REGIONAL MUNICIPALITY OF PEEL
AUDIT AND RISK COMMITTEE
AGENDA

Meeting #:	ARC-2-2021
Date:	Thursday, March 4, 2021
Time:	11:00 AM - 12:30 PM
Location:	Council Chamber, 5th Floor
	Regional Administrative Headquarters
	10 Peel Centre Drive, Suite A
	Brampton, Ontario
Members:	N. Fairhead, C. Fonseca, K. Ras, N. Iannicca, R. Santos (Vice-Chair), I. Sinclair, R. Starr (Chair), H. Zuberi

The meeting will be live streamed on http://www.peelregion.ca/

1. CALL TO ORDER

2. DECLARATIONS OF CONFLICTS OF INTEREST

3. APPROVAL OF AGENDA

4. DELEGATIONS

5. REPORTS

   5.1. 2020 Corporate Risk Profile
   Presentation by Jennifer Weinman, Interim Director, Enterprise Risk and Audit Services; and Anila Lalani, Advisor, Enterprise Risk Management and Acting Manager, Enterprise Audit Services

   5.2. 2020 Fraud Information
   (For information)

   5.3. 2021 Enterprise Audit Services Risk Based Work Plan

6. COMMUNICATIONS

7. OTHER BUSINESS

8.   IN CAMERA

9.   NEXT MEETING
      Thursday, April 29, 2021
      12:30 p.m. – 2:00 p.m.
      Council Chamber, 5th Floor
      Regional Administrative Headquarters
      10 Peel Centre Drive, Suite A
      Brampton, Ontario

10.   ADJOURNMENT

REPORT TITLE: **2020 Corporate Risk Profile**

FROM: Jennifer Weinman, Interim Director, Enterprise Risk and Audit Services

RECOMMENDATION

That the Region of Peel's Corporate Risk Profile as described in the report of the Interim Director, Enterprise Risk and Audit Services, listed on the March 4, 2021 Audit and Risk Committee agenda titled "2020 Corporate Risk Profile", be endorsed.

REPORT HIGHLIGHTS

- A Corporate Risk Profile (the Profile) is a communication tool that identifies key risks facing the Region of Peel and provides an analysis of the impact the risks may have on the organization's ability to deliver on its strategic objectives and outcomes.
- The Profile summarizes the impacts of COVID-19 from a risk perspective on Regional services and residents of Peel.
- The 2020 Profile includes 17 key risks and the accompanying mitigation plans for the internal risks and actions taken by the Region to help minimize the impact of the risks.
- The Profile allows for further review of existing mitigation plans, gaps and actions required to either reduce or accept risks.
- The Profile contains a high-level mapping of impacted Regional services to each of the corporate risks.

DISCUSSION

1. Background

The Enterprise Risk and Audit Services division facilitates the Enterprise Risk Management program at Region of Peel. Enterprise Risk Management is the coordinated activities to direct and control an organization with regards to risk. The Enterprise Risk and Audit Services division is required, by its Charter, to provide annually a Corporate Risk Profile that documents the critical risks facing the Region and the mitigation strategies to manage them.

A Corporate Risk Profile (the Profile) is a communication tool that identifies key internal and external risks facing an organization and provides an analysis of the impact the risks may have on the organization's ability to deliver on its strategic objectives and outcomes. The audience for the Profile includes Regional Council, the Executive Leadership Team and program and service owners that may be impacted by the risks identified.

The Profile includes 17 key internal and external risks, including two new risks for 2020. Further, the Profile summarizes the impacts of COVID-19 from a risk perspective on Regional services and residents of Peel. Also included in the Profile are mitigation plans that have been implemented or are being implemented for the internal risks and action plans to reduce the impacts related to the external risks. The Region cannot control the external

2020 Corporate Risk Profile

risks that exist in the environment the Region operates in; it monitors those external risks and takes necessary actions to reduce the impacts should the risk manifest. There is no change noted in the risk ranking from the past year and progress has been made to advance mitigation plans to manage the risk exposure.

The Profile is attached as Appendix I.

CONCLUSION

The Corporate Risk Profile (the Profile) provides a summary of the key risks facing the organization from an internal and external perspective and the impact these risks may have on the Region's ability to achieve the Term of Council Priorities and strategic outcomes. The Profile also summarizes the impacts of COVID-19 from a risk perspective on Regional services and residents of Peel and provides current and proposed mitigation plans to help manage the risks.

APPENDICES

Appendix I – 2020 Corporate Risk Profile

For further information regarding this report, please contact Jennifer Weinman, Interim Director, Enterprise Risk and Audit Services at jennifer.weinman@peelregion.ca.

Authored By: Jennifer Weinman, Interim Director, Enterprise Risk and Audit Services; and Anila Lalani, Advisor, Enterprise Risk Management and Acting Manager, Enterprise Audit Services

Reviewed and/or approved in workflow by:

Divisional Director.

Region of Peel
Corporate Risk Profile

December 2020

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2020 Corporate Risk Profile

1. Introduction

The Region of Peel (Region) is the second-largest municipality in the Greater Toronto Area with 1.498 million residents and 182,732 business establishments within the cities of Brampton, Mississauga and the Town of Caledon. The vision for the Region is Community for Life, where everyone enjoys a sense of belonging and has access to the services and opportunities they need to thrive throughout each stage of their lives. The Region, like all other organizations, is exposed to various risks (internal and external) in pursuit of its vision and mission.

Enterprise Risk and Audit Services developed the first Corporate Risk Profile (Profile) in 2018 that identified the key risks that the Region is exposed to in pursuit of its vision and mission. The Profile is refreshed annually to capture the most up to date and relevant information. The Profile provides information on the impacts the risks may have on the Region's ability to deliver on its Strategic Plan outcomes. Additional to this, the 2020 Corporate Risk Profile, focuses on the Region's ability to continue services and maintain service levels for the next 18 to 24 months in order to recover from the impact of COVID-19 emergency.

1.1. Purpose

The 2020 Corporate Risk Profile provides an analysis of the key risks from an internal and external perspective while taking into consideration the impacts these risks may have on the Strategic Plan outcomes. Given the current pandemic, the Profile has been updated to include consideration for the impact of the global pandemic outbreak on the Region's Strategic Plan outcomes and the key corporate risks. Further, it discusses the steps that have been taken to manage the risk and minimize its negative impacts.

The Profile provide information for the Region to assist with the review of existing mitigation plans that are in place to address the key risks and determine if additional resources are required to enhance the mitigation plans or if resources can be reduced where risk exposure is lower. Additionally, it can be used for risk-informed decision making and serves as an input in planning, prioritization and resource allocation. Specific uses of the Corporate Risk Profile and users are outlined below in Table 1:

Table 1

User	Usage
Regional Council and Senior Management	• Key input into strategic planning to assist in determining areas of focus; • Determine if the Region is taking the right risk to provide better value to citizens; • Improve stakeholder trust and confidence that the Region is being managed well; and • Improved governance by demonstrating that the Region is proactive in managing risk.
Service Managers	• Improve operational effectiveness and efficiency; • Improve controls to increase the likelihood of achieving objectives/outcomes; and • Effectively allocate and use resources for managing risks.
Enterprise Risk and Audit Services	• Input into planning to help ensure audit and risk resources are focused on high risk areas. • Assurance is provided in the higher risk areas.

