



2025 Quality Assurance Review Auditor General Self-Assessment

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Executive Summary

The Auditor General has completed a periodic self-assessment of the internal audit function in accordance with The Institute of Internal Auditors' Global Internal Audit Standards and Quality Assessment Manual.

The purpose of this assessment was to evaluate the internal audit function's conformance with professional standards, assess its effectiveness in supporting governance, risk management, and control processes, and identify opportunities for continuous improvement.

The self-assessment was conducted objectively using structured evaluation templates prescribed by the Institute of Internal Auditors. The assessment conclusions were based on documented evidence, governance records, engagement files, and internal audit methodologies.

Based on the assessment results, the internal audit function generally conforms with the Global Internal Audit Standards. This rating indicates that the internal audit function operates in conformance with the Standards in all material respects.

The assessment confirmed that the internal audit function operates independently under the authority of City Council, applies risk-based planning methodologies, communicates audit results effectively, and maintains appropriate governance and quality oversight practices.

Opportunities for continued improvement were identified primarily in the areas of formalizing certain strategic documentation, performance measurement frameworks, and internal quality assurance documentation. These opportunities reflect documentation and maturity enhancements and do not impair the effectiveness, independence, or authority of the internal audit function.

Overall, the internal audit function operates at an Integrated to Managed level of maturity, reflecting established governance, professional audit methodologies, and effective support of City Council's oversight responsibilities.

Purpose of the Assessment

The Global Internal Audit Standards require internal audit functions to maintain a Quality Assurance and Improvement Program, including periodic internal assessments and external quality assessments at least once every five years.

The objectives of this periodic self-assessment were to:

- Assess conformance with the Global Internal Audit Standards
- Evaluate the effectiveness and independence of the internal audit function
- Identify successful internal audit practices
- Identify opportunities to enhance effectiveness and efficiency
- Assess the maturity of internal audit processes

Scope of the Assessment

The assessment covered the internal audit function operating under the authority of the Auditor General of The Corporation of the City of Windsor.

The assessment included review and evaluation of:

- Auditor General Charter and legislative authority
- Internal audit independence and reporting relationships
- Risk assessment and audit planning processes
- Internal audit methodologies and engagement practices
- Governance and Council reporting practices
- Resource management practices
- Quality assurance and supervision processes
- Technology, confidentiality, and information protection practices

The assessment included internal audit activities conducted since the previous quality assessment period and evaluated current internal audit policies, procedures, and practices.

Assessment Methodology

The assessment was conducted in accordance with The Institute of Internal Auditors' Quality Assessment Manual and Global Internal Audit Standards.

The methodology included:

- Structured self-assessment using prescribed quality assessment templates
- Review of internal audit Charter, policies, methodologies, and procedures
- Review of audit plans, engagement documentation, and governance reporting
- Evaluation of internal audit practices against Standards requirements
- Evaluation of internal audit independence, authority, planning, execution, reporting, and quality assurance processes

The assessment provides a reasonable basis for forming conclusions regarding conformance and maturity.

The quality assessment involved a comprehensive evaluation of the internal audit function against the Global Internal Audit Standards.

The assessment included evaluation of **394 individual conformance criteria** across Principles 9 through 12, covering internal audit governance, strategic planning, methodologies, resource management, communication practices, and quality assurance processes.

The assessment included detailed review of internal audit documentation, governance records, engagement files, and supporting policies.

In total, more than **40 categories of supporting artifacts and documentation** were reviewed, including:

- Auditor General Charter and governance framework
- Internal audit plans and risk assessments
- Council reports and governance communications
- Engagement working papers and reporting files
- Internal audit methodologies and policies
- Confidentiality, cybersecurity, and data protection policies
- Quality assurance documentation and supervision records
- Service provider agreements and audit engagement contracts

The assessment was conducted using structured evaluation templates prescribed by The Institute of Internal Auditors' Quality Assessment Manual, ensuring a systematic and evidence-based assessment of conformance and maturity.

