



# Internal Audit: 2015 Work Plans

**Item 6**  
**November 27, 2014**  
**Corporate Affairs and Audit Committee**

**To:** Corporate Affairs and Audit Committee **Report:** CAAC:2014-52  
**From:** Chief Internal Auditor  
**Date:** November 20, 2014 Page 1 of 3  
**Strategic Plan Priority:** **Service Excellence:**  
• Demonstrate Value for Money and Public Accountability

## **PURPOSE:**

To provide the Corporate Affairs and Audit Committee (“the Committee”) with the 2015 Internal Audit Work Plan (the “2015 Work Plan”).

## **RECOMMENDATION:**

It is recommended that the Committee approve the 2015 Work Plan.

## **REASONS FOR RECOMMENDATIONS:**

The Internal Audit Department consists of two distinct functions – (i) Internal Audit and (ii) Investigations.

This report will set out the 2015 Work Plan for both functions. The Internal Audit 2015 Budget has been addressed in a separate report.

## **INTERNAL AUDIT 2015 WORK PLAN**

### **Factors in Developing the Work Plan**

Items in the proposed Internal Audit 2015 Work Plan were developed from:

- Discussions with senior management;
- An email call out for items that was sent to all members of the TCHC Board, the Executive Leadership Team, Senior Management, and most TCHC staff in a managerial role;
- Specific requests; and
- Other matters that have come to the attention of Internal Audit.

### **Internal Audit Work Plan**

The Internal Audit 2015 Work Plan is set out in **Attachment 1** to this report.

The Internal Audit 2015 Work Plan has three sections:

- 1) **2014 Work Plan Items Carried Forward to 2015:** Items that are not expected to be completed by December 31, 2014. This includes (i) two items that, due to resource availability and extra time required for other engagements, did not get started in 2014, and (ii) one 2014 item that was deferred to 2015;
- 2) **New Internal Audit Projects:** New items that have been identified as requiring an internal audit in 2015; and
- 3) **Standing Item:** An item that Internal Audit completes every year - Internal Audit's follow up on the implementation of recommendations contained in previous Internal Audit reports.

It should be noted that within the first two sections, the items are set out in no particular order of importance or when they will be completed during the year.

As in prior years, the Internal Audit 2015 Work Plan is a fluid document as priorities and resource availability evolves throughout the year.

## **Future Items**

Areas of future Internal Audit items that have been identified for possible review in future Work Plans include the following (in no particular order):

- Evaluation of 'value for money' management considerations of goods and services received;
- The TCHC revenue cycle;
- Procedures for exiting employees;
- Human Resource grievance procedures;
- Development contracts;
- Use of Community Economic Development as a factor in RFP development and reviews;
- Information Technology roll out – monitoring of status and dollar spend;
- Criminal background checks on applicable TCHC employees;
- Arrears collection and recording;
- Permit parking process – tenants and staff; and
- Matters identified in the AG's risk assessment review.

## **INVESTIGATIONS**

### **Investigations Unit 2015 Work Plan**

The Investigations 2015 Work Plan is set out in **Attachment 2** to this report.

It will be noted that the proposed Investigations 2015 Work Plan consists solely of Investigations 2014 Work Plan items that were not completed in 2014.

There were a number of factors that prevented these items from being completed, including:

- Underestimating the time required to complete some of the items;
- Resource availability during the year (there were two Investigations vacancies during the year resulting in a need to re-prioritize responsibilities, functions and tasks); and
- Conducting other, unexpected Investigations assignments that reduced the time availability to work on Work Plan tasks.

The Investigations Unit is now at full complement and steps are underway to ensure that there will be adequate planning of resources to complete the 2015 Investigations Work Plan items.

**IMPLICATIONS AND RISKS:**

The 2015 Work Plan takes into consideration risks and other factors that have been brought to the Department’s attention. Regular updates of the progress of the 2015 Work Plan will assist in the 2015 Work Plan’s objectives being met.