1.2. Methodology

The methodology for the annual refresh to the Corporate Risk Profile includes:

- Reviewing and updating corporate risks while taking into consideration changes to internal and external environment
- Reviewing corporate risks with risk champions, risk managers and subject matter experts
- Providing updates to the mitigation plans
- Providing updates to any risk(s) that may have manifested
- Partnering with the Corporate Strategy Office and risk managers to identify key risks to the Term of Council Priorities

2. Corporate Risks

The 2020 Corporate Risk Profile presents 17 key risks for the Region of Peel; two of which are new risks resulting from the global pandemic in 2020. Six of the 17 corporate risks manifested during 2020. The manifestation of these risks will likely have an impact on the Region's ability to pursue its Strategic Plan outcomes in the timelines that were previously projected. While some risks have manifested, such as Economic Downturn, these risks will continue to be included on the Profile as they have the potential to arise again in the long term.

3. COVID-19

In January 2020, the World Economic Forum issued the 2020 Global Risk Report. This report identifies the top ten global risks in terms of impact the risk would have if it manifested and the top ten global risks in terms of likelihood the risk would manifest. Infectious disease was included in the report in the top ten global risks for impact. Since then, the world has seen the risk of infectious disease manifest from the COVID-19 pandemic and has brought a healthcare emergency around the world followed by widespread economic downturn.

The Region's primary focus for 2020 was managing the emergency and continuing service delivery to keep residents and businesses safe and meet the needs of the community during the pandemic. The significant impacts of COVID-19 on the Region of Peel, and its residents and businesses are summarized below:

i)   Many Peel residents lost jobs and Peel's unemployment rate jumped to a record high 16.3 per cent in July 2020 before falling to 14.4 per cent in August.

ii)   There is a significant risk for the future years in provincial funding, as any freezes or reductions would put significant pressure on the Region's budget and impact services.

iii)   There is a risk that staff shortages due to competition for skilled employees in Long Term Care, Community Access caseworkers and Public Health, may impact the Region's ability to continue normal service levels through the pandemic.

iv)   As a result of the lockdowns and decreased industrial and commercial activity in 2020, global emissions are expected to fall by 8 per cent as compared to 2019.[i] With resources

redirected to response to the pandemic, there is a risk of resources not being available to support efforts to reduce the impacts of climate change.

v)   With limited opportunities for conventional social interactions, work and physical activities, may have impacts on physical, mental and emotional well-being of staff.

4.   Risk Assessment

4.1.   Assessment Criteria

A set of criteria were used to assess the risks. Risks that were considered significant - 'very high' or 'high' are included in the Corporate Risk Profile. Table 2 provides the criteria that have been used for ranking risks as 'very high' and 'high':

Table 2

Risk Rank	Definitions
Very High	Would prevent achievement of outcomes/objectives, and cause unacceptable cost overruns, project slippage or program delivery issues, and/or compromise credibility and reputation.
High	Would cause substantial delays in the achievement of the outcomes/objectives, and cause unacceptable cost overruns, project slippage or program delivery issues, and/or compromise credibility and reputation.

Table 3 provides the criteria that have been used to assess the control column.

Table 3

Control Rank	Definitions
	Green indicates where controls are in place to mitigate the risk (internal).
	Yellow indicates where controls are in progress to mitigate the risk (internal).
	Grey indicates when the Region has minimal ability to mitigate the risk (external) and measures have been put in place that may reduce the impact should these risks materialized.

4.2.   Assessment of Corporate Risks

The risk map below in Table 4 provides the list of corporate risks including:

- Definition
- Impacted services
- Risk Ranking
- Risk Type

- Risk Source; and
- Responsible Risk Managers.

Table 4

	Risk	Impacted Services	Risk Assessment	Control	Risk Type/ Risk Source	Risk Managers
1.	Social Cohesion and Intolerance Erosion and breakdown of social cohesion and growing intolerance in the community could impact the Region's ability to achieve its strategic outcomes. *Risk Manifested*	Housing Supports Community Investment Early Growth and Development Heritage Arts and Culture Workforce Adult Day Services Long Term Care Paramedic Services Infectious Disease Prevention Corporate Governance			Social/External	Director, Community Connections Medical Officer of Health
2.	Economic Downturn Downward shift in the economy could cause an increase in service demand and a loss of revenue for the Region. *Risk Manifested*	Housing Supports Income Supports Employment Supports Community Investment Early Years and Child Care Financial Management Adult Day Services Long Term Care			Economic/ External	Commissioner, Finance and Chief Financial Officer

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	Risk	Impacted Services	Risk Assessment	Control	Risk Type/ Risk Source	Risk Managers
		Paramedic Services Chronic Disease Prevention				
3.	Changing Government Policies and Levels of Government Impact of significant changes in other levels of government or its policies on Regional services.	Housing Supports Income Supports Employment Supports Community Investment Early Years and Child Care Early Growth and Development Chronic Disease Prevention Infectious Disease Prevention Water Supply Financial Management Adult Day Services Long Term Care Paramedic Services			Political/ External	Commissioners and Directors
4.	Changing Employment and Impacts of Automation Changing nature of employment including the impact of automation on the labour force could impact demand for the Region's social assistance programs. *Risk Manifested*	Housing Support Income Support Employment Support			Economic/ External	Commissioner, Finance and Chief Financial Officer
5.	Negative Publicity Actions taken by employees	Public Accountability			People & Reputation/ External &	Regional Clerk (Risk Manager)

	Risk	Impacted Services	Risk Assessment	Control	Risk Type/ Risk Source	Risk Managers
	and/or the members of public through various media channels (social media) may harm or compromise the Region's reputation.	Corporate Governance	🟥	⬜	Internal	Director, Marketing and Communications (Risk Monitor)
6.	Cyber Attacks & Privacy Breach (Formerly identified as Cyber Attacks) Inability to protect the Region's electronic data and information from cyber-attacks may harm or compromise the Region's reputation.	Information and Technology Financial Management All Services with Personal Identifiable Information	🟥	🟨	Technology & Information Management/ Internal	Director, IT Operations Director, Clerks (privacy aspect)
7.	Ineffective Growth Management Planning Impact of inaccurate growth forecasts on Regional growth management plans may negatively impacts the Region's ability to sustain future growth.	Water Supply Wastewater Waste Roads and Transportation Land Use Planning Financial Management Asset Management Corporate Governance	🟥	🟩	Service Delivery/ Internal	Chief Planner and Director, Regional Planning and Growth Management
8.	Competition for Talent Competition to recruit and retain the right talent could impact the Region's ability to meet demands for service. *Risk Manifested*	Workforce Income Support Long Term Care All Services	🟧	🟨	People/ Internal	Director, Human Resources
9.	Absence of Information Absence of timely, pertinent, consistent and accurate information may result in ineffective decision making for the Region.	Public Accountability Corporate Governance Information and Technology	🟥	🟨	Technology & Information Management/ Internal	Service Managers and Information Custodians Director, Information Management

