The Corporation of the City of Windsor

Internal Audit Summary Report

May 1 to August 31, 2019

Prepared as of September 5, 2019

pwc

Contents

1. Executive Summary

1.1 2019-20 IA Plan Completion Overview

46%	% of Plan Complete	3	Deliverables Issued In Period	4	Findings Raised in Period	11	Advisory Findings Raised in Period	8	2020 Projects/ Deliverables Outstanding
5	Subject Matter Specialists Involved YTD	0	CCEP Calls Under Investigation	4	Findings Raised YTD	8.4	Average Satisfaction Score YTD out of 10 (3 responses YTD)	4	2020 Projects/ Deliverables Completed

1.2 2018-19 IA Plan Completion Overview

100%	% of Plan Complete	1	Deliverables Issued In Period	0	Findings Raised in Period	3	Advisory Findings Raised in Period	0	2019 Projects/ Deliverables Outstanding
5	Subject Matter Specialists Involved YTD	0	CCEP Calls Investigated	23	Findings Raised YTD	8.5	Average Satisfaction Score YTD out of 10 (7 responses YTD)	14	2019 Projects/ Deliverables Completed

1.3 Performance Dashboard 2019-20

Planned projects	Percent complete		Report issued
● Risk Assessment and Annual Plan Development	▬▬▬▬	100%	✓

● IA Attendance at City Meetings
   a) Periodic Status & Reporting
   b) Seven Year in Review (2013-2020)
	▬	33.33%
		0%
			✓ ○ ○

● Management Action Plan Validation (Annual)		0%	
● Inbound Call Investigation	▬	33.33%	n/a
● Planning and Development	▬▬▬▬	90%	○
● Electronic Records Management	▬	5%	○
● Security Programs & Safety Incident Management	▬	5%	○
● HR Recruiting Process and Retention Strategy	▬▬▬▬	100%	✓
● VFM Audit - Purchased Services - Road Clearing/Maintenance	▬	12%	○
● Cyber Response Strategy	▬▬▬▬	100%	✓
● Unallocated		0%	n/a

Internal audit activities - July 2019 - Aug 2019

- Issued internal audit report Life Cycle Costing and Asset Planning Methodology (as per the 2018-19 IA Plan).

- As per the 2019-20 IA Plan: Issued internal audit report for both the HR Recruiting Process and Retention Strategy as well as the Cyber Response Strategy.

- Issued IA Summary Report May 1 - August 31, 2019.

- Completed fieldwork and reporting for the 2019-20 Internal Audit Planning and Development.

- Completed planning for 2019-20 Internal Audits: Value For Money Audit - Purchased Services - Road Clearing/Maintenance.

- Commenced planning for two 2019-20 Internal Audits: Electronic Records Management, and Security Programs & Safety Incident Management.

(Additional details provided in 'Appendix A - Unallocated Effort" and "Appendix B - Concerned Citizen and Employee Hotline Status")

Audit quality survey score				
	Q1	Q2	Q3	Avg Score
Targets	7	7	7	7
Actuals	8.4	-	-	8.4

Delivery target times (Days elapsed)					
	Notification	Start	Draft report	Mgt comments	Final
Targets	20	+/- 2	5	15	5
Actuals	17	-3	1	4	5