*“Michael Vear”*

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Chief Internal Auditor

- Attachments:**
- 1: Internal Audit – 2015 Work Plan
  - 2: Investigations - 2015 Work Plan

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**ATTACHMENT 1**  
**INTERNAL AUDIT - 2015 WORK PLAN**



Item No	2015 Work Plan Item	Status / Project Description
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**2014 Work Plan Items Carried Forward to 2015**

2013A1	Petty cash audit.	Field work complete. Draft report is in review stage. To be presented to CAAC in 2015.
2013B8b	Internet usage.	Field work complete. Draft report is in review stage. To be presented to CAAC in 2015.
2014IA03	TCHC Risk Assessment review.	Being conducted in association with City of Toronto Auditor General's risk assessment review of TCHC. Submissions of documents to AG's office complete, awaiting for AG's office to conduct interviews and report thereon.
2014IA06	Monitoring of extra capital repair funds received from the City of Toronto.	Monitoring the reporting and tracking controls of extra capital funds received from the City. Deferred from the 2014 Work Plan.
2014IA08	Social Investment Fund grants.	Field work complete. Draft report is in review stage. To be presented to CAAC in 2015.
2014IA09	Inventory controls on photocopiers.	Field work complete. Draft report is in review stage. To be presented to CAAC in 2015.
2014IA11	IT access for terminated and transferred staff.	A review of the controls and processes with respect to information technology access for terminated and transferred staff. Fieldwork ongoing.
2014IA12	Spot audit on the completion of tenant Annual Review forms.	A review of the accuracy and completeness of tenant Annual Review forms. Deferred from the 2014 Work Plan.
2014IA14	Follow up on the implementation of recommendations from previous Internal Audit reports (issued prior to July 1, 2014).	In planning stage, fieldwork to commence mid-December 2014.
2014IA15	Annual Review Process for TCHC Employees who are TCHC tenants.	Field work complete. Draft report is in review stage. To be presented to CAAC in 2015.

**ATTACHMENT 1  
INTERNAL AUDIT - 2015 WORK PLAN**

<b>Item No</b>	<b>2015 Work Plan Item</b>	<b>Status / Project Description</b>
2014IA16	Review of the financial internal controls of Access Housing Connections.	This was added to the 2014 work plan during 2014. This was requested by the General Manager of Access Housing Connections. Deferred from the 2014 Work Plan.
<i>Procurement Engagements</i>		
2013B1	Procurement - major contracts review.	These five items have been consolidated into a single engagement. Fieldwork is expected to be completed in early December 2014, with a report being presented to CAAC in 2015.
2013B3 2013C2	Procurement - review of tenders.	
2013C2	Random reviews of tenders to ensure compliance.	
2014IA01	In-depth review of procurement practices.	
2014IA02	Development of a procurement self-review program.	

**New Internal Audit Projects**

2015IA01	Wait List administration.	A review of how the wait list is administered and how it is accessed to place applicants in units.
2015IA02	Continuous controls monitoring.	Implement the developed continuous controls process on various subject matters.
2015IA03	Accounts Payable system.	Review and identification of control weaknesses and process efficiencies.
2015IA04	Private managed buildings.	Review of the processes and procedures in place to monitor and evaluate those buildings that are managed by third party contractors.
2015IA05	Entry access to TCHC buildings.	Review of controls over who has access to TCHC properties.
2015IA06	Contractor performance	A look into the monitoring of contractor contracts with respect to dispatch, performance standards, and quality control.

**ATTACHMENT 1  
INTERNAL AUDIT - 2015 WORK PLAN**



<b>Item No</b>	<b>2015 Work Plan Item</b>	<b>Status / Project Description</b>
2015IA07	Unit vacancy program	An evaluation of how units are turned around, from notice to vacate to the new tenant moving in.

**Standing Item**

2015IA08 Follow up on the implementation of recommendations from previous Internal Audit reports (issued prior to July 1, 2015).

**ATTACHMENT 2**  
**INVESTIGATIONS - 2015 WORK PLAN**

Item No	2015 Work Plan Item	Item Information/Notes
<b>2014 Work Plan Items in Progress</b>		
2013Inv2	Complaint prioritization methodology.	Development of a methodology that will allow us to prioritize the cases that are to be investigated.
2013Inv3	Development of a process and protocols to refer complaints to field level staff.	Will set out guidelines for referring matters to field staff.
2013Inv4	Development of a process and protocol for field staff to use when they come across a matter themselves.	Will set out guidelines for steps field staff should undertake when they discover a potential tenant fraud.
2013Inv5	Training of field staff with respect to completion of tenant forms and receipt of documents during the tenant Annual Review process.	Will be conducted via lunch 'n learns, subsequent to the Internal Audit spot audit of tenant Annual Review form preparation.
2014Inv2	CCTV video requests.	A review of the CCTV video requests procedures and record keeping protocols.
2014Inv3	Protocol re: recovery of revenue and assets.	Develop a protocol with Legal and Operations with respect to the recovery of revenue and/or assets from tenants, where applicable.
2014Inv4	Intelligence database development.	Develop an intelligence database and protocol so that information received in Investigations with respect to drugs, guns, or anti-social behaviour can be shared with the Community Safety Unit.