



SUBJECT: Quarterly Dashboard for Office of the City Auditor

TO: Audit Committee

FROM: City Auditor's Office

Report Number: CA-05-22

Wards Affected: N/A

File Numbers: 430-01

Date to Committee: June 8, 2022

Date to Council: June 21, 2022

Recommendation:

Receive and file city auditor's office report CA-05-22 providing a quarterly dashboard of City Auditor Key Performance Indicators (KPI's).

PURPOSE:

Vision to Focus Alignment:

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

Background and Discussion:

On September 8, 2021, Audit Committee received a six-month workplan for the Office of the City Auditor (report CA-01-21; see table below of key work activities). The following report demonstrates that all items from that workplan are complete.

Work theme		Deadline	Status
1	Prepare the 2022 risk-based Annual Audit Plan	Feb 9, 2022	Complete
2	Support the work of the Audit Committee's sub-committee reviewing its Terms of Reference	Dec 8, 2021	Complete
3	Prepare and report to Audit Committee at next regularly scheduled meeting on December 8, 2021	Dec 8, 2021	Complete

4	Review existing Internal Audit methodology, tools and processes; and update if required	Dec 31, 2021	Complete*
5	Support the corporate-wide initiative to update the 'Service Business Plan' for Office of the City Auditor	Sep 29, 2021	Complete
6	Support the corporate-wide initiative to update the 'Job Information Questionnaire' for the City Auditor position	Sep 24, 2021	Complete

*Note: Notwithstanding the completion of a comprehensive review of the existing Internal Audit methodology, a continuous improvement lens is being applied which will result in further continuous updates or innovations based on research of leading practices learned from other organizations.

Subsequently, on February 9, 2022 Audit Committee approved a risk-based 2022 Audit Plan containing five comprehensive audit projects:

Audit Project	Project Type	Last Time Audited	Service Area	Proposed Time-Frame
ERP Project Audit - Phase 1 (Governance & project management controls)	Project Audit	Never	ITS, HR & Finance	Q2-Q3 2022
Health & Safety: pandemic-related protocols for customers and staff	Compliance Audit	Never	HR & All Service Areas	Q1-Q2 2022
IT Cyber-security (intrusion detection & prevention controls)	Operational Audit	Never	ITS	Q4 2022
Procurement Audit (transactions under \$50,000)	Operational & Compliance Audit	2013 Procure to Pay (under \$25,000) Audit	Finance & All Service Areas	Q3 2022
Environmental Strategies Review	Performance Audit	Never	Environment & Energy	Q4 2022 – Q1 2023

Standard 2060 of the Institute of Internal Auditors (IIA) Professional Standards state:

“The chief audit executive must report periodically to senior management and the board on the internal audit activity’s purpose, authority, responsibility, and performance relative to its plan.”

A common interpretation of this professional standard is for the internal audit function to report regularly to the Audit Committee with progress updates against the Audit Plan.

Strategy/process

Moving forward, the City Auditor will present a quarterly dashboard to the Audit Committee detailing:

- Progress against the approved Annual Audit Plan
- Changes or net new projects added to the Audit Plan
- Key Performance Indicators
- Office of the City Auditor's Budget

The purpose of this dashboard will be to provide a one-page summary of key activities and performance indicators to Audit Committee. This dashboard style of reporting is over and above the requirements in the IIA's Professional Standards and is considered a leading practice amongst Directors of Internal Audit at other organizations. Ultimately, the objective of the dashboard is to demonstrate transparency and accountability in the City Auditor's reporting relationship to Audit Committee. This also helps to support the Audit Committee's requirement to monitor and oversee the performance of the City Auditor.

Options Considered

Multiple reporting styles/formats were considered for reporting back to Audit Committee; with a quarterly dashboard being the recommended approach. An analysis of literature from the Institute of Internal Auditors and a benchmarking review of other reporting mechanisms from various Internal Audit Directors at other local municipalities informed the KPI's in the dashboard.

Financial Matters:

Not applicable.

Total Financial Impact

Not applicable.

Source of Funding

Not applicable.

Other Resource Impacts

Not applicable.

Climate Implications

Not applicable.

Engagement Matters:

Not applicable.

Conclusion:

The Office of the City Auditor's Quarterly Dashboard is an accountability and transparency mechanism intended to demonstrate the quarterly progress of audit work by the City Auditor to Audit Committee.

Respectfully submitted,

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Appendices:

A. Appendix-A: Quarterly Dashboard for Office of the City Auditor

Report Approval:

All reports are reviewed and/or approved by Department Director, the Chief Financial Officer and the Executive Director of Legal Services & Corporation Counsel.