Stakeholder perception surveys will be considered as part of future quality assessment cycles.

Overall Conformance

Based on the results of the periodic self-assessment, the internal audit function:

Generally Conforms with the Global Internal Audit Standards

This rating is defined by The Institute of Internal Auditors as meaning the internal audit function conforms with the Standards in all material respects and operates effectively in supporting governance, risk management, and control processes.

No material instances of nonconformance affecting the independence, authority, or effectiveness of the internal audit function were identified.

This assessment was conducted as an internal self-assessment in accordance with the Institute of Internal Auditors' Quality Assessment Manual and Global Internal Audit Standards. While conducted objectively and using prescribed methodologies, the assessment does not constitute an independent external quality assessment, which will be performed within the required five-year cycle.

	Achievement / Conformance Conclusion
Overall Quality Conclusion	Generally Achieves
Overall Maturity Conclusion	Managed
Purpose of Internal Auditing	Generally Achieves
Principle 1 Demonstrate Integrity	Fully Achieves
Principle 2 Maintain Objectivity	Fully Achieves
Principle 3 Demonstrate Competency	Fully Achieves
Principle 4 Exercise Due Professional Care	Fully Achieves
Principle 5 Maintain Confidentiality	Fully Achieves
Principle 6 Authorized by the Board	Fully Achieves
Principle 7 Positioned Independently	Fully Achieves
Principle 8 Overseen by the Board	Fully Achieves
Principle 9 Plan Strategically	Fully Achieves
Principle 10 Manage Resources	Generally Achieves
Principle 11 Communicate Effectively	Fully Achieves
Principle 12 Enhance Quality	Generally Achieves
Principle 13 Plan Engagements Effectively	Not Applicable
Principle 14 Conduct Engagement Work	Not Applicable
Principle 15 Communicate Engagement Results and Monitor Action Plans	Not Applicable

Independence and Organizational Position

The Auditor General operates independently under the authority of City Council and in accordance with the Auditor General By-law and Charter approved by Council.

The Auditor General reports functionally and administratively directly to City Council. This reporting structure supports organizational independence and ensures the internal audit function is free from management interference in determining audit scope, performing work, and communicating results.

This structure conforms with Global Internal Audit Standards requirements for internal audit independence.

Maturity Assessment

Based on the assessment, the internal audit function operates at an:

Integrated to Managed Maturity Level

This maturity level reflects:

- Established governance and reporting structure
- Risk-based audit planning aligned with organizational priorities
- Professional audit methodologies and engagement practices
- Effective governance reporting and stakeholder communication
- Appropriate quality assurance and supervision practices

Continued enhancements to documentation formalization and performance measurement will further support ongoing maturity progression.

Resource Sufficiency and Standards Limiting Framework

As reflected in Appendix A, certain Standards related to resource sufficiency and quality assurance maturity are assessed as Partially Conforms or Generally Conforms. These ratings reflect resource capacity and documentation maturity considerations rather than deficiencies in independence, authority, or professional conduct. The Council-approved Standards Limiting Framework provides an appropriate governance mechanism to transparently manage these constraints while maintaining conformance with the Standards in all material respects.

The assessment identified resource sufficiency constraints affecting the internal audit function's ability to fully implement all elements of the Global Internal Audit Standards concurrently. These constraints have been formally communicated to City Council through governance reporting, including the Auditor General Work Plan and related submissions.

In recognition of these constraints, City Council has approved a Standards Limiting Framework, which provides a transparent governance mechanism to prioritize internal audit activities and align internal audit work with the approved resource envelope. The existence and formal approval of this framework reflects appropriate governance oversight and ensures that any limitations on internal audit activity are transparent, appropriately governed, and consistent with professional standards.