	Risk	Impacted Services	Risk Assessment	Control	Risk Type/ Risk Source	Risk Managers
		All Services				
10.	Outdated Technology The Region's inability to sustain/ maintain legacy Information Technology systems could cause delays to business process and service delivery.	Workforce Corporate Governance Information and Technology All Services			Technology & Information Management/ Internal	Director, IT Operations Director, IT Solutions
11.	Climate Change and Environment Inability to manage/adapt to the impact of climate change that could affect the Region's finances and service delivery. Inability to manage the negative impact on the environment due to Regional hazardous discharge from its various services could affect the Regional environmental footprint. *Potential negative impact of climate change on public health and social cohesion (updated 2020)*	Financial Management Asset Management Wastewater Waste All Services			Environmental/ External & Internal	Director, Office of Climate Change and Energy Management General Manager, Water & Wastewater Director, Enterprise Asset Management Director, Health Protection
12.	Supply Chain Disruption, Absence of Contract Management and Oversight (Formerly identified as Absence of Contract Management and Oversight) Inability of vendors and/or community partners to deliver services or products to agreed costs and/or specifications may result in financial and service delivery impacts for the Region. Ineffective contract oversight could impact the Region's service delivery and finances.	Financial Management Asset Management Community Investment			Contractual & Procurement/ Internal	Director, Procurement Directors (Contract Owners)
13.	Ineffective Design and Implementation of Business	Corporate Governance			Service Delivery/	Director, IT Solutions

	Risk	Impacted Services	Risk Assessment	Control	Risk Type/ Risk Source	Risk Managers
	Services and Processes Inability to modernize the Region's service delivery, such as technological advancement, innovation, and transformation, could impact achievement of service delivery outcomes and the effectiveness of business processes.	Information Technology			Internal	Director, Marketing and Communications Director, Information Management Director, Community Connection Service Managers
14.	Absence of Infrastructure and Asset Planning Inability to maintain new and existing infrastructure could impact the Region's ability to maintain levels of services currently provided by the Region.	Financial Management Asset Management			Infrastructure & Asset Planning/ Internal	Director, Enterprise Asset Management
15.	Health and Safety Inability to maintain health and safety practices at the Region's workplace (including violence and harassment) could impact the delivery of quality service and result in financial loss.	Workforce Corporate Governance			People/Internal	Director, Human Resources
16.	Infectious Disease Impact of infectious diseases caused by pathogenic microorganisms (bacteria, viruses, parasites or fungi) that can spread, directly or indirectly, from one person to another may result in an increase in service demand and impact the achievement strategic outcomes. *Risk Manifested*	Housing Support Income Support Employment Support Community Investment Adult Day Long Term Care Paramedics Early Years and Child Care			Health and Safety/External	Medical Officer of Health

	Risk	Impacted Services	Risk Assessment	Control	Risk Type/ Risk Source	Risk Managers
		Infectious Disease Prevention	🟥	⬜		
17.	Emergency Preparedness Inability to foresee, plan and respond to unprecedented emergencies could impact the Region's ability to maintain levels of services currently provided by the Region. ***Risk Manifested***	Adult Day TransHelp Early Years and Child Care Early Growth and Development Roads and Transportation Heritage, Arts and Culture Public Accountability Workforce Infectious Disease Prevention Long Term Care Paramedic Services All Services	🟥	🟨	Emergency Management/ Internal	Manager, Regional Emergency Management Regional Emergency Operations Centre Regional Policy Group

There may be additional risks and uncertainties identified that are not deemed significant but may also impact the Region's ability to deliver on its Strategic Plan outcomes.

4.3.   Corporate Risks - Mitigation Plans Update

4.3.1.   Social Cohesion and Intolerance

Erosion and breakdown of social cohesion and growing intolerance in the community could impact the Region's ability to achieve its strategic outcomes.

Mitigation Plans / Actions

The Region has actions in place, and plans for further actions to be developed, that may help mitigate the risk posed from social cohesion and intolerance:

Peel Art Gallery Museum and Archives (PAMA) exists to share the story of Peel by providing diverse opportunities to creative exploration and discussion to help build a cohesive community.

The Community Safety and Well-Being Plan – The Region has adopted a Community Safety and Well-Being Plan in October 2020 as required by legislation. The plan requires the Region to work with local partners to formalize working relationships and advance community safety and well-being.

In response to the COVID-19 emergency, the Region has coordinated supports for community support groups through the Community Response Table. The Region also implemented a special shelter for the homeless who have contracted COVID-19 so they may receive care and maintain physically distance.

Regional Council has committed to addressing systemic discrimination by supporting policies and programs that focus on the inequities that the black community and other marginalized groups continue to experience within Peel. Proposed actions include but not limited to:

- engaging black communities to address racial inequities related to COVID-19
- providing funding to mental health/housing/harm reduction programming to support marginalized groups including the black community through Peel funded programs
- ensuring Black-led/black-serving social agencies in Peel are funded equitably through Regional funding mechanisms
- requesting that the local municipalities collaborate with the Region to carry out anti-racism public education[ii]

The Region has initiated a Courageous Conversations Series where Region of Peel employees can come together with a shared goal of increasing knowledge and understanding about experiences, obstacles and opportunities that address systemic discrimination and racism within our workplace.

4.3.2. Economic Downturn

Downward shift in the economy could cause an increase in service demand and a loss of revenue for the Region.

Mitigation Plans / Actions

The Region has actions in place, and plans for further actions to be developed, that may help mitigate the risk posed from the economic downturn. The Region's Long-Term Financial Planning Strategy and Financial Management Bylaw are designed to protect Peel's financial flexibility during economic downturns.

The Region of Peel has taken strong advocacy measures to secure Federal and Provincial funding support to offset the costs and pressures associated with the Pandemic. Peel deliberately froze staff recruitment and avoided costs in an effort to contain fiscal pressures. Any remaining fiscal deficit for 2020 can be managed through stabilization reserves. Regional Council endorsed a capital deferral strategy to mitigate the risk of lower development charges revenues of up to $700

Regional Council is aligned with local councils to provide some relief on utility rate increases and defer property tax payments to provide relief to residents and businesses.

4.3.3. Changing Government Policies and Levels of Government

Impact of significant changes in other levels of government or its policies on Regional services.

Mitigation Plans / Actions

Working with the Association of Municipalities Ontario (AMO), the Federation of Canadian Municipalities (FCM) and among others, the Region will continue to advocate to senior levels of government for Peel's policy priorities, in order to inform and influence federal and provincial decision-makers on the risks (for example fiscal sustainability, governance, etc.) to municipalities.

4.3.4. Changing Employment and Impacts of Automation

Changing nature of employment including the impact of automation on the labour force could impact demand for the Region's social assistance programs.

Mitigation Plans / Actions

The Region has actions in place, and plans for further actions to be developed, that may help mitigate the risk posed from changing employment and impacts of automation. The Region had engaged the Mowat Centre to conduct a socio-economic study to understand the long-term financial sustainability implications of the changing nature of employment. The Region will continue to work with the Association of Municipalities Ontario (AMO) and Federation of Canadian Municipalities (FCM) to inform and influence senior leaders of government on the risks of municipal fiscal sustainability and advocate for a fair share of economic growth and prosperity.

4.3.5. Negative Publicity

Actions taken by employees and/or the members of public through various media channels (social media) may harm or compromise the Region's reputation.

Mitigation Plans / Actions

The Region has actions in place, and plans for further actions to be developed, that may help mitigate the risk posed from negative publicity. The Regional Emergency Operation Centre (REOC), Policy Group and Executive Leadership Team have taken a risk-based approach to business continuity planning throughout the Pandemic response.

