration	Internal Audit	Internal Audit	0.3	0.25	5	5	3.75	14.3

**CA-03-23 Appendix E: Jurisdictional Scan of Municipal Internal Audit Depts.**

<b>Listing of bench-marked Municipalities</b>	
City of Hamilton	
Region of Halton	
Peel Region	
City of Mississauga	
City of Vaughan	
City of Kitchener	
City of Barrie	
City of Ottawa	
York Region	
City of Brampton	
City of Guelph	
City of Sudbury AG	
City of Toronto AG	
City of Windsor	
City of London	
Municipality of Clarington	
Durham Region	
Niagara Region	
City of Vancouver	
City of Edmonton	
City of Calgary	
City of Halifax AG	
Montreal AG	
City of Saskatoon	
City of Winnipeg	
Halton District School Board	
<b>Total # of Municipalities scanned</b>	<b>26</b>

<b>Common Audit Themes-2023</b>	
Procurement	19
Cyber-security	14
Transit	12
Public Housing*	9
Fleet Management	8
HR Recruiting, Retention, Attraction	8
Fraud Risk/Investigations	8
Inventory	7
Driver Certification Program	7
Real Estate / Leases	7
Cash Handling	7
Construction	7
COVID-19 response	6
Diversity, Equity & Inclusion	6
Employee Health & Safety	6
Payroll	5
Roads	5
Grants	4
Environmental / Climate Change	4
Homelessness*	3
Accounts Payable	2
PCI Compliance	2
P-Card	2

\* Single/Upper-Tier municipalities only

# 2023 Audit Plan

Office of the City Auditor



# Overview of the City Auditor role

- Performs financial, operational, regulatory, compliance audits
- Core objective: incrementally improve City's processes
- Report to Audit Committee quarterly



# 2023 Annual Audit Plan – purpose

- To provide assurance to Audit Committee and Management that business processes and internal controls are operating effectively
- To focus audit resources and attention on high-risk areas
- To identify incremental improvements within City operations
- To provide value through meaningful recommendations to staff



# 2023 Annual Audit Plan – inputs

- Inherent Risk Assessment
- Jurisdictional Scan
- Review past audits & major corporate/strategic initiatives
- Consultation with Audit Committee members & Burlington Leadership Team



# 2023 Annual Audit Plan – Inherent Risk Assessment

## Risk Factors & Weightings:

- Complexity of Service Delivery (30%)
- Financial Materiality & Susceptibility to Error/Fraud (25%)
- Degree of Change (20%)
- HR/Staffing Factors (15%)
- Community Trust/Reputation (10%)

*Note: See Appendix-B*



# 2023 Annual Audit Plan – Inherent Risk Assessment

## Audit Universe:

- 134 distinct ‘audit units’ identified
  - Aligned to service areas used in CMO Performance Measures
  - Examples: Parking By-law Enforcement; Crossing Guard Program
- Each ‘audit unit’ individually assessed by risk factors & risk attributes
- Risk score identified for each ‘audit unit’ based on:
  - Risk ranking x Weighting

Note: see *Appendix-C*



# 2023 Annual Audit Plan – Jurisdictional Scan

- Internal Audit Plans from 26 other municipalities reviewed
- Common themes included:
  - Procurement – 19
  - Cyber-Security – 14
  - Transit – 12
  - Public Housing – 9\*
  - Fleet Management – 8
  - HR Recruiting, Retention, Attraction – 8
  - Fraud Risk/Investigations – 8
  - Real Estate / Leases – 7
  - Cash Handling – 7

*Note: see Appendix-E*



# 2023 Annual Audit Plan – Consultation

- Received feedback from Audit Committee regarding:
  - Audit coverage
  - Other potential priorities or risk areas
- Received feedback from Burlington Leadership Team regarding:
  - Audit project scheduling/timing
  - Detailed scoping for each potential project
  - Other potential priorities, risk areas or audit requests
- Received feedback from External Auditor; other staff



# 2023 Annual Audit Plan – proposed shortlist of projects

1. Environmental Strategies Review
2. ERP Project – Phase 2
3. Cyber-Security ('detect' controls)
4. Cash Handling/Revenues

Note: proposed Audit Plan for 2024 & 2025 included

***See CA-03-23 Appendix-A for greater detail***



# 2023 Annual Audit Plan – next steps

- Request Audit Committee approval on March 8, 2022
- Quarterly progress updates to Audit Committee



*Thank you*

