



Internal Audit Work Plan for 2024

Item 11B

January 25, 2024

Building Investment, Finance and Audit Committee

Report: BIFAC:2024-15

To: Building Investment, Finance and Audit Committee
("BIFAC")

From: Director, Internal Audit

Date: January 16, 2024

PURPOSE:

The purpose of this report is to provide the BIFAC with a work plan for the Internal Audit Department for 2024.

This plan is presented in Attachment 1 to this report and is referred to throughout the rest of this document as the "2024 Work Plan".

RECOMMENDATIONS:

It is recommended that the BIFAC approve the Internal Audit Work Plan for 2024 as set out in Attachment 1 to this report.

REASONS FOR RECOMMENDATIONS:

Background

Each year, the BIFAC approves the Internal Audit department's Work Plan as per Section F of the BIFAC Charter, *Internal Audit, Accounting Systems and Internal Controls*, which describes one of the BIFAC's responsibilities as "Reviewing and approving the Internal Audit work plans..."

The 2024 Work Plan has been prepared considering available staffing resources and the following:

- Collaboration with the Risk Management and Insurance team, keeping in view the top 20 organizational risks they have identified;
- Audit projects deferred from last year;
- Audit projects executed during the last five years (2019-23);
- BIFAC and Board of Directors direction and Management's requests, if any;
- Input provided by the City of Toronto Auditor General's office and the City's Internal Audit Department, if any; and
- Key changes to the organizational structure, systems, and processes, etc.

Internal Audit 2024 Work Plan

The Internal Audit Work Plan 2024 is set out in Attachment 1 to this report. There are four tables, as follows:

- 1) **Table 1** – Corporate Audit Projects: New projects to be completed by the Corporate Audit team in 2024;
- 2) **Table 2** – Rent-Geared-to-Income (“RGI”) Audit Projects: New projects to be completed by the RGI team in 2024;
- 3) **Table 3** – Standing Items: Projects that are being completed every year; and
- 4) **Table 4** – Other Items: Other Internal Audit activities not categorized above.

Resource Requirements

We believe we have the resources available to complete and/or substantially complete all engagements in the Internal Audit 2024 Work Plan as presented in the Attachment 1.

IMPLICATIONS AND RISKS:

The Internal Audit 2024 Work Plan takes into consideration risks and other factors as mentioned above.

We will provide BIFAC with quarterly status updates on progress against the 2024 Work Plan.

SIGNATURE:

“Karim Jessani”

Karim Jessani
Director, Internal Audit

ATTACHMENT:

1. IAD Annual Audit Work Plan for 2024

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**Toronto Community Housing Corporation
Internal Audit Department
Annual Audit Work Plan for 2024**



Audit Engagement	Description	Potential Risk	Alignment with ERM Priority Risks	Division	Time Est. (Hours)	Estimated Start	Last Report Issued
Table 1 - Corporate Audit Projects							
Work Orders Review	A review of Work Orders Workflows and System Controls	<ul style="list-style-type: none"> - Inadequate policies, procedures, guidelines, etc. - Inadequate, ineffective or inefficient processes and controls. - Inefficient use of available resources. 	4- Operational Processes 7- Information Technology System	Operations/ FM	798	Q1-2024	New Audit Area
IT Help Desk Services Review	A process review of ITS Help Desk Activities.	<ul style="list-style-type: none"> - Inadequate policies, procedures, guidelines, etc. - Inadequate/inefficient processes and controls. - Inefficient use of available resources. 	4- Operational Processes 7- Information Technology Systems	ITS	580	Q2-2024	New Audit Area
Tenant Action Funds Process Review	A process review of Tenant Action Funds, Participatory Budgeting Program and CABR Centre Community Funds.	<ul style="list-style-type: none"> - Inadequate policies, procedures, guidelines, etc. - Non-compliance with policies and procedures. - Ineffective controls over allocated funding. 	3- Brand and Reputation 4- Operational Processes	Operations	580	Q2-2024	New Audit Area
Smart Buildings and Energy Management Program Review	A process review of Smart Buildings and Energy Management Program.	<ul style="list-style-type: none"> - Inadequate policies, procedures, guidelines, etc. - Non-compliance with applicable City regulations/guidelines. - Sub-optimal use of available resources. 	3- Brand and Reputation 4- Operational processes	FM	580	Q3-2024	New Audit Area
Contract Management Process Review	A process review of procurement and contract management activities.	<ul style="list-style-type: none"> - Inadequate policies, procedures, guidelines, etc. - Non-compliance with policies and procedures. - Ineffective controls over contract management activities. - Sub-optimal value for money. 	4- Operational Processes 6- Vendor Management 12- Strategic Sourcing and Contracts	Finance (Strategic Procurement Unit)	580	Q4-2024	New Audit Area