The REOC Incident Management Structure included an identified Emergency Information Officer and Communication Task Force with counterparts from local municipalities to share and align messages to the community. The Emergency Manager Task Force aligned all of the local municipal and first responder coordination. Additionally, the mayors, hospital CAOs, Medical Officer of Health, the Regional Chair and CAO met several times weekly to share and coordinate the emergency response.

The Region uses media monitoring tools on topics or themes of interest and reviews its dashboard to determine if any action is required to minimize exposure to the Region's reputation. Actions may include:

- Assessing sentiment and factuality of content
- Reaching out to the author to correct facts
- Reaching out to social media to report abuse and close social media accounts
- Issuing media releases

The Region has developed a social media policy for employees that provides expected behaviors for employees which include disciplinary actions if required.

4.3.6. Cyber Attacks and Privacy Breach

Inability to protect the Region's electronic data and information from cyber-attacks may harm or compromise the Region's reputation.

Mitigation Plans / Actions

The Region has actions in place, and plans for further actions to be developed, that may help mitigate the risk posed from cyber-attacks and privacy breach. The Region continues to implement security measures to mitigate the risks associated with cyber-attacks such as unsolicited emails, blocking malicious websites etc. Independent third-party reviews are conducted to identify vulnerabilities and recommend mitigation efforts. These recommendations are included in the cyber security workplan for ongoing improvements. Further discussion may be held in camera.

The Region consistently reviews internal practices for handling personal information and advises programs/services with the recommendations to reduce the risk of privacy breach incidents.

4.3.7. Ineffective Growth Management Planning

Impact of inaccurate growth forecasts on Regional growth management plans may negatively impacts the Region's ability to sustain future growth.

Mitigation Plans / Actions

The Region has actions in place, and plans for further actions to be developed, that may help mitigate the risk posed from ineffective growth management planning. The Growth Management Program is an Organizational Priority with an outcome focused on "achieving a financially sustainable complete community, where the location and servicing of growth is optimized". This outcome will be achieved through the delivery of four key strategies:

- Plan and manage the location and servicing of growth;
- Leverage business intelligence to make informed decisions around the locations, servicing, and financing of growth;
- Optimize investments for growth by managing revenues and expenditures to finance growth;

- Work with internal and external stakeholders as well as engaging the public to deliver a financially sustainable complete community.

Comprehensive models are in place to respond to changes in growth forecasts which impact capital planning and spending.

Additionally, the Commissioner, Public Works mandate includes advancing the Regional Official Chief Planner and Director, Regional Planning and Growth Management Plan studies and related amendments in time to conform with the Provincial Growth Plan deadlines and ensure that Peel's communities are complete and sustainable for residents and businesses.

4.3.8. Competition for Talent

Competition to recruit and retain the right talent could impact the Region's ability to meet demands for service.

Mitigation Plans / Actions

The Region has actions in place, and plans for further actions to be developed, that may help mitigate the risk posed from competition for talent. The Region has met the staff shortage in its five Long Term Care Homes and Community Access caseworkers by redeploying existing staff and hiring new staff to continue service delivery with modified processes.

Human Resources (HR) mandate is to partner with clients to enable achieving business outcomes and create a positive employment experience that is built on trust, respect and teamwork. HR will continue to develop/support its clients on an on-going basis.

Major strategies are being developed which include:

Employee Development
- Developing strategies for leadership and employee development to ensure employees have skills to deliver on services and Strategic Plan outcomes. This includes but is not limited to:
  - o New employee on-boarding program
  - o Career growth management (pilot)
  - o Learning assignments

Retention
- HR will continue to ensure market wages for Regional employees and opportunities for job enrichment through learning assignments and employee development program.

Succession Planning
- The succession planning strategy development is a current ELT organizational priority. The performance management program has already been developed and implemented. HR will continue to mature the performance management program to optimize staff skills to achieve business outcomes. Further, HR is evaluating various options to design and deliver a comprehensive approach to succession planning in order to ensure the Region has developed skilled and productive employees necessary to meet its future needs.

4.3.9. Absence of Information

Absence of timely, pertinent, consistent and accurate information may result in ineffective decision making for the Region.

Mitigation Plans / Actions

The Region has actions in place, and plans for further actions to be developed, that may help mitigate the risk posed from absence of information. The mitigation activities for absence of information risk are two folds:

a) Corporate wide Information Management Strategies i.e. developing governance framework, strategies, tools and methodology to ensure information is reliable and available in a timely manner; and
b) Implementation and adoption by information custodians and user groups i.e. implementing framework, strategies, tools and methodology to ensure information is reliable and available in a timely manner.

The following corporate wide strategies are in progress to facilitate timely access to information. These strategies will only be effective when it is fully adopted by information custodians and users:

Electronic Content Proposal outlines an approach to the digitization, organization, delivery and management of content. It also addresses automation activities that ultimately improves the ability to make informed decisions based on intelligent content. It will provide clear direction and guide how Regional staff will easily file, find and share their documents and records, regardless of format. This Proposal has been complete and now sets the direction for the optimal use of Regional content. Implementation is in progress.

The Enterprise Business Intelligence Strategy addresses the management, analysis and reporting of data, resulting in increased evidence informed decision-making to achieve outcomes. The Strategy is complete and approved by the Executive Leadership Team. Implementation of this Strategy is in progress will currently focus on two service areas: Community Investment and Corporate Performance.

4.3.10. Outdated Technology

The Region's inability to sustain/ maintain legacy Information Technology systems could cause delays to business process and service delivery.

Mitigation Plans / Actions

The Region has actions in place, and plans for further actions to be developed, that may help mitigate the risk posed from outdated technology. The hardware roll-out and move to Office 365 prior to the COVID-19 pandemic enabled a quick response in allowing the majority of employees to work from home. Digital &Information Services (D&IS) Department continued responding to REOC requests to make further improvements since March 2020.

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The Region has developed a State of Good Repair (SOGR) Program for Information Technology applications. A capital funding request has been submitted for approval as part of the Region's 2021 Budget process. The SOGR Program as recommended by this capital funding request will contribute significantly to evolving the below and to substantially remediate the current significant risk.

The following strategies are currently in progress to sustain/maintain legacy Information Technology systems:

Operating System Upgrade
Upgrading unsupported operating systems to newer supported versions. This work is continuing to upgrade or decommission unsupported operating systems.

Migrate outdated and risky systems
Prioritize migration from outdated and risky applications/systems to modern applications/systems.

The Digital and Information Services Department has created a view of business capabilities that will be used to align the initiatives, investments and strategy for the IT department to develop new or rationalize existing IT capabilities (source Regional IT Standards Policy & Target State Architecture)

4.3.11. Climate Change and Environment

Inability to manage/adapt to the impact of climate change that could affect the Region's finances and service delivery.

Inability to manage the negative impact on the environment due to Regional hazardous discharge from its various services could affect the Regional environmental footprint.

Potential negative impact of climate change on public health and social cohesion (updated 2020).

