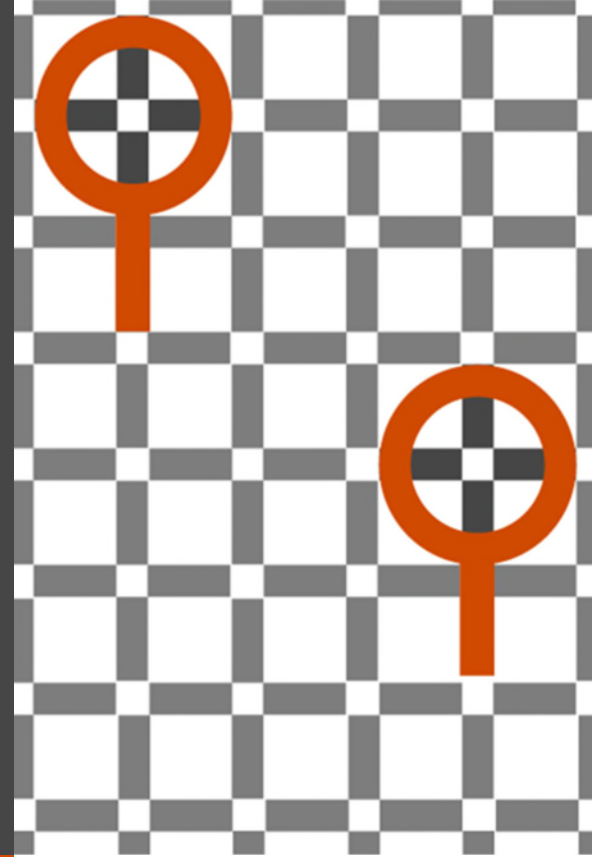


The Corporation of the City of Windsor

Management Action Plans Validation Report

For the period January 1, 2021 to December 31, 2021

Prepared as of March 17, 2022



Limitations and responsibilities

This Report was developed in accordance with our engagement letter addendum dated January 24, 2020 and is subject to the terms and conditions included therein. Our work was limited to the specific procedures and analysis described herein and was based only on the information made available at the time we prepared the report. Accordingly, changes in circumstances after the date of this Report could affect the findings outlined herein. We are providing no opinion, attestation or other form of assurance with respect to our work, and we did not verify or audit any information provided to us. This information has been prepared solely for the use and benefit of and pursuant to a client relationship exclusively with the Corporation of the City of Windsor. PwC disclaims any responsibility to others based on its use and accordingly this information may not be relied upon by anyone other than the Corporation of the City of Windsor.

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1. Executive summary

| Key measures: | All findings | Significant findings |
|-----------------------------------|--------------|----------------------|
| Average age of open findings: | 3.3 years | 4.1 years |
| Average age of past due findings: | 3.4 years | 4.1 years |
| Age of oldest past due finding: | 6.6 years | 6.6 years |
| Number of Past Due Findings: | 16 | 5 |

Current score
(as of Dec 31, 2021) 45%



Prior Year End ratings:
2020 - Not Controlled
2019 - Not Controlled
2018 - Well Controlled

In the above, ratings consideration is also given to the number of retargeted observations reduction for every 2% of action plan dates retargeted for the **second time or more in this period**. See Appendix E for ratings scale.

with a rating

| Rating | Opening balance (as of December 31,2020) | Additions in the year | Expected to be closed by Dec 31, 2021 | Validated as closed by IA | Formally Accepted risk (No validation) | Open at end of period (A+B D E) | Open on track | Open & delayed |
|----------------------------|--|--------------------------|--|------------------------------|--|------------------------------------|-------------------|-------------------|
| | (A) | (B) | (C) | (D) | (E) | (F) | (G) | (H) |
| <i>Details included in</i> | | | | <i>Appendix A</i> | <i>Appendix B</i> | | <i>Appendix C</i> | <i>Appendix D</i> |
| Significant | 6 | 0 | 5 | 1 | 0 | 5 | | 5 |
| High | 1 | 0 | 1 | 0 | 0 | 1 | | 1 |
| Moderate | 15 | 0 | 10 | 7 | 1 | 7 | | 7 |
| Low | 7 | 0 | 7 | 5 | 0 | 2 | | 2 |
| Not Rated* | 6 | 2 | 7 | 6 | 0 | 2 | 1 | 1 |
| Total | 35 | 2 | 30 | 19 | 1 | 17 | 1 | 16 |

Scope Period: January 1, 2021 through December 31, 2021

Approach: For validating management action plan, the activities undertaken by internal audit included:

- Requesting status updates and contact information from management;
- Testing/validating evidence of management's resolution/disposition of the original finding for items expected to be closed and/or indicated as closed by management;
- Preparing a report on the outcomes of the management action plan internal audit activity.

Conclusion: In total 20 (67%) management action plans were closed in the period, 1 was retargeted for the first time, and 11 were retargeted for the second time or more (22% penalty) resulting in an overall final conclusion of 45% - "Not Controlled".

- **Closed as planned and closed in advance:** In the period 20 items were closed versus an expected 30, a total closure rate of 67%:
 - o 18 management action plans were closed, out of the 30 due in the period
 - o 1 management action plan was closed ahead of schedule
 - o 1 management action plan was closed via formal risk acceptance
- **Additions:** 2 management action plans were added during the period
- **Retargeted Items:** 12 management action plans were retargeted in the period:
 - o 1 was retargeted for the first time
 - o 11 were retargeted for the second time or more (11*2% penalty = 22%)

Management is showing strong progress on most open action plans as this year the total open action plans is the second lowest it has been in 9 years; however, the proportion of "Open & Delayed" management action plans is also the highest it has been in those 9 years.

The past 2 years have been unique and challenging for society, business and government. In the face of this pandemic, management was able to progress and close 20 management action plans of the intended 30 action plans originally expected in the period. However, it is important to also note that the majority (16 out of 17 or 94%) of the prior internal control findings are past due (Open & Delayed). Of these 16 Open & Delayed findings, 11 relate directly to City departments (69%) and 5 open findings relate to Agencies, Boards and Commissions (31%).