2. Summary Report

2.1 During the period (May - August 2019)
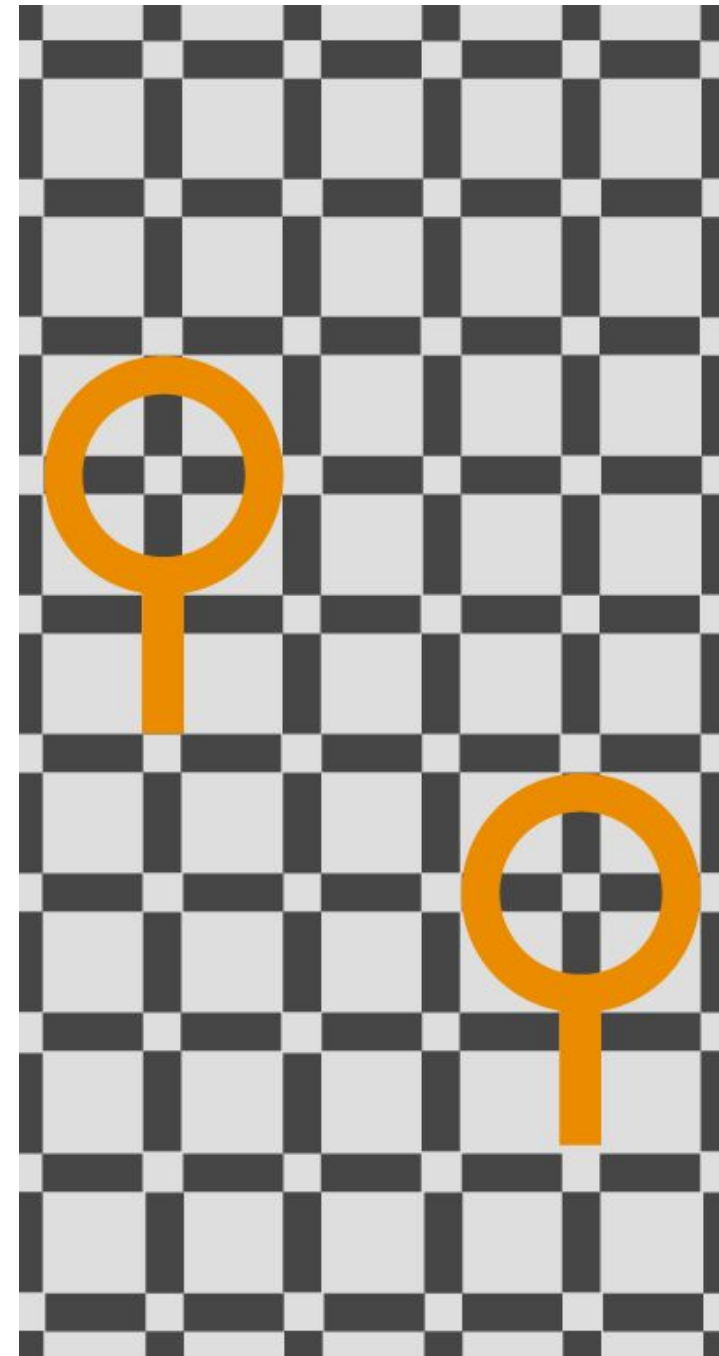
We completed:

- The last remaining internal audit for the 2018-19 IA plan: Life Cycle Costing and Asset Planning Methodology.

- Two 2019-20 internal audits namely: HR Recruiting Process and Retention Strategy and Cyber Response Strategy.

- Fieldwork and reporting for 2019-20 Internal Audit project - Planning and Development.

- Planning for the 2019-20 Internal Audit VFM Audit - Purchased Services - Road Clearing/Maintenance.

We administered:

- The Concerned Citizen/Employee Hotline (call/email) where we received two hang up call (none last quarter), routed another 9 messages to management for consideration (12 last quarter).

- The overall internal audit function.

We commenced:

- Planning for two 2019-20 Internal Audits namely: Electronic Records Management, and Security Programs & Safety Incident Management.

- Fieldwork for the 2019-20 Internal Audit of VFM Audit - Purchased Services - Road Clearing/Maintenance.

2.2 In the coming Period (September - December 2019)

We expect to continue:

- Administering the Concerned Citizen/Employee Hotline.

We expect to complete:

- Reporting for three 2019/20 internal audit projects, namely: Planning and Development, Security Programs & Safety Incident Management, and Electronic Records Management respectively.

- Fieldwork for one internal audit projects for 2019-20 namely Value For Money Audit - Purchased Services - Road Clearing/Maintenance.

We expect to commence:

- Planning for preparing Seven Years Summary.

- Planning for Management Action Plan Validation exercise.

2.3 Concerned Citizen and Employee Hotline Summary (July 2019 to August 2019)

	Voicemail box checked daily	# of notifications received	# of hang ups	# of handoffs to management	# of items under analysis	# of items under investigation	# of items investigated
In the period	Yes	11	2	9	0	0	0

(Additional details provided in 'Appendix B - Concerned Citizen and Employee Hotline Status')

2.4 Internal Audit Summary

2.4.1 Life Cycle Costing & Asset Planning Methodology

Background and objectives	Report classification				
For the scope period January 1, 2018 to September 30, 2018, Internal Audit evaluated the processes and controls management had designed and placed into operations to attain the following objectives: ● Actions to plan and monitor improvements to prior (2013) AMP/approach have been identified/selected with consideration for priorities, capacity and state of readiness and AM procedures and guidelines support standardized reporting processes. ● Updates to AM procedures and associated adoption criteria have been made in consideration for lessons learned from prior iterations of the AMP.		**Limited Scope for Improvement**	**No Major Concerns**	**Cause for Concern**	**Considerable Cause for Concern**
	Control Design Assessment	✔			
	Control Operating Effectiveness Assessment	✔			

Summary of Findings: No findings were identified during the review, however we noted three advisory comments surrounding:

1) Enhancement and implementation of standardized project status report;
2) Obtaining feedback and developing key performance indicators; and
3) Implementing a budgeting and resourcing Model.