Resource sufficiency considerations do not impair the independence, authority, or effectiveness of the Auditor General. The internal audit function continues to operate in conformance with the Standards in all material respects, with the Standards Limiting Framework providing appropriate governance transparency regarding prioritization decisions. Expanded resources would support concurrent implementation of all Standards elements and further enhance internal audit capacity and maturity.

The Auditor General remains committed to achieving full conformance with the Global Internal Audit Standards and will continue to communicate resource sufficiency considerations to City Council through the established governance and work planning process. The current contract term extends to December 31, 2026, with provisions for potential extension subject to Council approval. Long-term structural resource and organizational design considerations appropriately fall within the governance responsibilities of City Council, informed by the Auditor General's independent reporting and recommendations.

Administration also has a complementary role in supporting City Council's governance oversight by providing organizational perspective regarding resource sufficiency, operational considerations, and structural implications. This role supports informed Council decision-making regarding the long-term resourcing and organizational structure of the Auditor General function and complements the Auditor General's independent responsibility to communicate operational impacts and professional requirements. This advisory role does not affect the independence or authority of the Auditor General, who retains sole responsibility for internal audit judgments, conclusions, and reporting.

The Standards Limiting Framework does not affect the internal audit function's ability to conform with the Global Internal Audit Standards in all material respects, and the Generally Conforms rating appropriately reflects the internal audit function's overall professional conformance.

Successful Internal Audit Practices Identified

The assessment identified several successful internal audit practices, including:

- Direct reporting relationship to City Council supporting independence
- Council-approved Auditor General Charter aligned with professional standards
- Risk-based audit planning supported by formal risk assessment
- Effective communication of audit results and governance risks to Council
- Strong engagement supervision and professional audit methodologies
- Secure information protection practices supported by cybersecurity and confidentiality policies
- Transparent communication of resource requirements through Council reporting

These practices support effective governance oversight and contribute positively to organizational accountability.

Opportunities for Enhancement

The assessment identified opportunities to further enhance internal audit effectiveness and maturity, including:

- Further formalization of a multi-year internal audit strategy document
- Continued development of internal audit performance measurement frameworks
- Continued refinement and formalization of internal quality assurance documentation
- Continued periodic assessment and documentation of technological resource needs

These opportunities represent continuous improvement enhancements and do not reflect deficiencies affecting internal audit effectiveness.

Conclusion

The internal audit function of The Corporation of the City of Windsor operates in conformance with professional standards and effectively supports City Council's governance oversight responsibilities.

The internal audit function demonstrates strong independence, effective governance alignment, and appropriate professional practices.

The internal audit function generally conforms with the Global Internal Audit Standards and operates at an Integrated to Managed level of maturity.

This self-assessment confirms that the internal audit function continues to operate in conformance with professional standards and provides effective independent assurance to City Council.

Next Steps

The Global Internal Audit Standards require an independent external quality assessment at least once every five years. The City of Windsor remains in compliance with this requirement. An external quality assessment will be scheduled and completed within the required five-year cycle in accordance with the Global Internal Audit Standards, subject to Council approval and resource availability under the Standards Limiting Framework.

Upon future Council approval, the Auditor General will ensure an external quality assessment is conducted within the required timeframe and will continue to maintain and enhance the internal audit function's quality assurance and improvement program.