Mitigation Plans / Actions

The Region has actions in place, and plans for further actions to be developed, that may help mitigate the risk posed from climate change and environment. Building environmental resilience is a Term of Council Priority. Regional Council has endorsed a Statement of Commitment outlining guiding principles and desired outcomes related to climate change mitigation and adaptation and approved a 10-year corporate Climate Change Master Plan, which set a greenhouse gas emissions reduction target of 45% below 2010 levels by 2030. To complement Council's stated commitment and support the Master Plan implementation, the Region is actively embedding climate change considerations into existing tools that promote accountability (e.g. including climate change as a lens of Corporate Social Responsibility into Commissioner Mandate Letters) and processes that impact in-year decision-making or longer-term planning (e.g. identifying climate change as a strategic issue for budget and asset management planning). These are examples of institutionalizing the ongoing need to address climate change risks and will serve to reinforce how everyone individually and collectively has a role to play in reducing greenhouse gas emissions and ensuring Regional services and assets are resilient to climate change and impacts of extreme weather.

The Region is working to mitigate the impacts of Climate Change related to basement flooding. To build on existing programs already having an impact in the community, the Region has developed a comprehensive strategy to address the impacts of inflow and infiltration into the sanitary sewer system. The Inflow and Infiltration Reduction and Mitigation Strategy includes many program areas such as:

- Research and data analysis in order to prioritize the program;
- Development of new operations and design standards based on best practices;
- Rehabilitation of the existing system and construction of new and upsized assets; and
- Community outreach programs

Implementation of the Strategy is a continuing and collaborative effort between the Region of Peel, local municipalities and the conservation authorities.

4.3.12. Supply Chain Disruption, Absence of Contract Management and Oversight

Inability of vendors and/or community partners to deliver services or products to agreed costs and/or specifications may result in financial and service delivery impacts for the Region.

Ineffective contract oversight could impact the Region's service delivery and finances.

Mitigation Plans / Actions

The Region has actions in place, and plans for further actions to be developed, that may help mitigate the risk posed from supply chain disruption, absence of contract management and oversight. During the COVID-19 response, the Region has established a centralized supply management model to prevent future supply chain disruptions and efforts are underway to make it sustainable and align with the Enterprise Asset Management future state.

There is a Procurement By-Law and Policies and Procedures in place that help ensure vendors or community partners are retained/ engaged to deliver services or products to agreed-upon costs and user division developed specifications. The Procurement division works collaboratively with user divisions and Legal Services to ensure fair and transparent procurements by:

- Developing quality procurement documents in collaboration with the user divisions outlining the business need and service level expectations (specifications, scope of work, pricing, terms and conditions, mandatory requirements etc.);
- Perform the procurement compliance and facilitate the appropriate review of the technical/mandatory requirements have been deemed acceptable by the user divisions; prior to moving to an evaluation phase (where applicable); made up of a team of business experts;
- Provide users tools to capture vendor occurrences and client satisfaction to assist user divisions in their contract management and ensure the successful bidder is adhering to the terms and conditions laid out in the contract;
- Importance of demand accuracy, such as quantity projections and or capacity requirements, to minimize supply risks and Vendors not able to fulfill orders
- Provide Vendor Performance Management Framework to users to consistently evaluate vendor performance and to inform eligibility of vendors to participate in future bidding opportunities and to be awarded future contracts;

- User division staff manages the vendors' or community partners' performance and adherence to the terms and conditions of the contract or agreement; and,
- The user divisions have set processes, tools and or technologies in place to manage the business' vendors, contracts and financial obligations.

4.3.13. Ineffective Design and Implementation of Business Services and Processes

Inability to modernize the Region's service delivery, such as technological advancement, innovation, and transformation, could impact achievement of service delivery outcomes and the effectiveness of business processes.

Mitigation Plans / Actions

The Region has actions in place, and plans for further actions to be developed, that may help mitigate the risk posed from ineffective design and implementation of business services and processes. To manage the risk of ineffective design and implementation of business services and processes, the Region continues to review and modernize services to help ensure that Regional services are easy to access, service requests are met through each interaction and employee needs are met.

The Region has taken the following approach to mitigating the risk of ineffective design and implementation of business services and processes:
- Monitoring and measuring continuous improvement efforts through the Continuous Improvement Program;
- Using data to make evidence informed decisions to guide design and implementation such as Enterprise Business Intelligence implementation and Corporate Performance Management Implementation;
- Modernizing service delivery and employee tools through the Improve Service & Confidence ToCP and
- D&IS initiatives that focus on making the Region a digitally enable government.

Pandemic emergency has also provided opportunities to try different solutions and /or practices to deliver services. The Region supported virtual Council and Committee meetings and tried solving complex issues such as housing approximately 300 people affordable housing with a unique partnership of the Region and the landlord.

4.3.14. Absence of Infrastructure and Asset Planning

Inability to maintain new and existing infrastructure could impact the Region's ability to maintain levels of services currently provided by the Region.

Mitigation Plans / Actions

Appendix I
2020 Corporate Risk Profile

The Region has actions in place, and plans for further actions to be developed, that may help mitigate the risk posed from absence of infrastructure and asset planning. The Region complies with the:
- Provincial asset management regulation
- Corporate Asset Management Policy and Council approved service level standards
- Long Term Financial Planning Strategy
- Application of annual Infrastructure Levy

The risk assessment and the Status of Infrastructure Reserves is updated annually. Reports summarizing the results of the analyses are provided to Regional Council as part of the budget deliberation.

The Region is in a process of updating and modernizing the asset management analytical tools that will enable effective and efficient management of the assets, including conducting a climate change risk assessment on all Regional infrastructure, determining impact to level of service, and costs associated with adapting infrastructure to climate change to meet approved service levels.

4.3.15. Health and Safety

Inability to maintain health and safety practices at the Region's workplace (including violence and harassment) could impact the delivery of quality service and result in financial loss.

Mitigation Plans / Actions

The Region has actions in place, and plans for further actions to be developed, that may help mitigate the risk posed from health and safety. The Region is in the process of developing a robust and integrated corporate health and safety management system to help ensure that the Region has a healthy, safe and resilient workforce. The development of the Region's health and safety program will take several years to build.

Health and safety objectives identified for 2020 have been paused as a result for response to the COVID-19 pandemic.

Globally, technology has enabled maintaining social connections, continued education, entertainment and work where possible that plays an important role in well-being.

Throughout the emergency, Peel has provided virtual opportunities for physical and mental well-being to its staff. Redeployed staff and enabled work from home where possible to mitigate the health and safety risk exposure.

4.3.16. Infectious Disease

Impact of infectious diseases caused by pathogenic microorganisms (bacteria, viruses, parasites or fungi) that can spread, directly or indirectly, from one person to another may result in an increase in service demand and impact the achievement strategic outcomes.

Mitigation Plans / Actions

The Region has actions in place, and plans for further actions to be developed, that may help mitigate the risk posed from infectious disease. Peel Public Health has led and successfully coordinated and directed a full community response that has brought this under control.

Overall goals going forward include:
- Continued public communication and messaging around precautions and measures to be taken by individuals, businesses, and community leaders to ensure transmission rates remain low while reopening occurs
- Continued resourcing and support for case and contact management (contact tracing), outbreak response, infection prevention and control
- Continued surveillance and monitoring and release of data to support response
- Continued coordination with provincial, federal, healthcare and system partners and community partners to support broader response

It is important to ensure that the response is sustainable, and the Region is prepared for the evolving aspects of the pandemic (for example, mass immunization should a vaccine become available).

4.3.17. Emergency Preparedness

Inability to foresee, plan and respond to unprecedented emergencies could impact the Region's ability to maintain levels of services currently provided by the Region.

