

## Niagara Region - 2019 Annual Audit Plan

Audit Project	Last Time Audited	Dept / Division	Budgeted Time (hrs)	Scope, Rational, Risks
Employee Benefits Claims	Never	Corporate Services	1190	<p><b>Scope:</b> To evaluate the internal controls around health, dental and other extended benefits provided to Niagara Region employees and to ensure that financial transactions are being remitted and recorded according to HR policies and procedures. Fraud prevention and detection controls will be evaluated and the contractual agreement with the service provider will also be reviewed.</p> <p><b>Rationale:</b> Recent high profile and publically reported frauds detected in other comparable organizations: TTC, City of Toronto, City of Ottawa, St. Michael's Hospital.</p> <p><b>Risks:</b> Inaccurate processing of employee health, dental or other extended medical benefits resulting in over-payments by Niagara Region. Fraudulent behaviour or usage of employee benefits may erode public trust resulting in a loss of the corporation's reputation.</p>
Procurement: Sole / Single sourced	Never	ERMS	840	<p><b>Scope:</b> This audit will evaluate the process specifically for single and sole-sourced procurements. The scope will include a review of the rationale, requirement and approvals around single and sole-sourced procurements. ICOP will scrutinize the veracity of emergency transactions, purchases made for compatibility with existing products/equipment, trials, purchases for unique/customized specifications and other exceptions permitted in the Procurement By-law.</p> <p><b>Rationale:</b> This audit will have a targeted focus on single/sole-sourced procurements which tend to be generate a higher degree of public interest, particularly in the public sector. High volume of transactions and materially significant (approximately 550 PO's / \$44M in 2017) and 530 PO's / \$24M in 2018).</p> <p><b>Risks:</b> Non-compliance to procurement policies, procedures and by-law or uncompetitive behaviour may lead to financial or legal implications. In addition, a loss of community trust may occur if the procurement process is perceived to be uncompetitive.</p>
HR On-boarding & Off-boarding Audit	Never	Corporate Services	700	<p><b>Scope:</b> A review of the HR operational and IT procedures associated with the on-boarding (i.e. recruiting, accuracy of job data, training) and off-boarding (i.e. termination, resignation, retirement) of Niagara Region employees to improve the efficiency and effectiveness of the corporations processes and procedures. The audit will include a review of final payroll transactions (i.e. severance), IT user permissions (i.e. access to confidential medical records) and competitiveness of recruiting process.</p> <p><b>Rationale:</b> Staff direction from Audit Committee on October 31, 2017 after discussing the 2018 Audit Plan (<b>AC-C 6-2017</b>). Employee hiring practices were noted during interviews and within Burgoyne Bridge Audit.</p> <p><b>Risks:</b> Non-compliance to HR or IT processes or procedures may result in financial, legal or privacy implications. Control gaps may also lead to operational inefficiencies, employee morale or labour relations issues and loss of public trust.</p>
Driver Certification Program Audit	Never	Public Works	210	<p><b>Scope:</b> Using the standard Driver Certification Program audit plan, assess compliance to Ontario Ministry of Transportation's (MTO) regulatory requirements for commercial fleet operators (specifically for 'Signing Authorities' approved by the MTO to deliver driver training and testing).</p> <p><b>Rationale:</b> This is a standard audit performed by multiple Ontario municipal audit teams. Performing the audit in-house will result in cost savings for Public Works department (vs. out-sourcing).</p> <p><b>Risks:</b> Meeting or exceeding the MTO's regulatory requirements are mandatory to continue participating in the Driver Certification Program. Continued participation in the program has numerous benefits including higher staff engagement and lower driver training/testing costs.</p>
Waste Management Contract Compliance Audit	Never	Public Works	700	<p><b>Scope:</b> To independently evaluate the performance and compliance of Waste Management division's contractor against its contractual obligations. The audit will also examine staff's efficacy at managing their service provider (i.e. performance measures, enforcement protocols, dispute resolution, contingency plans etc.).</p> <p><b>Rationale:</b> Waste Management contractor is Niagara Region's largest vendor at \$21M in annual spent (8% of all PO's). High public attention, complex operational requirements, and high financial impact.</p> <p><b>Risks:</b> Insufficient service levels by the contractor may directly impact Niagara residents. Financial, legal and reputational risks may also occur if compliance to the service agreement is not maintained.</p>
Homelessness Service Providers Contract Compliance Audit	Never	Community Services	700	<p><b>Scope:</b> To evaluate the compliance of homelessness service providers against their existing contractual obligations as well as the efficacy of staff from the Homelessness &amp; Community Engagement division to manage their service providers. The ultimate objective of the audit is to strengthen the terms and conditions of future contracts in the next RFP planned for 2020.</p> <p><b>Rationale:</b> Independent and objective audit was requested by Community Services department to enhance accountability amongst industry service providers.</p> <p><b>Risks:</b> Homelessness service providers are under contract with Niagara Region to care for vulnerable sectors of Niagara Region's population. A high degree of public attention and trust is placed on these service providers to provide quality care within Niagara Region's standards. Non-compliance to Niagara Region's standards of care may result in insufficient care for vulnerable people, a loss of public trust (reputational risk) and/or inefficient usage of Community Services' budget.</p>
Long Term Care Homes Risk Assessment	Annually by Ministry of Health & LTC	Community Services	210	<p><b>Scope:</b> ICOP will assist Senior Services staff perform their annual risk assessment requirements for the Ministry of Health and Long-Term Care. ICOP will apply an independent lens to determine if current practices adequately identifies risks and opportunities, and that there are appropriate action plans to manage and mitigate these risks.</p> <p><b>Rationale:</b> Through a comprehensive risk assessment, this was identified as one of the top risks in the organization. Specifically: a high complexity of operations, high degree of regulatory/statutory compliance requirements, high employee turnover, a risk event would result in a major loss of stakeholder confidence (high reputational risk), and high financial impact to annual Regional budget.</p> <p><b>Risks:</b> A significant injury or death to a LTC home resident under the care of Niagara Region would be a major risk event with financial, legal, regulatory and political implications.</p>
Water Treatment Operations Risk Assessment	Periodically by Ministry of Environment & Climate Change	Public Works	210	<p><b>Scope:</b> A risk assessment of Water Operations (including the Quality Management System) to determine if current processes adequately identify risks and opportunities, and ensure that there are appropriate action plans to manage and mitigate these risks. ICOP will perform a detailed analysis of the Ministry of Environment &amp; Climate Change inspections and the Region's responses to identify whether additional assurance is required.</p> <p><b>Rationale:</b> Through a comprehensive risk assessment, this was identified as one of the top risks in the organization. Specifically: high degree of regulatory/statutory compliance requirements, a risk event would result in a major loss of stakeholder confidence (high reputational risk) and high financial impact to annual Regional budget.</p> <p><b>Risks:</b> A major disruption or contamination of Niagara Region's clean drinking water would have severe financial, legal, regulatory and political implications.</p>