While it is important to consider the fact that management made progress in resolving more than half of the issues that were previously open, it is also important that management and City Council understand that risk exposures remain until known gaps are mitigated. For the Open & Delayed findings 100% (16) are anticipated to be resolved in the next 12 months.

Given the state of the world, the pandemic situation, and local initiatives City Council and Management should ensure that the timely resolution of open actions is considered, prioritized and the risk understood amidst the City's other initiatives and operational requirements.

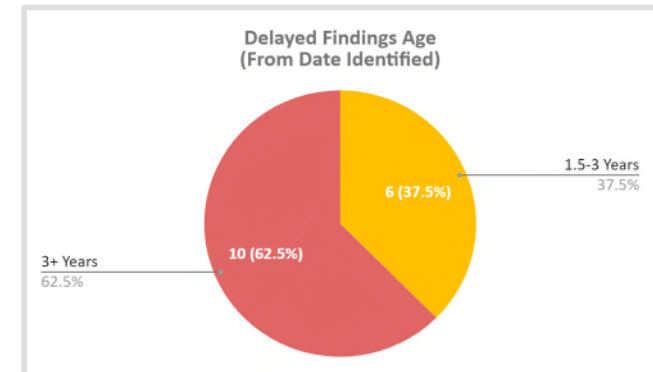
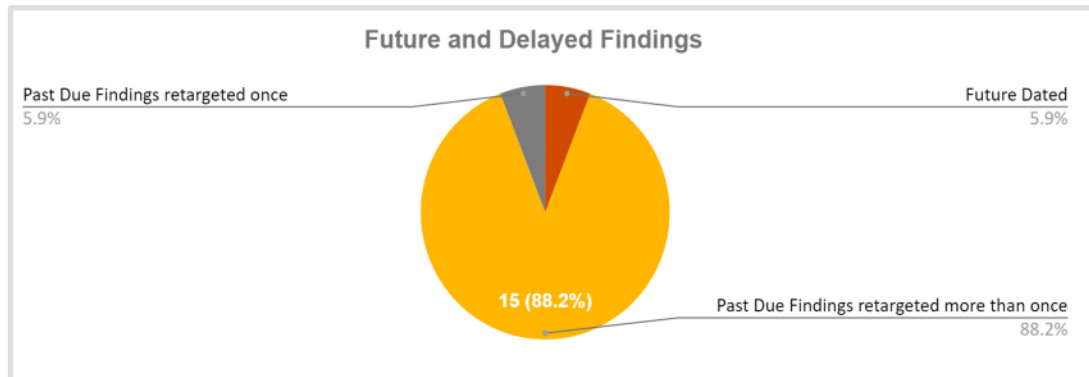
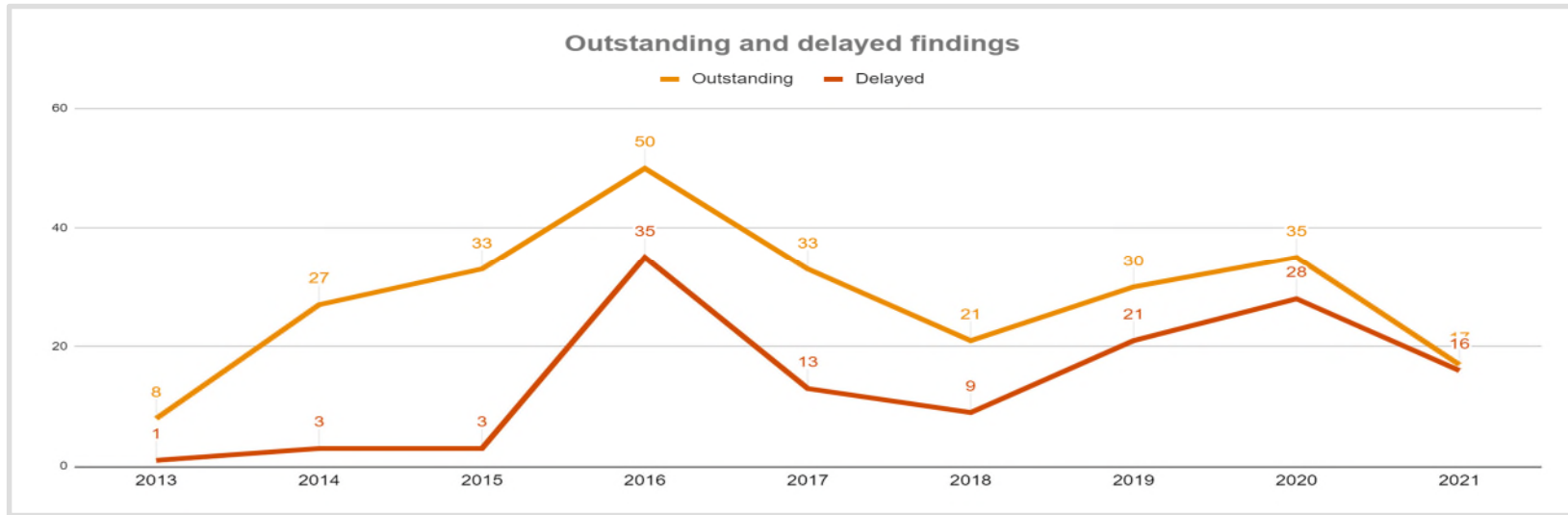
Management's report on open findings will provide additional detail and rationale whereby management believes that many of the open action plans have made significant progress and that there is a reasonable basis to complete the actions on time. We have not audited this management report, nor the underlying statements of action, but the information provides a plan and context.

It is important that management and City Council understand that these specific risks are implicitly being accepted, or tolerated, in the medium and long term. As such management should consider either:

1. Risk accepting the Open & Delayed Findings with City Council agreement or
2. Implementing a mechanism by which the CLT/Commissioners are able to ensure that the management action plans outlined in Appendix D are completed in the revised timeframes.

Note: Subsequent to the report closing date we noted findings 205, 207 and 209 related to YQG were addressed early in 2022. As such will be included in the closed count of next years report.

