



SUBJECT: Summary of Audit Results - Corporate Cloud Computing Management Audit

TO: Audit Committee

FROM: City Auditor's Office

Report Number: CA-05-20

Wards Affected: Not applicable

File Numbers: 430-03-ITS

Date to Committee: September 16, 2020

Date to Council: September 28, 2020

Recommendation:

Receive and file City Auditor's report CA-05-20 providing summary of audit results – Corporate Cloud Computing Management Audit in Appendix A.

PURPOSE:

Vision to Focus Alignment:

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

Background and Discussion:

The IT Corporate Strategy sets out a direction to pursue a technology modernization agenda embracing the use of cloud computing with a corporate policy to ensure appropriate due diligence is observed.

More specifically, the Adoption of Cloud Computing requires more due diligence to be sustainable. There is a need to put in place processes to ensure due diligence steps are completed to protect the City, stay compliant with privacy legislation and to ensure ongoing sustainability. Roles and responsibilities regarding the support of Cloud solutions must also be clearly defined. (City of Burlington Technology Strategy 2016,

page 9). This audit reviewed the controls in place for Software as a Service (SaaS) and Platform as a Service (PaaS) excluding SAP.

Strategy/process

Overall Audit Rating – **FAIR** (details of the overall audit ratings are located on page 15 of Appendix A to this report).

Summary of Audit Findings & Severity (Measure of Residual Risk)

Category	Area of Focus	Risk Category	Risk Severity
Strategy	Governance	Performance & Responsibility	Medium
		Performance & Responsibility	Medium
Implementation	Capacity & Operational Excellence	Process	Medium
	Risk Management	Process	Medium

Details of Audit Finding Severity Scale are located on page 15 of Appendix A to this report.

The audit report is as follows:

- Summary of Audit Results begins on page 2 of Appendix A to this report.
- Detailed Audit Report begins on page 4 of Appendix A to this report.
- Detailed Findings, Recommendations & Management Action Plans begin on page 7 of Appendix A to this report.

The findings and recommendations were discussed with the Chief Information Officer, Managers of IT Infrastructure & Operations, Strategic IT Service Delivery, Business Applications and Information Security on January 27, 2020. The final report was issued on September 1, 2020 as of February 7, 2020. The delay in reporting is due to the COVID-19 emergency response. Significant effort and focus of ITS management team was on leadership and support for work from home technology and practices needed to continue our ability to deliver services during the pandemic. Recently, the ITS management team was able to resume their focus on the audit and provide their management responses.

Financial Matters:

City Auditor Involvement

- Estimated audit hours for completion: 200 - 275 hours
- Actual hours required to complete: 65 hours

Estimated audit hours were based on general guidelines determined prior to the decision to outsource to an external firm due to subject matter.

Total Financial Impact

External Vendors:

- KPMG - \$28,137 including HST

Source of Funding

Office of the City Auditor operating budget.

Other Resource Impacts

This audit required direct interaction with a management and staff in various departments (e.g. Finance, RPF, Recreation Services, etc.) for interviews and report review.

Climate Implications

Not applicable.

Engagement Matters:

Not applicable.

Conclusion:

A Cloud Computing Policy and Framework have been designed to address key areas that need to be considered to design controls over Cloud Computing. Awareness, understanding and application of these guiding principles and defined requirements were low among sampled cloud service users. Focus on formalizing, communicating and monitoring of these activities to ensure controls are consistently implemented and operating effectively is required.

Respectfully submitted,

Sheila M. Jones, CIA, CRMA

Executive Director, Strategy, Risk & Accountability

905-335-7600 ext. 7872

Appendices:

- A. CA-05-20 Appendix A – Corporate Cloud Computing Management Audit FINAL

Report Approval:

All reports are reviewed and/or approved by Department Director, the Chief Financial Officer and the Executive Director of Legal Services & Corporation Council. Final approval is by the City Manager.