2.4.2 Cyber Response Strategy

The scope of this internal audit was considered management's process for Cyber Response, as it relates to when an incident has been detected and identified up to when it has been resolved. See below for a visual depiction of the process:

Incident Response Strategy

This included an assessment of controls in effect for the period related to the last 12 months. Where required, we assessed control activities on the basis of the most recent IR process.

The Cyber Response Strategy review was composed of meetings with key CoW representatives who are responsible for Cyber incident response management. The assessment also focused on reviewing key information and documents. Internal Audit leveraged Subject Matter Specialists related to Cyber Risk and Incident Management as well as the approach to the left.
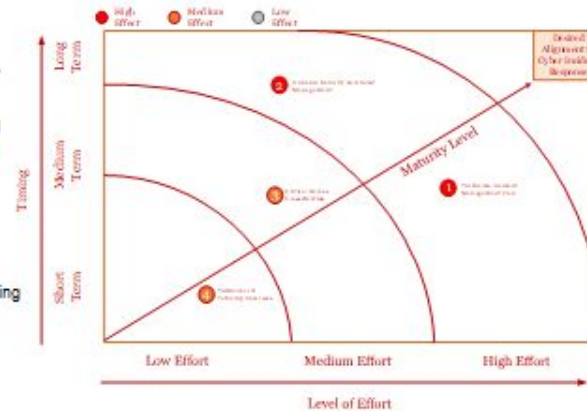
As part of the Cyber Response Strategy, Internal Audit noted areas of strength where the CoW responds to cyber incidents:
- There are **adequate incident detection and monitoring mechanisms** in place. There are tools extensively used to monitor and send alerts for anomalous activities.
- The Security team is in constant communication with each other to determine incident management procedure for each incident. There is **extensive collaboration during incident resolution**.
- Management has subscriptions with Info Tech, Ultimate Window Security, and Gartner to receive updates on technology and cyber related information to ensure they are aware of the most relevant **threats and updates**.
- A **Cybersecurity Tabletop exercise** was initiated in 2018, which management intends to conduct annually. A toolkit for the exercise is included as part of the Gartner membership. The toolkit was then tailored by CoW to fit City system specs.
- Management is in the process of purchasing **Cyber Insurance**. The budget has been approved by the Council and final terms are being agreed upon with the insurance provider.

The CIO and security team make a strong effort to ensure **collaboration** during the resolution of incidents; however, there is high dependency on people. The Cyber Response Assessment unveiled a need for a more **coordinated and formalized approach** to incident response.

Our recommendations include:

1. Formalizing the incident management plans, processes, roles & responsibilities.

2. Integrating monitoring tools and alerts with SIEM to give a more complete event management process for security at CoW.

3. Developing incident severity matrix and methodology for Incident Response times, escalation and stakeholders using critical asset classification.

4. Formalizing Incident Response tabletop exercises.

Management Comments:

With cyber incidents on the rise and high profile cases of ransomware in the media, we are already working towards a more complete cyber response program. As the audit findings show we have made significant strides in that direction. Overall we are in agreement with the findings in the report, which shows we have started building a strong foundation. Activities like the collecting of log and activity data to a centralized SIEM, the development of a criticality rating on information assets, and running of tabletop exercises shows we are doing the right things. The recommendations in the report support the initiatives that are already on our to-do list. For the identified findings we have laid out an action plan that takes into account our resource and budget allocations along with all our other corporate priorities. We feel that the timelines and deliverables are reasonable and meet the recommendations stated within the audit.
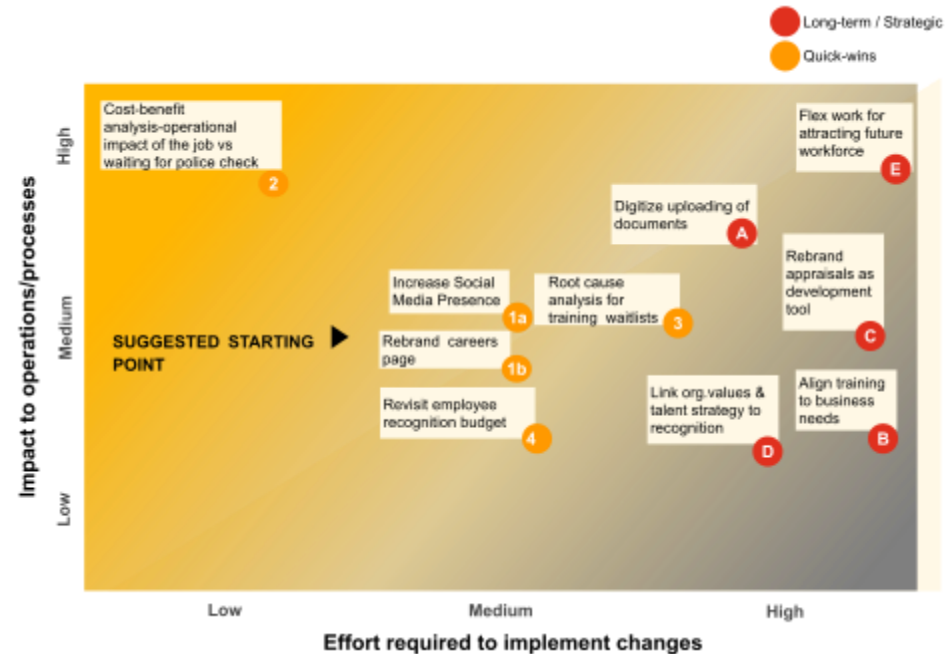
2.4.3 HR Recruiting Process & Retention Strategy Internal Audit Report

Overall Summary

Overall we did not find any major reasons for concern however in comparison with other leading municipalities we noted opportunities for improvement in a few areas. The City has started to modernize its recruitment and retention strategy and has several forward looking initiatives already underway. In reviewing our overall findings we focused on the sub-processes and on factors impacting the overall employee experience as that is a key success criteria to attract and retain talent. Here are the main areas of improvement:

Several recommendations are associated with the building of a brand as one that is considered an employer of choice, a positive recruiting and onboarding experience for recruits and continuing the focus on training needs. This assessment is not intended to be definitive and items may shift on the grid based on different perspectives. The intent here was to provide a simple and pragmatic way to identify achievable items that City of Windsor may start to action immediately and quickly add value (e.g. within next 9-12 months) rather than an exhaustive exercise to accurately determine value or effort. To help prioritize recommended action items, the visual (to the right) was created based on relative impact/value and complexity/ effort of each action.

Management Comments:

We appreciate the review of the Corporation's HR Recruiting Processes & Retention Strategies.

As noted, increasing employer branding, including a social media presence and investing in an interactive "career page" on our website will assist in attracting applicants. While the limitation of available funding must be balanced with the need to recruit and retain talent, we will continue to explore options that increase employee recognition, provide for the use of additional technology (less manual processes) and work with our Police Department to expedite police clearances. We would submit the recommendations for additional Flex Time, Buddy system and Employee Recognition are proactive suggestions for possible future challenges. A Buddy System for new employees is currently suggested and normally acted upon with the departments when a new employee begins their employment. The Buddy System varies in length depending on the position one is hired for. Our Performance Appraisal process is such that a Performance and Development Plan must be completed by the Manager with their employee at a minimum once per year, this information is annually reported to City Council. The Performance and Development Plan devotes a section on an employee's development plan, specifically asking the employee's career goals, what interests the employee, courses taken, desired/suggested courses, etc. The technology required to enter and track these Plans online is currently a long term strategy.

Appendix A - Unallocated Effort

Unallocated Effort			
Activity	**Requested by**	**2019 20 effort hours**	**Result**
None		0	
Total			

Appendix B - Concerned Citizen and Employee Hotline Status

Inbound notices							
	Voicemail box checked daily	# of notifications received	# of hang ups	# of handoffs to management	# of items under analysis	# of items under investigation	# of items investigated
In the period	Yes	11	2	9	0	0	0
YTD	Yes	11	2	9	0	0	0

Item under analysis/investigation		
Description of item	Activities to date	Results
None		