

MODIFICATION OF AUDITOR GENERAL WORK PLAN

DISCUSSION AND ANALYSIS

Under the approved Auditor General Charter, “The AG shall have the authority to stop, delay or postpone active/ongoing or planned work in order to redirect efforts to conduct projects and analysis when a complaint/allegation is lodged which may have merit. Any such changes will be reported to City Council for approval of the Audit Plan change or alternatively for allocation of additional resources to avoid such changes to the plan.”

A BIA-related complaint was received in the prior year, which warrants investigation. Further, as part of the BIA governance requirements instituted by City Council, a request for Auditor General involvement in the BIAs was articulated at City Council. Together, these requests exceed the budget for reviews at the BIAs. The original scope did not consider the governance and compliance elements. To conduct the BIA review as initially planned and incorporate key items related to governance and compliance across all BIAs (rather than targeting a select few), the efforts from other initiatives will be directed towards the BIA efforts; the specific projects being cancelled are Portfolio program management design review and the Employee wellness indirect indicators analysis review.

In arriving at the recommended approach, the Auditor General evaluated six (6) possible approaches and considered the impact of scope, coverage, timing, additional effort/cost and time available for other projects. A summary of this analysis may be found in [Other Options Considered and Analysis](#).

The previously planned BIA work has been placed on hold until this plan is presented to City Council to ensure the proposed reviews consider their concerns.

The revised scope for the BIA review work will consider the various BIA entity's compliance with the Governance framework and supporting schedules as adopted by City Council and specific policies at each BIA, such as procurement, hiring and termination. Compliance with the governance framework will target a significant portion of the framework (and schedules) but will be limited, given funding constraints. An additional allocation of funds would be required to expand the reviews to the entire framework.

The BIA review will commence late in 2023 to provide the BIAs time to adopt and implement the governance framework.

In addition, 80 hours of effort is being redirected from Oversight, Administration and Reporting, and Auditor General activities to the maintenance/response of the Concerned Citizen and Employee Hotline, given the transition from PwC.

These modifications result in the following revised work plan. This is the first revision of the 2023 Auditor General work plan since the original submission.

REVISED AUDITOR GENERAL WORK PLAN:

Planned Project	Planned Effort Allocation %
<p>Project Portfolio Management – Design Review: Project portfolio management (PPfM) is fundamentally different from project and program management. Project and program management are about execution and delivery—doing projects right. In contrast, PPfM focuses on doing the right projects at the right time by selecting and managing projects as a portfolio of investments. It requires completely different techniques and perspectives. Currently, the City has many ongoing initiatives which require oversight, the future is expected to bring more projects and changes to the organization. A review of the current PPfM practices the City has in effect and an assessment of the current design of those controls or a roadmap to enhance maturity will provide support across the project landscape. Specific consideration will be given to the practices management has in place for the portfolio to:</p> <ol style="list-style-type: none"> 1. Clarify business objectives 2. Capture and research requests and ideas 3. Select the best projects using defined differentiators that align, maximize, and balance 4. Validate portfolio feasibility and initiate projects 5. Manage and monitor the portfolio 	<p>0% Removed</p>
<p>Employee Wellness Indirect Indicators Analysis: Employee wellness has been a rising imperative for attracting and retaining the talent an organization needs. The recent pandemic circumstances have increased the relative imperative of this wellness while also creating significant additional stressors on personnel. This internal audit will consider indirect indicators of employee wellness such as overtime, leave taken/not taken, workloads and broader environment considerations to identify key risk indicators of the City's employee wellness.</p>	<p>0% Removed</p>

Planned Project	Effort Allocation %
<p>Procurement – Education compliance: Education of individuals who have purchasing authority and are required to comply with the By-law is a significant awareness and preventative control mechanism. Equipping these individuals as it relates to the proper use and interpretation of the Purchasing By-law helps to reduce the risk of non-compliance with the by-law.</p>	12%
<p>Partial scope of 9 BIAs over 3 years: Selected compliance testing with the Council approved governance framework and supporting schedules. Further consideration as to the design of specific policies at each BIA such as procurement, hiring and termination will be incorporated. Compliance testing will be significant but not comprehensive. Three (3) BIAs will be considered each year.</p>	29%
<p>Performance Audit - Stormwater Financing Project - Implementation Plan Report, City Wide: Review progress against plan milestones to December 2023 timeline considering activity completion and budget-to-actual results.</p>	24%
<p>Management action plan validation: Follow-up on and report back to the City on the status and sufficiency of management’s resolution of prior findings. An annual internal audit report on management’s resolution of planned findings will be provided to management and the City Council. Cut off for the activity is scheduled for December 31, 2022.</p>	7%
<p>Concerned citizen and employee hotline: Monitor the City’s Hotline for accusations of fraud or abuse/waste of City assets. Internal Audit will investigate appropriate accusations as per the CCEHN Protocol (last updated July 2015).</p>	11%
<p>Risk assessment refresh: Development of annual risk assessment and 3 year internal audit plan (2023-25). We will update our risk assessment for the City as a basis for identifying areas of audit emphasis.</p>	5%
<p>Oversight, administration and reporting: Ongoing status reporting and key performance metrics to the City. Maintain awareness of the City organizational risks, strategy and operational execution, Semi-annual reporting to the CLT and City Council will occur. Summary of the plan’s completion status/progress.</p>	2%
<p>AG Functions: Provide Auditor General oversight, input, investigations and support.</p>	8%
<p>Unallocated: Available hours to respond to further investigations, project variances or special requests. (10% or more is recommended)</p>	2%

Revised Work Plan Timeline