2. Open and delayed trends as at December 31, 2021



Overall the number of open management actions plans is the second lowest it has been in 9 years; however, the proportion of “Open & Delayed” management action plans is the highest it has been in those 9 years.

3. Action plan status by internal audit

| Internal Audit | Opening December 31, 2020 | Additions in the period | Expected closed | Closed by IA | Accepted risk | Open at December 31, 2021 | Open on track | Open & delayed |
|---|------------------------------|----------------------------|--------------------|-----------------|------------------|------------------------------|------------------|----------------|
| City-Based Audits | (A) | (B) | (C) | (D) | (E) | (F= A+B-D-E) | (G) | (H) |
| Hotline COI | 3 | 1 | 4 | 3 | 0 | 1 | 0 | 1 |
| Subtotal | 3 | 1 | 4 | 3 | 0 | 1 | 0 | 1 |
| Service Provider | 1 | 0 | 1 | 0 | 0 | 1 | 0 | 1 |
| Fire Rescue Compliance (FRC) | 1 | 0 | 1 | 1 | 0 | 0 | 0 | 0 |
| Managing Transition of Projects into Operations | 4 | 0 | 0 | 0 | 0 | 4 | 0 | 4 |
| Facilities Operations | 6 | 0 | 6 | 6 | 0 | 0 | 0 | 0 |
| Social Media Strategy Assessment | 2 | 0 | 2 | 1 | 0 | 1 | 0 | 1 |
| Cyber Incident Response Assessment | 3 | 0 | 2 | 0 | 0 | 3 | 0 | 3 |
| Planning and Development | 2 | 0 | 2 | 1 | 0 | 1 | 0 | 1 |
| Security Incident prevention and mitigation | 4 | 0 | 3 | 4 | 0 | 0 | 0 | 0 |
| Fraud Risk Mitigation review | 1 | 0 | 1 | 1 | 0 | 0 | 0 | 0 |
| Reopening of workplace | 1 | 0 | 1 | 1 | 0 | 0 | 0 | 0 |
| Liquidity Management Review | 0 | 1 | 0 | 0 | 0 | 1 | 1 | 0 |
| Subtotal | 28 | 2 | 23 | 18 | 0 | 12 | 1 | 11 |

| Internal Audit | Opening December 31, 2020 | Additions in the period | Expected closed | Closed by IA | Accepted Risk | Open at December 31, 2021 | Open on track | Open & delayed |
|-----------------------------|------------------------------|----------------------------|--------------------|-----------------|------------------|------------------------------|------------------|----------------|
| ABC-Based Audits | (A) | (B) | (C) | (D) | (E) | (F= A+B-D-E) | (G) | (H) |
| WDTC | 1 | 0 | 1 | 0 | 0 | 1 | 0 | 1 |
| Solid Waste | 1 | 0 | 1 | 0 | 0 | 1 | 0 | 1 |
| Roseland | 1 | 0 | 1 | 0 | 1 | 0 | 0 | 0 |
| Your Quick Gateway (YQG) | 4 | 0 | 4 | 1 | 0 | 3 | 0 | 3 |
| Subtotal | 7 | 0 | 7 | 1 | 1 | 5 | 0 | 5 |
| Total | 35 | 2 | 30 | 19 | 1 | 17 | 1 | 16 |

Appendix A: Findings closed in the period

The closure summaries/details for each closed finding are published in the management report presented to the Council.

| # | Audit report | Observation # and name | Management Action Plan Owner |
|----|--|---|---|
| 1 | Fire Rescue Compliance (FRC) | 200 - Enhance annual training planning and documentation for monitoring. | Fire Chief Chief Training Officer |
| 2 | Your Quick Gateway (YQG) - Managing Inventory, Repairs and Maintenance | 206 - Review and document current inventory/asset management systems and processes | Director of Operations |
| 3 | Facilities Operations - Final Internal Audit Report | 218 - Define service standards and metrics to evaluate performance | Senior Manager of Facilities Manager, Facility Operations Manager Assets and Projects |
| 4 | Facilities Operations - Final Internal Audit Report | 219 - Enhance Bi-weekly Management Discussions | Manager, Assets & Projects Manager, Facility Operations |
| 5 | Facilities Operations - Final Internal Audit Report | 220 - Define clear 'documentation' standard and develop standard forms/templates | Manager, Assets & Projects Manager, Facility Operations |
| 6 | Facilities Operations - Final Internal Audit Report | 221- Conduct division wide periodic Work Order Aging Analysis | Manager, Assets & Projects Manager, Facility Operations |
| 7 | Facilities Operations - Final Internal Audit Report | 222 - Design and implement Customer Satisfaction Survey | Senior Manager of Facilities |
| 8 | Facilities Operations - Final Internal Audit Report | 223 - Track Conditions Standard Ratings and building condition assessments periodically | Senior Manager of Facilities |
| 9 | Social Media Strategy Assessment - Final Internal Audit Report | 226 - Define and implement strategy evaluation and Performance reporting processes | Senior Manager Communications & Customer Service |
| 10 | Cow - Planning and Development | 243 - Develop Working Procedures for Planning and Development Application Processing | City Planner Manager of Urban Design Manager of Planning Policy |
| 11 | Security Incident prevention and mitigation | 251 -Establish protocols for joint ownership of security policies and monitoring controls | Senior Manager of Facilities |

| # | Audit report | Observation # and name | Finding owner |
|----|---|---|---|
| 12 | Security Incident prevention and mitigation | 252 - Define responsibilities to monitor contractual requirements | Manager, Parks & Facilities, Projects and Assets Manager, Health and Safety Senior Manager of Facilities Future Corporate Security Manager Manager, Parks & Facilities, Projects and Assets |
| 13 | Security Incident prevention and mitigation | 253 - Reported in the confidential package | Senior Manager of Facilities |
| 14 | Security Incident prevention and mitigation | 254 - Enhance protocols for managing and documenting dynamic security plans | Senior Manager of Facilities |
| 15 | Hotline Investigation Report - NTS-005 - FEB-2020 | 255- Evidence of ongoing flexible/alternative work arrangements | Manager Community Development Executive Director Human Resources |
| 16 | Hotline Investigation Report - NTS-005 - FEB-2020 | 256- Formalize central insight into all flexible/alternative agreements in effect | Executive Director Human Resources |
| 17 | Fraud Risk Mitigation Review | 260- Ensure alignment of unique record identifier for vendor change records and implement a detective/monitoring control over the process | Deputy Treasurer of Financial Accounting |
| 18 | Reopening of Workplace and Facilities | 261- Clearly document categorization of opening protocols between required/desired and risk accepted alternatives for future plans | Executive Director Human Resources |
| 19 | Hotline investigation report - Citizen property concern | 263- Maintain compliance with existing Municipal Tax Collection and Registration Process Procedures | Deputy Treasurer – Taxation, Treasury & Financial Projects |