Mitigation Plans / Actions

The Region has actions in place, and plans for further actions to be developed, that may help mitigate the risk posed from emergency management. There are many lessons learned from the COVID-19 response and the Region will be investing resources to implement improvements to make it more resilient to emergencies.

The Region of Peel Emergency Plan was scheduled to be updated in 2020, but the work was paused with the activation of the REOC in March. Work will resume on updating the plan with the intent of incorporating findings from the COVID-19 response and having it ready for review and endorsement by Regional Council in May of 2021.

5. Impact of Risks to the Region's Strategic Plan

The Region of Peel Strategic Plan includes both short-term, Term of Council Priorities, and long-term strategic outcomes that should enable the Region to achieve its vision "Community for Life". The risks identified in the Corporate Risk Profile, if materialized, may impede or delay the progress to achieve the Region's strategic outcomes.

Though the risks presented in the Corporate Risk Profile, appear linear in nature, it is important to note the risks are not mutually exclusive and that an occurrence of one risk may impact another. For example, the changes to the climate may impact Regional infrastructural assets.

6.   Global Risks [iii]

The World Economic Forum is an international organization established for public-private cooperation. Each year the World Economic Forum releases a Global Risk Report (Report). The Report focuses its attention to evolving global risks. A "global risk" is defined as an uncertain event or condition that, if it occurs, can cause significant negative impact for several countries or industries within the next 10 years.

The Report includes a top ten list of risks from both a likelihood and impact perspective. Unlike, previous years, the top ten global risks in terms of likelihood and impact are mainly focused on extreme weather, climate action failure, natural disasters and human made environmental disasters, and cyber-attack. It also focuses on the key issues such as economy, environment, technology and public health where diversified stakeholders may work collaboratively and address these issues.

7.   Summary and Next Steps

The Corporate Risk Profile entails key risks to the Region that may impact achieving its Strategic Plan outcomes. The Profile is a strategic planning resource that may be used in decision-making for planning, budgeting and resource allocation decisions.

Existing mitigation plans to address the risks are included in the Profile as well as plans that are currently underway. It is important to note that the mitigation plans have not been audited and therefore no assurance is provided on the Profile. Mitigation plans are an assertion of management.

Enterprise Risk Management will continue to update the Corporate Risk Profile annually and report to the Audit and Risk Committee and Council accordingly.

8.   Appendices

8.1. Glossary

a) Corporate Risk - A corporate risk is defined as an uncertain <u>internal</u> and/or <u>external</u> event causing significant negative impact for an organization that may impact its ability to deliver on its strategic plan outcomes and/or erode trust and confidence of stakeholders.

b) External Risk - The risks stem from the external environment in which the Region operates and where the Region may not have the ability to mitigate. Such risks manifest outside the Region but may have significant impact on the Region's ability to deliver on its Strategic Plan outcomes.

c) Internal Risk - The risks are internal to the organization, where the Region may have the ability to reduce the likelihood and/or the impact of the risks.

d) Design Inability to achieve the expected value from outcomes due to inadequate needs identification, ineffective project management, inability to work collaboratively, inability to dedicate required resources.

e) Service Manager – Accountable person based on Service Inventory

8.2. References

[i] International Energy Agency (IEA), "Global energy demand to plunge this year as a result of the biggest shock since the Second World War", 30 April 2020, https://www.iea.org/news/global-energy-demand-to-plunge-this-yearas-a-result-of-the-biggest-shock-since-thesecond-world-war.

[ii] Resolution 20202-448 on June 11, 2020 Regional Council Meeting
https://peelregion.ca/council/agendas/2019/2019-09-19-arc-agenda.pdf

[iii] Source: *The Global Risks Report 2020*, World Economic Forum, Switzerland, 2020.

2020 Corporate Risk Profile

Jennifer Weinman, Interim Director, Enterprise Risk and Audit Services
Anila Lalani, Advisor, Enterprise Risk Management and Acting Manager, Enterprise Audit Services

Identifying and managing key risks can assist in achieving Region's strategic outcomes

Agenda

1. Corporate Risk Profile
2. Impacted Services - **New**
3. Corporate Risk Profile Usage
4. Risk Manifested - **Updated**
5. Next Steps
6. Questions/ Discussion

5.1-28

Corporate Risk Profile

The Profile is a communication tool that identifies key internal and external risks facing an organization

Corporate Risk

Uncertain internal and/or external event that may cause a significant negative impact for an organization and that may impact an organization's ability to deliver on its strategic plan outcomes and/or erode trust and confidence of stakeholders.

Corporate Risk Profile

Strategic Risks	Operational Risks	Reputational Risks
Risks that may prevent an organization from meeting strategic objectives and outcomes and or loss resulting from lack of response to the changing business environment	Risk of loss from people, systems, and internal procedures (day-to-day risks)	Risk associated with negative publicity, perceived or real regarding Regional business practices
• Social Cohesion and Intolerance • Economic downturn • Changing Government Policies • Changing employment and impacts of automation • Climate Change • Absence of Infrastructure and Asset Planning • Infectious Disease – New	• Cyber attacks • Ineffective Growth Management Planning • Competition for Talent • Absence of Information • Outdated Technology • Absence of Contract Management and Oversight • Ineffective Design and Implementation of Business Services and Processes • Health and Safety • Emergency Preparedness – New	• Negative Publicity

5.1-30

Impacted Services are identified for each risk to better understand risk exposure

Corporate Risk Profile Usage

1. Key input into strategic planning

2. Validates risk taking

3. Risk informed decision making

4. Risk, Controls and Value alignment

Risk Manifested

1. Social Cohesion and Intolerance

2. Economic Downturn

3. Changing Employment and Impacts of Automation

4. Competition for Talent

5. Infectious Disease

6. Emergency Preparedness

5.1-33

Next Steps

- Continue to monitor corporate risks and report back annually

- The Profile continue to be used as a decision-making tool

Thank you and Questions

Jennifer Weinman, Interim Director, Enterprise Risk and Audit Services
Anila Lalani, Advisor, Enterprise Risk Management / Manager, Enterprise
Audit Services (acting)

5.1-35

REPORT TITLE: **2020 Fraud Information**

FROM: Jennifer Weinman, Interim Director, Enterprise Risk and Audit Services

OBJECTIVE

To provide members of the Audit and Risk Committee with information to respond to fraud related enquiries from the external auditor.

REPORT HIGHLIGHTS

- The 2020 fraud risk survey was conducted to support the members of the Audit and Risk Committee to respond to enquiries from the external auditor.
- The external auditor is required by their professional standards to obtain feedback from the members of the Audit and Risk Committee on their perspectives of fraud risk, fraud incidents and fraud prevention program at the Region of Peel.
- 96 per cent of survey respondents indicated there are effective controls and oversight in place to detect and prevent fraud in their areas of responsibilities, and 86 per cent indicated there is a low risk of fraud occurring.
- There were six occupational fraud and attempted fraud incidents during 2020.

DISCUSSION

1. Background

The external auditor is required by their professional standards to gather feedback from members of the Audit and Risk Committee on their knowledge of fraud incidents, fraud risk and anti-fraud programs at the Region of Peel (the Region).

The Audit and Risk Committee Charter (February 2019) outlines the role of the Committee that includes:

- Review the results of the annual survey on fraud risk and fraud allegations
- Respond to the external auditor's questions related to the Committee members' view on fraud risk, fraud incidents and the Committee's role in the Region's fraud prevention program.

