



Internal Audit: 2016 Work Plan Update

Item 5B

December 12, 2016

Building Investment, Finance and Audit Committee

Report:	BIFAC:2016-159
To:	Building Investment, Finance and Audit Committee (BIFAC)
From:	Chief Internal Auditor
Date:	November 30, 2016

PURPOSE:

To provide the Building Investment, Finance and Audit Committee (“the Committee”) with a status update of the 2016 Internal Audit Work Plan.

RECOMMENDATIONS:

It is recommended that the Committee receive this report for information.

REASONS FOR RECOMMENDATIONS:

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

This report will set out the status of the 2016 Work Plan for both functions.

2016 Internal Audit Work Plan Status Update

The status update for the 2016 Internal Audit Work Plan is set out in **Attachment 1**.

The status update sets out those items in the Internal Audit 2016 Work Plan that:

- a) Have been completed;
- b) Are currently in progress;
- c) Have been deferred to 2017; and
- d) Have been cancelled.

Work Plan Items in Progress

The Work Plan items that are in progress are following the normal course of an audit engagement. These engagements, except as noted below, are expected to be completed and reported to the Committee no later than the end of Q2-17.

After consulting with ITS leadership, it was agreed that the 2016IA01 Information & Technology Services Risk Assessment engagement would be escalated to address more areas. This engagement will be continued in Q2-17 or Q3-17.

Work Plan Item Deferred to 2017

One 2016 Work Plan item, 2015IA07 Unit Vacancy Program, will be deferred to 2017. The main reasons for the deferral are as follows:

- Staff resources – (i) the hiring of two new Internal Audit Analysts was delayed to late March 2016 and (ii) there was an unexpected short term medical leave for a department member. As a result, we were unexpectedly short staffed during the year; and
- Extra time to complete engagements – several engagements have taken longer to complete than was planned.

In light of the Asset Management Department's renewed focus on the Unit Vacancy Program, in early 2017 we will consult with the department as to the nature, scope, and timing of our engagement.

Work Plan Item Cancelled

Attachment 1 also notes that one Internal Audit Work Plan Item, 2013B8b Internet Usage, was cancelled.

The purpose of the engagement, which was started in 2014, was to analyse staff's use of the internet during business hours. The engagement was late starting and became bogged down in sorting through technology issues and limitations. In the end it was determined that meaningful data with respect to this engagement would not be forthcoming.

The engagement has been cancelled and will be considered in future Internal Audit Work Plans. It is anticipated, as well, that at the time the engagement is commenced again, the technology will have been improved such that 'meaningful data' will be obtainable.

2016 Investigations Work Plan Status Update

The status update for the 2016 Investigations Work Plan is set out in **Attachment 2**.

This schedule is set up similar to that for the Internal Audit function:

- Two items have been completed and one item remains in progress; and
- Two items have been deferred to 2017 for reasons set out in Attachment 2:

IMPLICATIONS AND RISKS:

Work Plans are generally developed to be completed in their entirety. There is always the risk that not everything will be completed. Such risk is mitigated by prioritizing and completing those items to be completed.

In order to provide the Committee with a better understanding of the progress of the 2017 Internal Audit Work Plans, I will be providing quarterly updates to the Committee during 2017.

SIGNATURE:

“Michael Vear”

Michael Vear, CPA, CA, CPA (Illinois)
Chief Internal Auditor

ATTACHMENT:

1. Internal Audit – 2016 Work Plan – Status as at November 30, 2016
2. Investigations – 2016 Work Plan – Status as at November 30, 2016

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ATTACHMENT 1

INTERNAL AUDIT - 2016 WORK PLAN - STATUS UPDATE AS AT NOVEMBER 30, 2016



Item No	2016 Work Plan Item	Status
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Completed

2014IA15	Annual Review Process for TCHC Employees who are TCHC tenants.	Report submitted to October 19, 2016 BIFAC meeting.
2015IA04	Private managed buildings.	Report submitted to October 19, 2016 BIFAC
2016IA02	Follow up on the implementation of recommendations from previous Internal Audit reports (issued prior to July 1, 2015).	Report submitted to November 2017, 2016 BIFAC meeting.
2016IA03	Rent Geared to Income calculation reviews - 2015 year end.	Report submitted to October 19, 2016 BIFAC meeting.
2016IA04	Enterprise Risk Assessment	This item was added to the 2016 Work Plan mid-year. An assessment of departmental risks that aided the development of the 2017, and future, Internal Audit Work Plan items.

In Progress

2014IA08	Social Investment Fund grants.	Further fieldwork was required, report in draft stage.
2015IA02	Continuous controls monitoring.	Development of the continuous controls process is ongoing.
2015IA03	Accounts Payable process and	Fieldwork ongoing.
2015IA05	Entry access to TCHC buildings.	Fieldwork ongoing.
2016IA01	Information & Technology Services risk assessment.	Ongoing.
2016IA03	Rent Geared to Income calculation reviews - 2016 year end.	Fieldwork ongoing.

ATTACHMENT 1
INTERNAL AUDIT - 2016 WORK PLAN - STATUS UPDATE AS AT NOVEMBER 30, 2016



Item No	2016 Work Plan Item	Status
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Deferred Items

2015IA07	Unit vacancy program	An evaluation of how units are turned around, from notice to vacate to the new tenant moving in - deferred to 2017 or 2018, subject to engagement scoping discussion with Asset Management leadership.
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Cancelled Items

2013B8b	Internet usage.	Fieldwork determined that this engagement would not be able to be completed due to technology limitations.
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ATTACHMENT 2

INVESTIGATIONS UNIT - 2016 WORK PLAN - STATUS UPDATE AS AT NOVEMBER 30, 2016

Item No	2016 Work Plan Item	Status
Completed		
2016Inv1	Develop networking event for municipal investigation units in the GTA.	Networking event held October 27, 2016.
2016Inv2	Training of Community Safety Unit staff with respect to identifying various types of tenant fraud in the field.	Sessions held in 2016 with new recruits and with experienced officers.
In Progress		
2014Inv2	CCTV video requests.	Fieldwork was placed in abeyance as a result of upgrades made in CCTV system during 2015 and 2016. A revised data and system review will commence in late Fall of 2016, with Committee reporting expected in Q117.
Deferred Item		
2013Inv5	Training of field staff with respect to completion of tenant forms and receipt of documents during the tenant Annual Review process.	Though the course has been developed, the Organizational Development Department was unable to find a place for it on the 2016 employee training schedule. Efforts are being made to add it to the 2017 training schedule.
2014Inv3	Develop a protocol with Legal and Operations with respect to the recovery of revenue and/or assets from tenants, where applicable.	This item was deferred pending the arrival, and settling in, of the new TCHC General Counsel. Item will be addressed in 2017.