Appendix B: Risk acceptance

In this appendix we provide a high level overview of two key risk perspectives:

1. **Formal risk acceptance** - The risks, and associated action plans which management had committed to, but where management has decided to accept the risk and not incur further efforts for resolution as outlined in the rationale section. To maintain independence the Auditor General and Internal Audit do not participate in management's determination to accept a risk or not. Our work consists of reporting the rationale management presents and observing evidence that a City Commissioner has approved the risk acceptance and rationale.
2. **Implied short term risk acceptance** - This section provides a summary listing of management action plans which have been or are expected to remain open for longer than 18 months from the date of the report issuance. In these instances given the time required for management to undertake the action the City is implicitly accepting the short term risk of the original finding until the point in time of its resolution.

B.1 Formal risk acceptance

This section indicates those findings for which management is accepting the risk of not having the control.

| # | Audit report | Observation # and name | Retargets | | Executive approval from | Rationale |
|---|------------------------------|---|------------------------------------|--------------------|------------------------------------|--|
| 1 | Roseland Golf & Curling Club | 165 - Document a reporting and services agreement between the City & RGCC | Original due date | June 30, 2018 | CFO/City Treasurer City of Windsor | <p>Background: There is no documented reporting agreement between RGCC and the City. Furthermore, RGCC receives services from the City for legal matters, including but not limited to development of agreements, financial services, including bank reconciliations, preparation of payment cheques, posting of journal entries, assistance in purchasing, and payroll processing. RGCC is charged a fee for the provided services; however, there is no documented agreement that governs the scope of services, service fee, and roles/responsibilities of both parties. There is a lease agreement between the City and RGCC.</p> <p>Rationale for Risk Acceptance: Management has planned for accepting the risk until updating of lease agreement with Roseland (based on Curling and/or Little River). The risk is that the City and Roseland may disagree on exactly what services should be included. As per management, there have not been issues with this in the past. Considering it a minor risk with minimal consequence. This risk is being accepted.</p> |
| | | | Retarget date | September 30, 2021 | | |
| | | | # of Retargets | 3 | | |
| | | | Days since Identification | 4 years 4 months | | |
| | | | Days past original due date | 3 year 6 months | | |

B.2 Implied short term risk acceptance

| # | Audit report | Observation # and name | Due Date | For Additional Details See Report Section |
|----|--|---|--------------------|--|
| 1 | WDTC | 51 – Strategic plan not documented | June 30, 2022 | D.1 Management action plans retargeted during the period |
| 2 | Solid Waste | 101 - Agreement Between the City of Windsor and EWSWA | December 31, 2022 | D.1 Management action plans retargeted during the period |
| 3 | Service Provider and Outsourced Services Governance and Management | 159- Monitoring of Supplier Issues and Risks | March 31, 2022 | D.1 Management action plans retargeted during the period |
| 4 | Your Quick Gateway (YQG) - Managing Inventory, Repairs and Maintenance | 205- Enhance purchasing policy and document inventory and asset management procedures | September 30, 2022 | D.1 Management action plans retargeted during the period |
| 5 | Your Quick Gateway (YQG) - Managing Inventory, Repairs and Maintenance | 207 - Enhance key vendor management controls | September 30, 2022 | D.1 Management action plans retargeted during the period |
| 6 | Your Quick Gateway (YQG) - Managing Inventory, Repairs and Maintenance | 209 - Enhance compensating controls to address potential segregation of duties | September 30, 2022 | D.1 Management action plans retargeted during the period |
| 7 | Social Media Strategy Assessment | 229- Document key content management procedures /checklists and review/update key account level roles/responsibilities. | September 30, 2022 | D.1 Management action plans retargeted during the period |
| 8 | Cyber Incident Response Assessment | 239 - Formalize Incident Management Plan and Procedures | May 31, 2022 | D.1 Management action plans retargeted during the period |
| 9 | Cyber Incident Response Assessment | 240 - Enhance Security Information and Event Management | May 31, 2022 | D.1 Management action plans retargeted during the period |
| 10 | Cyber Incident Response Assessment | 241 - Develop Incident Severity Matrix and Methodology for Incident Response Times using Critical Asset Classification | May 31, 2022 | D.1 Management action plans retargeted during the period |
| 11 | Planning and Development | 244 - Review and Prioritize Action Plan | September 30, 2022 | D.1 Management action plans retargeted during the period |

| # | Audit report | Observation # and name | Due Date | For Additional Details See Report Section |
|----|--|---|--------------------|--|
| 12 | Complaint Investigation Report - Lancaster Plane | 247 - Ensure contract compliance by retention of relevant documentation | September 30, 2022 | D.1 Management action plans retargeted during the period |
| 13 | Managing Transition of Projects into Operations | 211- Enhance project classification and expectation guidelines | December 31, 2022 | D.2 Previously retargeted management plans |
| 14 | Managing Transition of Projects into Operations | 212- Enhance considerations for project risk assessments | December 31, 2022 | D.2 Previously retargeted management plans |
| 15 | Managing Transition of Projects into Operations | 213- Formalize detailed Project Implementation Plan which includes Change Management/Transition Plans | December 31, 2022 | D.2 Previously retargeted management plans |
| 16 | Managing Transition of Projects into Operations | 214- Enhance approach to pre/post go-live feedback collection and aggregation | December 31, 2022 | D.2 Previously retargeted management plans |