To assist the members of the Audit and Risk Committee answering questions from the external auditor, the Enterprise Risk and Audit Services conducted a fraud risk survey across the organization to gather such information.

2020 Fraud Information

2. 2020 Fraud Risk Survey Results and Analysis

The Region's Fraud Prevention Policy (G00-22) defines fraud as: *"Fraud is an act of using dishonesty as a tool for personal gain. Fraud includes any misuse or attempt to misuse the Region's assets for personal gain or purpose unrelated to the Region's business."*

The following sections provide survey results and brief analysis:

a) The Survey and Results

A total of 56 staff were surveyed which included 48 directors, four managers and four Associate Medical Officers of Health. 100 per cent response rate was received. The survey and the results are as followed:

1. *"There is a low risk of fraud occurring in my area of responsibilities."*

   - Agree: 48 respondents or 86 per cent of respondents
   - Disagree: 8 respondents or 14 per cent of respondents

2. *"There are effective controls and oversight in place that will detect or prevent fraud in my area."*

   - Agree: 54 respondents or 96 per cent of respondents
   - Disagree: 2 respondents or 4 per cent of respondents

3. *"Has there been any actual, suspected or alleged fraud in your area during 2020?"*

   Four respondents indicated there were actual, suspected or alleged fraud in their area.

The Enterprise Risk and Audit Services followed up with management on the allegations. As a result of the follow up, four fraud incidents and two attempted fraud incidents were confirmed.

b) Analysis of Survey Results

Eight or 14 per cent of the survey respondents agreed there was a high risk of fraud occurring in their area of responsibilities. Among these eight respondents, all but one indicated that they agreed there were effective controls and oversight in place that would detect or prevent fraud.

Fifty-four or 96 per cent of the respondents agreed that there were effective controls and oversight in place that would detect or prevent fraud in their areas, two disagreed. Among the two respondents who disagreed, one respondent agreed in the first survey question that the risk of fraud occurring in their area of responsibility was low.

One respondent to the survey indicated that there is a high risk of fraud occurring in their area of responsibility and that there are not effective controls and oversight in place to detect or prevent fraud in their area of responsibility, Long Term Care. This is an area where the risk of fraud is inherently high related to the receiving and depositing of cash

and personal cheques in Long Term Care Homes. Measures to strengthen the controls and oversight are underway, and further, Enterprise Audit Services is currently conducting an internal audit of cash and resident trust fund management.

3. Occupational Fraud

Occupational fraud is defined as "*the use of one's occupation for personal enrichment through the deliberate misuse or misapplication of the employing organization's resources or assets.*"

Following the fraud risk survey, six fraud and attempted fraud incidents were confirmed to have occurred during 2020. The total incidents are illustrated in the table below. In all cases, management has addressed the matters with employees including appropriate disciplinary actions.

Types of Fraud	Number of Instances
Confirmed Occupational Fraud Instances under $1000	
Attempted misappropriation of funds*	1
Theft of Regional property	1
Confirmed Occupational Fraud Instances over $1000	
Attempted misappropriation of funds*	1
Falsification of health benefits claims	1
Theft of time	2
Total of incidents	**6**

* Attempted misappropriation of funds did not result in loss of funds.

Below is a table of the five-year comparison of confirmed occupational fraud incidents at the Region:

Types of Fraud	Number of Instances				
	2016	**2017**	**2018**	**2019**	**2020**
Alteration of documents	0	0	0	1	0
Attempted misappropriation of funds					2
Falsification of health benefits claims	0	0	0	4	1
Theft of Regional property	0	1	2	2	1
Theft of time	2	0	3	0	2
Total of incidents	**2**	**1**	**5**	**7**	**6**

4. Human Services Client Subsidy Fraud

The nature of the services provided by the Human Services department has an inherently high risk of client fraud. All material subsidy fraud allegations against clients are referred to the Human Services Eligibility Review Unit for investigation. Cases demonstrating a clear intent to commit fraud are measured against an established set of police referral criteria. If

2020 Fraud Information

an investigation is determined to have met the referral criteria, the case is reviewed by the Eligibility Review Unit Supervisor and the Peel Regional Police-Fraud Unit. Following Peel Regional Police endorsement of a referral, the Eligibility Review Unit schedules a formal intake for the referral with Peel Regional Police, which is then assigned to an investigating officer.

In 2020, there were no cases referred to Peel Regional Police. The table below is a comparison of the number of Human Services Client Subsidy Fraud cases referred to Peel Regional Police from 2016-2020:

Number of Instances				
2016	**2017**	**2018**	**2019**	**2020**
0	0	9	8	0

5. Fraud Prevention Program

The Region of Peel's Code of Conduct stated that "all employees of the Region are responsible for immediately reporting grounds for suspected fraud to their supervisors, or more senior management".

The Region has established a fraud prevention program, led by Enterprise Risk and Audit Services. The fraud prevention program consists of the following:

- Mandatory fraud prevention training for all employees

- Additional mandatory fraud prevention training for all people leaders

- Fraud Prevention Policy

- Employee Reporting Program

- Employee Anonymous Reporting Line

- Annual fraud awareness events

- Whistleblower Protection Policy

- Fraud information page on the Region's intranet

- Educational and outreach on fraud prevention

CONCLUSION

The 2020 fraud risk survey results captured in this report provide members of the Audit and Risk Committee the information related to fraud risk and fraud incidents at the Region of Peel in order to meet the requirements of the external audit.

For further information regarding this report, please contact Jennifer Weinman, Interim Director, Enterprise Risk and Audit Services, jennifer.weinman@peelregion.ca.

Authored By: Lynn Guo, Senior Internal Auditor

Reviewed and/or approved in workflow by:

Divisional Director.

REPORT TITLE: **2021 Enterprise Audit Services Risk Based Work Plan**

FROM: Jennifer Weinman, Interim Director, Enterprise Risk and Audit Services

RECOMMENDATION

That the 2021 Enterprise Audit Services Risk Based Work Plan as outlined in the report of the Interim Director, Enterprise Risk and Audit Services, listed on the March 4, 2021 Audit and Risk Committee agenda titled "2021 Enterprise Audit Services Risk Based Work Plan", be approved.

REPORT HIGHLIGHTS
- The 2021 Enterprise Audit Services Risk Based Work Plan ("Work Plan") was developed based on risk assessment information from various sources and applying a risk management framework.
- The Work Plan takes into consideration risk impact of the COVID-19 pandemic on the Region of Peel (the Region).
- It is intended to provide the Audit and Risk Committee and senior leadership reasonable assurance that higher risk areas in the Region are being audited.
- Six audit staff (67 per cent of the team) are redeployed in support of the Region's COVID-19 response.
- New audit projects will commence in September 2021.

DISCUSSION

1. Background

Enterprise Risk and Audit Services has a responsibility to develop an annual work plan in accordance with the International Standards for the Professional Practice of Internal Auditing ("Standards"). The 2021 Enterprise Audit Services Risk Based Work Plan ("Work Plan") is intended to provide the Audit and Risk Committee and senior leadership reasonable assurance that higher risk areas in the Region of Peel ("the Region") are being audited.