Appendix A – Governance Analysis of Contradictory Options

Element of the Standards	Achievement / Conformance Conclusion
Domain I – Purpose of Internal Auditing	Generally Achieves
Principle 1 Demonstrate Integrity	Fully Achieves
Standard 1.1 Honesty and Professional Courage	Fully Conforms
Standard 1.2 Organization’s Ethical Expectations	Fully Conforms
Standard 1.3 Legal and Ethical Behavior	Fully Conforms
Principle 2 Maintain Objectivity	Fully Achieves
Standard 2.1 Individual Objectivity	Fully Conforms
Standard 2.2 Safeguarding Objectivity	Fully Conforms
Standard 2.3 Disclosing Impairments to Objectivity	Fully Conforms
Principle 3 Demonstrate Competency	Fully Achieves
Standard 3.1 Competency	Fully Conforms
Standard 3.2 Continuing Professional Development	Fully Conforms
Principle 4 Exercise Due Professional Care	Fully Achieves
Standard 4.1 Conformance with the Global Internal Audit Standards	Fully Conforms
Standard 4.2 Due Professional Care	Fully Conforms
Standard 4.3 Professional Skepticism	Fully Conforms
Principle 5 Maintain Confidentiality	Fully Achieves
Standard 5.1 Use of Information	Fully Conforms
Standard 5.2 Protection of Information	Fully Conforms
Principle 6 Authorized by the Board	Fully Achieves
Standard 6.1 Internal Audit Mandate	Fully Conforms
Standard 6.2 Internal Audit Charter	Fully Conforms
Standard 6.3 Board and Senior Management Support	Fully Conforms
Principle 7 Positioned Independently	Fully Achieves

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Element of the Standards	Achievement / Conformance Conclusion
Standard 7.1 Organizational Independence	Fully Conforms
Standard 7.2 Chief Audit Executive Qualifications	Fully Conforms
Principle 8 Overseen by the Board	Fully Achieves
Standard 8.1 Board Interaction	Fully Conforms
Standard 8.2 Resources	Partially Conforms
Standard 8.3 Quality	Generally Conforms
Standard 8.4 External Quality Assessment	Generally Conforms
Principle 9 Plan Strategically	Fully Achieves
Standard 9.1 Understanding Governance, Risk Management, and Control Processes	Fully Conforms
Standard 9.2 Internal Audit Strategy	Fully Conforms
Standard 9.3 Methodologies	Fully Conforms
Standard 9.4 Internal Audit Plan	Fully Conforms
Standard 9.5 Coordination and Reliance	Fully Conforms
Principle 10 Manage Resources	Generally Achieves
Standard 10.1 Financial Resource Management	Fully Conforms
Standard 10.2 Human Resources Management	Generally Conforms
Standard 10.3 Technological Resources	Fully Conforms
Principle 11 Communicate Effectively	Fully Achieves
Standard 11.1 Building Relationships and Communicating with Stakeholders	Fully Conforms
Standard 11.2 Effective Communication	Fully Conforms
Standard 11.3 Communicating Results	Fully Conforms
Standard 11.4 Errors and Omissions	Fully Conforms
Standard 11.5 Communicating the Acceptance of Risks	Fully Conforms
Principle 12 Enhance Quality	Generally Achieves
Standard 12.1 Internal Quality Assessment	Generally Conforms
Standard 12.2 Performance Measurement	Fully Conforms
Standard 12.3 Oversee and Improve Engagement Performance	Fully Conforms

Element of the Standards	Achievement / Conformance Conclusion
Principle 13 Plan Engagements Effectively	Not Applicable
Standard 13.1 Engagement Communication	Not Applicable
Standard 13.2 Engagement Risk Assessment	Not Applicable
Standard 13.3 Engagement Objectives and Scope	Not Applicable
Standard 13.4 Evaluation Criteria	Not Applicable
Standard 13.5 Engagement Resources	Not Applicable
Standard 13.6 Work Program	Not Applicable
Principle 14 Conduct Engagement Work	Not Applicable
Standard 14.1 Gathering Information for Analyses and Evaluation	Not Applicable
Standard 14.2 Analyses and Potential Engagement Findings	Not Applicable
Standard 14.3 Evaluation of Findings	Not Applicable
Standard 14.4 Recommendations and Action Plans	Not Applicable
Standard 14.5 Engagement Conclusions	Not Applicable
Standard 14.6 Engagement Documentation	Not Applicable
Principle 15 Communicate Engagement Results and Monitor Action Plans	Not Applicable
Standard 15.1 Final Engagement Communication	Not Applicable
Standard 15.2 Confirming the Implementation of Recommendations or Action Plans	Not Applicable