Appendix C: Management Action Plans which are “Open - on track”

This section indicates those management action plans which were not due in the period and where management anticipates that actions will be completed as originally planned.

| # | Audit report | Observation # and name | Management Action Plan Owner | Due Date |
|---|-----------------------------|--|--|---------------|
| 1 | Liquidity Management Review | 262 - Formal early warning indicators and liquidity contingency plan | Deputy Treasurer Taxation, Treasury and Financial Projects | June 30, 2023 |

Appendix D: Open & Delayed Management Action Plans

In this appendix we provide a high level overview of:

1. **Management action plans retargeted during the period** - This section provides a listing of the management actions plan that were expected to be closed in the period; however, management, for various reasons, has provided a revised completion date. The basis for management's revision of the due date is provided in the "Rationale" column below for each individual finding. Internal Audit has requested that management provide a retargeted due date in order for us to follow up with them when we next perform findings follow up. In this table we provide an overview of the number of times management has provided revised due dates and provide a perspective on how long the item, and therefore associated risk, has been in place since we reported it to management and City Council.

In the period of this report, Management revised the due dates of **1 management action plan for the first time**. In addition, Management **revised the dates of an additional 11 previously "Open & Delayed" management action plans** - the number of retargets is shown for each action plan.

2. **Implied short term risk acceptance** - This section provides a summary listing of management action plans which have been or are expected to remain open for longer than 18 months from the date of the report issuance. In these instances given the time required for management to undertake the action the City is implicitly accepting the short term risk of the original finding until the point in time of its resolution.

In the period of this report, Management **4 management action plans had previously been retargeted** and were in the "Open & Delayed" status as expected.

D.1 Management action plans retargeted during the period

| # | Audit report | Observation # and name | Retargets | | Executive approval from | Rationale |
|---|--------------|------------------------------------|------------------------------------|-------------------|-------------------------|---|
| 1 | WDC | 51 – Strategic plan not documented | Original due date | December 31, 2016 | Chief Executive Officer | <p>Background: Action arose during the review of management's reporting of its operational and capital budgets to the Board of Directors. It was noted that there was no documentation of a broader Board directed and approved strategic plan. It was also noted that there is no process currently in place for a periodic review of strategic plans.</p> <p>Reason for delay: In 2021, WDBL Strategic Planning Process was underway. However, the same will not be completed before the end of Q2 2022</p> <p>Basis for viability of reforecasted date: The original viability still holds true but has been pushed due to Pandemic. The Board already had an initial Strategic Planning Session and Administration's initial focus has been on operationalizing WDBL's Business Plan. More time is required to document the plan and get board approval.</p> |
| | | | Retarget date | June 30, 2022 | | |
| | | | # of Retargets | 6 | | |
| | | | Days since Identification | 6 years 7 months | | |
| | | | Days past original due date | 5 years | | |

| # | Audit report | Observation # and name | Retargets | | Executive approval from | Rationale |
|---|--|---|------------------------------------|-------------------|--|--|
| 2 | Solid Waste | 101 - Agreement Between the City of Windsor and EWSWA | Original due date | June 30, 2016 | City of Windsor Chief Administrative Officer | <p>Background: On review of the agreement between the County of Essex and the City of Windsor, Internal Audit noted that there is no formal agreement between the two parties outlining responsibility, ownership and cost allocations, etc.</p> <p>Reason for delay: There have been some delays on the County agreement due to prioritization of efforts and issues being faced during the ongoing pandemic. Further discussion and strategy formulation is required on this finding which will be carried out in 2022.</p> <p>Basis for viability of reforecasted date:The original viability still holds true but has been pushed due to Pandemic</p> <p>Management has agreed to contact their joint venture partner, the County of Essex, to see if they are willing to undertake a review of the agreement. City of Windsor Administration has proceeded with review meetings with the County and most of the clauses appear to have been agreed to; however, there are some contentious clauses that need to be accepted and finalised. Though a number of meetings have taken place with the County and EWSWA and a revised document is close to being finalized for submission to the respective Councils, work on this matter has been postponed due to higher priorities during the COVID-19 crisis. It is expected that it can be finalized relatively quickly but the actual date will depend on the length of the emergency situation.</p> |
| | | | Retarget date | December 31, 2022 | | |
| | | | # of Retargets | 6 | | |
| | | | Days since identification | 6 years 1 month | | |
| | | | Days past original due date | 5 years 6 months | | |
| 3 | Service Provider and Outsourced Services Governance and Management | 159- Monitoring of Supplier Issues and Risks | Original due date | June 30, 2018 | Purchasing Department | <p>Background: This observation arose on review of the samples, highlighting that the required Vendor Management System (“VMS”) supplier assessment used to track supplier risks, issues and performance feedback was not available. Noted that in the majority of the contracts sampled, the departments had not formally documented the identification, tracking, and closing of the key supplier risks and issues.</p> <p>Management agreed to the importance of the Vendor Management System (“VMS”) and the ability of the City to evaluate the performance of the supplier. Management has developed a procedure around the use of the VMS in accordance with the Purchasing By-Law 93-2012.</p> <p>Reason for delay: Management was not able to meet with all of the stakeholders for the final draft review of the Vendor Relationship</p> |
| | | | Retarget date | March 31, 2022 | | |
| | | | # of retargets | 3 | | |
| | | | Days since identification | 4 years 7 months | | |
| | | | Days past original due date | 3 year 6 months | | |