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Internal Audit Department
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Audit Engagement	Description	Potential Risk	Alignment with ERM Priority Risks	Division	Time Est. (Hours)	Estimated Start	Last Report Issued
Enterprise Risk Management (ERM) Process Review	A process review of ERM Unit's Risk Management activities.	<ul style="list-style-type: none"> - Inadequate policies, procedures, guidelines, etc. - Key risks not identified at enterprise level. - Inadequate monitoring and reporting of identified key risks and controls. 	<ul style="list-style-type: none"> 3- Brand and Reputation 4- Operational Processes 22- Strategic Alignment 	Legal (ERM Unit)	580	Q4-2024	New Audit Area
Data Analytics and Continuous Controls Monitoring (CCM)	The IAD will use data analysis techniques to provide summary reports for management to proactively monitor financial transactions, detect unusual expenses and identify areas where internal controls could be strengthened.	<ul style="list-style-type: none"> - Inadequate internal controls. - Non-compliance with existing internal controls. - Data entry errors. - Inefficiencies in processes. 	4- Operational Processes	Various	508	Q4-2024	2023
Management Requests	These projects are initiated based on a request by the Management. This includes review of specific processes, providing advice/analysis on an activity or proposed change, agreed upon procedures or conducting investigations.	Various	Various	Various	544	Q-1 to Q-4	N/A

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Table 2 - RGI Audit Projects							
RGI Compliance Review	This includes: - Regular RGI compliance audits. - Future Dated RGI compliance audits. - Special requests such as from External Auditors, AG's office, etc. - Review of suspected fraudulent files or other complicated RGI cases, as and when requested by the Management.	- Inaccurate RGI rent calculation resulting in recording inaccurate revenue in the financial statements. - Overcharge to tenants resulting in reputational risk due to tenant complaints. - Inadequate documentation supporting rent calculation resulting in non-compliance with applicable legislation and regulations. - Inadequate or untimely identification of fraudulent cases resulting in financial/reputational risk.	3- Brand and Reputation 4- Operational Process 8- Records Management 20- Non-Compliance with Legislation & Regulations	Operations	2972	Q1 to Q4	N/A
Arrears Management Project	This includes: - Phase 5: High dollar amount arrears. - Phase 6: Accounts with OCHE legal code. - Phase 7: Overall ACP compliance such as accounts with arrears but no legal code; a legal code moved to next legal stage accordingly, etc. - Periodic follow-up and status reporting for the work done under previous phases.	- Non-compliance with/inadequate policies and procedures. - Non-compliance with legislative and regulatory requirements. - Financial risk due to excessive arrears.	3- Brand and Reputation 4- Operational Process 8- Records Management 20- Non-Compliance with Legislation & Regulations	Operations	1522	Q1 to Q4	N/A

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Audit Engagement	Description	Potential Risk	Alignment with ERM Priority Risks	Division	Time Est. (Hours)	Estimated Start	Last Report Issued
Data Analytics	This includes: - Tenant accounts with stipulation terms missed entry/incorrectly entered in HoMES. - RGI tenants paying market rent for more than 24 months to ensure permanent Loss of Subsidy is being processed accordingly. - RGI tenant parking analysis to identify possible fraudulent activities such as illegal occupant/subletting.	- Non-compliance with/inadequate policies and procedures. - Non-compliance with legislative and regulatory requirements. - Inaccurate data in HoMES.	Various	Various	1160	Q1 to Q4	N/A
Management Requests	These projects are initiated based on a request by the Management. This includes review of specific processes, providing advice and/or our analysis on an activity or proposed change, agreed-upon procedures or conducting investigations.	Various	Various	Various	290	Q1 to Q4	N/A

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Table 3 - Standing Items							
Follow-up on the implementation of recommendations from previous Internal Audit reports	This is the review of the status of recommendations made in previous Internal Audit reports including review of supporting audit evidence. BIFAC will be provided 2 status updates during the year.	The risks identified in the initial audits are now known but not adequately mitigated.	Various	Various	353	Q-1 to Q-4	N/A
Annual Audit Work Plan and Rolling Audit Work Plan	The Internal Audit Department will review top organizational risks identified by the ERM Unit and prepare the Annual Audit Work Plan for 2025 and update the Rolling Audit Work Plan for 2026-28. This will be done in collaboration with the ERM Unit.	IAD's Work Plan should align with TCHC's top risks. By reviewing the ERM risk assessment refresh, IAD ensures that its services yield value to the Management by aligning the Annual Audit Work Plan and Rolling Audit Work Plan with organizational risks.	Various	Various	145	Q-4	N/A

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Table 4 - Other Items							
BIFAC Status Reporting	- Quarterly status update providing progress on Annual Audit Work Plan. - Half-yearly status update providing progress on implementation of open audit recommendations from previously issued audit reports.						
Corporate Audit Manual	To guide the Corporate Audit Team.						
RGI Audit Manual	To guide the RGI Audit Team.						
Internal Audit Charter	It is a formal document that defines Internal Audit's purpose, authority, responsibility and position within the organization.						
Document Standardization	To guide all IAD team members and promote audit efficiencies.						
Staffing, training, etc.	To enable team's professional development.						

Note: Time commitment for each of the above item varies depending upon the stages of completion.