| # | Audit report | Observation # and name | Retargets | | Executive approval from | Rationale |
|---|--|--|------------------------------------|--------------------|-------------------------|---|
| | | | | | | <p>Management Policy after further alterations were made to it. The COVID 19 Pandemic caused significant delays and administration was not able to meet with all of the stakeholders for the final draft review of the Vendor Relationship Management Policy.</p> <p>Basis for viability of reforecasted date:The original viability still holds true but has been pushed due further alterations being made to the policy. The council report is in draft form and the policy and procedures are complete.</p> |
| 4 | Your Quick Gateway (YQG) - Managing Inventory, Repairs and Maintenance | 205 - Enhance purchasing policy and document inventory and asset management procedures | Original due date | June 30, 2019 | Director of Operations | <p>Background: This finding arose as (i) key elements that were not present in YQG's purchasing policy, (ii) other process/procedure elements that appear to be known but not formalized and (iii) requirements/ constraints on the personal use of YQG small tools were not formally defined. Management has indicated that the practice of permitting employees to borrow company tools for personal reasons has been discontinued.</p> <p>Reason for delay: New purchasing policy and other procedures have been created to full-fill the control. However , the following points are yet to be addressed through policies;</p> <ul style="list-style-type: none"> Managing vendor relationships; Segregation of duties requirements or mitigating controls. <p>Note: Subsequent to the report closing date we noted this finding was addressed early in 2022. As such will be included in the closed count of next years report.</p> <p>Basis for viability of reforecasted date: Management requires additional time to address the above mentioned points. Based on current circumstances, the Q3 2022 retarget date is viable.</p> |
| | | | Retarget date | September 30, 2022 | | |
| | | | # of Retargets | 3 | | |
| | | | Days since identification | 3 years 8 months | | |
| | | | Days past original due date | 2 year 6 months | | |
| 5 | Your Quick Gateway (YQG) - Managing Inventory, Repairs and Maintenance | 207 - Enhance key vendor management controls | Original due date | December 31, 2018 | Director of Finance | <p>Background:Management has developed a new Purchasing Policy that includes segregation of duties and other vendor management controls (purchasing controls).</p> |
| | | | Retarget date | September 30, 2022 | | |
| | | | # of Retargets | 4 | | |

| # | Audit report | Observation # and name | Retargets | | Executive approval from | Rationale |
|---|--|--|-----------------------------|--------------------|--|---|
| | | | Days since identification | 3 years 8 months | | <p>Reason for delay: Policy on review of new vendor and procedures has been created. However, the following points are yet to be addressed through policies;</p> <ul style="list-style-type: none"> • vendor evaluations • Segregation of duties requirements or mitigating controls. <p>This has been retargeted to Q3 2022.</p> <p>Note: Subsequent to the report closing date we noted this finding was addressed early in 2022. As such will be included in the closed count of next years report.</p> <p>Basis for viability of reforecasted date: Management requires additional time to address the above mentioned points. Based on current circumstances, the Q3 2022 retarget date is viable.</p> |
| | | | Days past original due date | 3 years | | |
| 6 | Your Quick Gateway (YQG) - Managing Inventory, Repairs and Maintenance | 209 - Enhance compensating controls to address potential segregation of duties | Original due date | December 31, 2018 | Director of Finance | <p>Background: Management has developed a new Purchasing Policy that includes segregation of duties and other vendor management controls (purchasing controls).</p> <p>Reason for delay: New purchasing policy and other procedures have been created to full-fill the control. However, the following points are yet to be addressed through policies</p> <ul style="list-style-type: none"> • Segregation of duties requirements or mitigating controls. <p>This has been retargeted to Q3 2022.</p> <p>Note: Subsequent to the report closing date we noted this finding was addressed early in 2022. As such will be included in the closed count of next years report.</p> <p>Basis for viability of reforecasted date: Management requires additional time to address the above mentioned points. Based on current circumstances, the Q3 2022 retarget date is viable.</p> |
| | | | Retarget date | September 30, 2022 | | |
| | | | # of Retargets | 4 | | |
| | | | Days since identification | 3 years 8 months | | |
| | | | Days past original due date | 3 years | | |
| 7 | Social Media Strategy Assessment | 229- Document key content management procedures | Original Due Date | Dec 31, 2019 | Senior Manager Communications & Customer Service | <p>Background: Currently the role for preparer, reviewer and approver of content/posts is segregated, however, such protocol is not defined (in a procedural document) at account level or on the basis of severity of the post. Content management process flow/diagram is</p> |
| | | | Retarget Date | September 30, 2022 | | |

| # | Audit report | Observation # and name | Retargets | | Executive approval from | Rationale |
|---|------------------------------------|---|------------------------------------|-------------------|-------------------------|---|
| | | /checklists and review/update key account level roles/responsibilities. | # of Retargets | 2 | | <p>not documented for key social media activities, its dependencies on departments or required controls (IT and Business Process. Further, Incidents are not defined and no formal criteria/severity levels exist to guide the appropriate level of action (parameters such as: timing, content, sharing/release, etc.) for escalating incidents; and written approval is not a requirement for responding to inappropriate posts/comments. It is also not clear whether the terms of use/service level statements available to followers also apply to internal staff.</p> <p>Reason for Delay: IA noted that the addition of the Digital Media Coordinator position submitted to the City Council was not approved at the recent 2021 budget session, hence existing Communications staff will be assigned the respective duties. In order to do this, management needs additional time to reprioritize existing tasks assigned to staff.</p> <p>Basis for viability of reforecasted: The specific recommendations outlined by PwC as needing attention are achievable with the current staff complement if time permits. However, as the changes recommended are positive but not vital to the operation of the City of Windsor's social media channels, the target date for completion is best left in place as viable but with the understanding that reassessment along the way could become necessary.</p> |
| | | | Days since Identification | 2 year 11 months | | |
| | | | Days past Original Due Date | 2 year | | |
| 8 | Cyber Incident Response Assessment | 239 - Formalize Incident Management Plan and Procedures | Original due date | December 31, 2020 | CIO & ED IT | <p>Background: During review, Internal Audit noted that a formally documented and reviewed Incident Management plan is not in place. Additionally no formal playbooks are being used to guide actions taken during incidents.</p> <p>Reason for delay: This finding has been delayed due to the effects of the global pandemic and is expected to be completed by May 31, 2022.</p> <p>Basis for viability of reforecasted date: Based on current circumstances, the May 31 2022 retarget date is viable.</p> |
| | | | Retarget date | May 31, 2022 | | |
| | | | # of Retargets | 2 | | |
| | | | Days since identification | 2 year 3 months | | |
| | | | Days past original due date | 1 year | | |
| 9 | | 240 - Enhance Security | Original due date | December 31, 2020 | CIO & ED IT | Background: During review of Endpoint, network and server monitoring, Internal Audit noted that although logs are generated |

| # | Audit report | Observation # and name | Retargets | | Executive approval from | Rationale |
|----|------------------------------------|--|------------------------------------|--------------------|---|---|
| | Cyber Incident Response Assessment | Information and Event Management | Retarget date | May 31, 2022 | | <p>from these tools, the link of information between monitoring tools and event management tool is not fully developed. The SEIM solution and monitoring logs are not fully integrated.</p> <p>Reason for Delay: There has been a request for proposal for a managed security service to cater to this finding, hence once the security service has been approved and finalised, this finding can be closed.</p> <p>Basis for viability of reforecasted date: Based on current circumstances, the May 31 2022 retarget date is viable.</p> |
| | | | # of Retargets | 2 | | |
| | | | Days since identification | 2 year 3 months | | |
| | | | Days past original due date | 1 year | | |
| 10 | Cyber Incident Response Assessment | 241 - Develop Incident Severity Matrix and Methodology for Incident Response Times using Critical Asset Classification | Original due date | March 31, 2021 | CIO & ED IT | <p>Background: Currently there is an IT Service Management solution containing a listing of assets and there is a standardized approach for categorizing the criticality of assets. However, criticality of assets should in turn be used in building an incident severity matrix which would be considered when defining incident response times, escalation and key participants when responding to incidents of varying criticality.</p> <p>Reason for Delay: This finding has been delayed due to the effects of the global pandemic and is expected to be completed by May 31, 2022.</p> <p>Basis for viability of reforecasted date: Based on current circumstances, the May 31 2022 retarget date is viable.</p> |
| | | | Retarget date | May 31, 2022 | | |
| | | | # of Retargets | 1 | | |
| | | | Days since Identification | 2 year 3 months | | |
| | | | Days past Original due date | 9 months | | |
| 11 | Planning and Development | 244 - Review and Prioritize Action Plan Implementation of 2014 Business Process Review Findings | Original due date | December 31, 2020 | City Planner, Chief Building Official, Manager of Urban Design and Manager of Planning Policy | <p>Background: On review it was noted that a significant number of findings/improvements noted in the "2014 Property Development Approval Service Review" were expected to be addressed via the planned Evolve Project Implementation. Management has not formally assigned a prioritisation framework/criteria to the findings nor performed periodic reporting with respect to the action plan status of those findings.</p> <p>Reason for Delay: There have been a number of policy and legislative changes that were introduced by the Ontario Provincial government including Bill 108, Bill 138 and a new Provincial Policy Statement that came into effect on May 1, 2020. Since all these documents have a significant impact on the Planning procedures, additional time is required to complete this finding.</p> |
| | | | Retarget date | September 30, 2022 | | |
| | | | # of Retargets | 2 | | |
| | | | Days since identification | 2 year 1 months | | |
| | | | Days past original due date | 1 year | | |

| # | Audit report | Observation # and name | Retargets | | Executive approval from | Rationale |
|----|--|---|---|-------------------|--------------------------|--|
| | | | | | | <p>Prioritize Action Plan Implementation of 2014 Business Process Review Findings - The remaining 14 of 88 BPIs are being considered for implementation as part of the Evolve/Cloud Permit project completion.</p> <p>This is suggested to be retargeted to coincide with Cloud Permit's Planning Component completion scheduled for Q3 2022.</p> <p>Basis for viability of reforecasted date: Based on current circumstances, the Q3 2022 retarget date is viable</p> |
| 12 | Complaint Investigation Report - Lancaster Plane | 247 - Ensure contract compliance by retention of relevant documentation | Original due date December 31, 2020 Retarget date September 30, 2022 # of retargets 2 Days since identification 1 year 11 months Days past original due date 1 year | December 31, 2020 | Director of Finance, YQG | <p>Background: On review it was noted that the final extension of the lease term expired on Dec 31, 2019 and there was no evidence of the same being renewed.</p> <p>Reason for Delay: As per management detailed process is to be created for management of lease function. This is expected to be completed by Q3, 2022. Management informed that lease will be renegotiated to coincide with City's long term goals</p> <p>Basis for viability of reforecasted date: Based on current circumstances, the Q3, 2022 retarget date is viable.</p> |

D.2 Previously retargeted management plans

| # | Audit report | Observation # and name | Retargets | | Executive approval from | Rationale |
|---|---|--|------------------------------------|-----------------|--|--|
| 1 | Managing Transition of Projects into Operations | 211- Enhance project classification and expectation guidelines | Original due date | Sep 30, 2019 | Executive Initiatives Coordinator, Office of the CAO | <p>Background:In a review of the policies, procedures, templates and samples projects, it was noted (a) that project classification requires significant interpretation; and (b) that project management methodologies allow for alternatives but do not include minimum expectations.</p> <p>Reason for Delay: Lack of resources available to carry out the tasks.The Executive Initiatives Coordinator (EIC) in the CAO's Office has been seconded to the WFM project. This position has not been backfilled and therefore all projects, responsibilities, and duties have been put on hold until its return to the EIC position, the date of which is unknown at this time.</p> <p>Basis for viability of reforecasted: The resources for this project are not expected to be available until 2022. From that point they will be required to undertake the management action plan in time to meet the revised date. They have capacity set aside at that future time for this work.</p> |
| | | | Retarget date | Dec 31, 2022 | | |
| | | | # of Retargets | 2 | | |
| | | | Days since identification | 3 year 3 months | | |
| | | | Days past original due date | 2 year 3 months | | |
| 2 | Managing Transition of Projects into Operations | 212- Enhance considerations for project risk assessments | Original due date | Sep 30, 2019 | Executive Initiatives Coordinator, Office of the CAO | <p>Background:A common process and template for risk management is not shared across the projects. Specific project demands/needs for central functions such as Communications, IT and Human Resources are not consistently considered during project planning to understand/assess potential risks to resource capability and capacity. Management agreed to include the requirement for risk assessments to be monitored and updated in Schedule C of the PMMP.</p> <p>Reason for Delay: Lack of resources available to carry out the tasks.The Executive Initiatives Coordinator (EIC) in the CAO's Office has been seconded to the WFM project. This position has not been backfilled and therefore all projects, responsibilities, and duties have been put on hold until its return to the EIC position, the date of which is unknown at this time.</p> <p>Basis for viability of reforecasted: The resources for this project are not expected to be available until date. From that point they will be required to undertake the management action plan in time to meet the revised date They have capacity set aside at that future time for this work</p> |
| | | | Retarget date | Dec 31, 2022 | | |
| | | | # of Retargets | 2 | | |
| | | | Days since identification | 3 year 3 months | | |
| | | | Days past original due date | 2 year 3 months | | |

| # | Audit report | Observation # and name | Retargets | | Executive approval from | Rationale |
|---|---|---|------------------------------------|-----------------|--|---|
| 3 | Managing Transition of Projects into Operations | 213- Formalize detailed Project Implementation Plan which includes Change Management/Transition Plans | Original due date | Sep 30, 2019 | Executive Initiatives Coordinator, Office of the CAO | <p>Background: IA noted that a project implementation plan to support the Project Managers in project transition (transition plan and critical path) is not a formal deliverable required for projects to account for multiple factors, including (but not limited to):</p> <ul style="list-style-type: none"> knowledge transfer activities; stakeholder feedback processes; pre- and post- go live transition activities; and site readiness pre-go live and post-go live (performing a dry run). <p>Management agreed to develop a project implementation plan template, and added it as a required deliverable for major projects. They also agreed to conduct a cost benefit analysis on requiring some elements of the project implementation plan for medium projects.</p> <p>Reason for Delay: Lack of resources available to carry out the tasks. The Executive Initiatives Coordinator (EIC) in the CAO's Office has been seconded to the WFM project. This position has not been backfilled and therefore all projects, responsibilities, and duties have been put on hold until its return to the EIC position, the date of which is unknown at this time.</p> <p>Basis for viability of reforecasted: The resources for this project are not expected to be available until date. From that point they will be required to undertake the management action plan in time to meet the revised date. They have capacity set aside at that future time for this work.</p> |
| | | | Retarget date | Dec 31, 2022 | | |
| | | | # of Retargets | 2 | | |
| | | | Days since identification | 3 year 3 months | | |
| | | | Days past original due date | 2 year 3 months | | |

| # | Audit report | Observation # and name | Retargets | | Executive approval from | Rationale |
|---|---|---|------------------------------------|-----------------|--|---|
| 4 | Managing Transition of Projects into Operations | 214- Enhance approach to pre/post go-live feedback collection and aggregation | Original due date | Sep 30, 2019 | Executive Initiatives Coordinator, Office of the CAO | <p>Background:It was identified that the requirement of projects to solicit pre- and post- go-live feedback from internal/external stakeholders prior to official project 'closure' is not in place. In addition, the project closure timelines/expectations are not clearly defined.The Executive Initiatives Coordinator agreed to develop a document (or webpage section) that outlines common and various methods of soliciting pre and post go-live feedback including the guidelines for implementing, measuring and monitoring expectations and success.</p> <p>Further, would also develop a formal process for determining feedback solicitation required for a project, considering the cost-benefit proposition for different types of projects</p> <p>Reason for Delay: Lack of resources available to carry out the tasks.The Executive Initiatives Coordinator (EIC) in the CAO's Office has been seconded to the WFM project. This position has not been backfilled and therefore all projects, responsibilities, and duties have been put on hold until its return to the EIC position, the date of which is unknown at this time.</p> <p>Basis for viability of reforecasted: The resources for this project are not expected to be available until date. From that point they will be required to undertake the management action plan in time to meet the revised date. They have capacity set aside at that future time for this work.</p> |
| | | | Retarget date | Dec 31, 2022 | | |
| | | | # of Retargets | 2 | | |
| | | | Days since identification | 3 year 3 months | | |
| | | | Days past original due date | 2 year 3 months | | |

Appendix E: Basis of our classifications

Findings follow up rating scale

Overall and auditable entity ratings are based on (1) the completion of planned management action plans and (2) the volume of retargets for individual observations.

| Impact rating | Assessment rationale |
|---|--|
| Strong | 100% of the audit recommendations due to be implemented in the current period were completed. |
| Well controlled | 70% - 99% of the audit recommendations due to be implemented in the current period were complete. |
| Opportunity exists to improve implementation rates | 50% - 69% of the audit recommendations due to be implemented in the current period were completed. |
| Not controlled | Less than 50% of the audit recommendations due to be implemented in the current period were completed. |

Appendix F: Limitations and responsibilities

Limitations inherent to the internal auditor's work

Internal control

Internal control systems, no matter how well designed and operated, are affected by inherent limitations. These include the possibility of poor judgement in decision-making, human error, control processes being deliberately circumvented by employees and others, management overriding controls and the occurrence of unforeseeable circumstances.

Future periods

Our assessment of controls is for the period specified only. Historic evaluation of effectiveness is not relevant to future periods due to the risk that:

- the design of controls may become inadequate because of changes in operating environment, law, regulation or other; or
- the degree of compliance with policies and procedures may deteriorate.

Responsibilities of management and internal auditors

It is management's responsibility to develop and maintain sound systems of risk management, internal control, and governance and for the prevention and detection of irregularities and fraud. Internal audit work should not be seen as a substitute for management's responsibilities for the design and operation of these systems.

We endeavour to plan our work so that we have a reasonable expectation of detecting significant control weaknesses, and if detected, we shall carry out additional work directed towards identification of consequent fraud or other irregularities. However, internal audit procedures alone, even when carried out with due professional care, do not guarantee that fraud will be detected.

Accordingly, our examinations as internal auditors should not be relied upon solely to disclose fraud, defalcations or other irregularities which may exist.

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