The Work Plan sets the priorities for Enterprise Audit Services activities in 2021. The goal of the 2021 Work Plan is to capture the current and emerging risks with a focus on those related to the COVID-19 pandemic emergency response and recovery.

The following methodology was used in developing the Work Plan:

- Interviews with the leads of the command sections of Regional Emergency Operations Centre, and members of the senior leadership group directly involved in COVID-19 response.

2021 Enterprise Audit Services Risk Based Work Plan

- Interviews with selected directors based on risks.
- Application of a risk management framework to prioritize areas with higher risk.
- Consideration of past audits and auditors' experiences.

Enterprise Audit Services engaged an external consultant to develop a risk-based Information and Technology Audit Work Plan for 2019-2022. Information and Technology projects for 2021 have been selected. They will be conducted by third-party subject matter experts and will be awarded through a competitive procurement process.

Enterprise Audit Services will update the Audit and Risk Committee and senior leadership of changes to the Work Plan, in accordance with the Enterprise Risk and Audit Services Charter and the Standards. The Standards require that Enterprise Risk and Audit Services review and adjust the Work Plan in response to changes in the business, risks, operations, programs, systems, and controls; and that changes related to the Work Plan be reported.

2. **2021 Enterprise Audit Services Risk Based Work Plan**

In 2021, the Region of Peel continues to respond to the COVID-19 pandemic. This response, including leading the mass vaccination program, is a critical priority to help ensure the health and safety of the residents of Peel. In support of this important work, six staff from the Enterprise Risk and Audit Services division have been reassigned into positions supporting the pandemic response and mass vaccination program. It is expected that these staff will be involved in this work for the next six months.

As a result, the completion of new audit projects has been paused and will commence as staff return to the division following their reassignments. The audit projects outlined in Appendix I, Table 1, will form a list of potential audit projects to be started in the early fall. The specific projects will be selected at that time considering resource availability and risk. The selected projects will be completed and reported to the Audit and Risk Committee in 2022.

The remaining staff in the division will execute the components of the 2021 Work Plan outlined in Appendix I, Table 2 and Table 3 and continue to facilitate the Enterprise Risk Management program. Table 2 is the projects that started in 2020 and will be reported to the Audit and Risk Committee in the spring 2021. Table 3 outlines other services that Enterprise Audit Services provides and includes descriptions of the services. The chart below provides a summary of the components of the 2021 Work Plan outlined in Appendix I.

Appendix I	Project Type	Start	Report to Audit and Risk Committee
Table 1	New potential audit projects list	Fall 2021	2022
Table 2	Audit projects started in 2020	2020	Spring 2021
Table 3	Other audit related services	2021	N/A

The audit projects outlined in Table 1 of the 2021 Work Plan are aligned with the Region's services and with current and emerging risks. The project focus on risk related to the

2021 Enterprise Audit Services Risk Based Work Plan

COVID-19 pandemic emergency response and recovery. The scope and objective of each audit will be determined after completion of the audit planning phase. This includes review of background information, discussions with management and conducting a risk assessment.

RISK CONSIDERATIONS

The 2021 Work Plan has been developed using the best available information at the time of development; it is not exhaustive. Inherently, given the current COVID-19 crisis, there is a risk the Work Plan may not have allotted time to a high risk area. COVID-19 response and recovery remains a top priority for the organization and the community. As the Work Plan remains flexible, adjustments will be made should such a situation come to Enterprise Audit Services' attention.

CONCLUSION

The 2021 Enterprise Audit Services Risk Based Work Plan ("Work Plan") was developed to set priorities for Enterprise Audit Services activities for 2021. It is aligned with the Region of Peel's services and the risks related to the Region's COVID-19 response and recovery work. The Work Plan is intended to provide the Audit and Risk Committee and senior leadership reasonable assurance that higher risk areas in the Region will be audited. Enterprise Risk and Audit Services will be able to independently and objectively undertake the audit projects presented in the 2021 Work Plan in accordance with the Standards.

APPENDIX

Appendix I – 2021 Enterprise Audit Services Risk Based Work Plan

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For further information regarding this report, please contact Jennifer Weinman, Interim Director, Enterprise Risk and Audit Services, Ext.4122, jennifer.weinman@peelregion.ca.

Authored By: Anila Lalani, Acting Manager, Enterprise Audit Services; Jenny Gong, Senior Internal Auditor, Enterprise Audit Services.

Reviewed and/or approved in workflow by:

Divisional Director.

Table 1 - 2021 Work Plan Audit Projects

Strategic Plan Area of Focus	Service / Sub Service	Last Time Audited	Background and Risk
Living (People's lives are improved in their time of need)	Housing Support	2015	Housing Services' strategic goals include providing clients with the help they need to get and/or keep housing, increasing affordable housing, and optimizing the services. Since the beginning of the COVID-19 pandemic, the Region has received temporary emergency federal and provincial funding to ensure the homeless and other vulnerable groups are adequately cared for throughout the pandemic. Risk: There is a risk that funds may be allocated or spent inappropriately, causing a failure in addressing the needs of the vulnerable in the community throughout the pandemic.
Leading (Government is future-oriented and accountable)	Financial Management - Financial Reporting and Accounting	2011	Accounts Payable processes invoices and payments on behalf of the Region of Peel, Peel Housing Corporation and Peel Regional Police. Payments need to be processed accurately, timely and in accordance with Regional policies and procedures. In 2020, a significant percentage of invoices and payment approvals became paperless to accommodate staff working remotely as a result of COVID-19. Risk: There is a risk that payments may not be processed in accordance with policies and procedures and unauthorized payments may go undetected.
	Financial Management - Procurement	2016	The Procurement Division assists the Region of Peel, Peel Housing Corporation, and Peel Regional Police, with the procurement of goods and services. Its goals include compliance with the Procurement By-Law, Municipal Act, and applicable trade agreements as well as best value for money. Since the beginning of the pandemic, the Region has needed to use the emergency

			procurement procedure to ensure timely supply of goods and services to respond to the pandemic. Risk: The risk of non-compliance to Procurement By-law and applicable procedures increased as the unprecedented demands for specialized goods were brought on by the COVID-19 pandemic.
	Public Accountability – Legislative Services	N/A	Various areas of the Region collect and access clients' information in order to provide services and conduct regular business. The Region's Access to Information and Privacy section offers consultation and advice on privacy-related practices and enquiries, privacy breach investigations, and customized training on privacy. Risk: There is a risk of privacy breach given the business requirements to collect, store and access personal information in various areas across the Region. The level of this risk has been elevated significantly due to the change to remote working in 2020.
	Workforce - Retention	2011	Payroll is responsible for processing salaries and hourly wages for Region of Peel and Peel Regional Police employees. Compensation for employees is processed and deposited bi-weekly. A Time and Labour system is used in administrating timesheets, employee information as well as pay records. It is important that records are correct, employees are paid according to the time worked and pay cheques are processed accurately and timely. Risk: There is a risk that employees may not be paid correctly or in a timely manner. The risk level has increased as payroll processes changed in some areas and more over-time pays were incurred as a result of COVID-19.
	Information and Technology – Information Technology	N/A	The 2019-2022 IT Risk Based Work Plan includes a project to audit IT Capability Management. The potential scope of this audit includes assessing the effectiveness of processes and controls to help ensure IT

			attracts and retains competent and skilled specialized staff.
			Risk: Due to variations in IT application management and application practices and the potential challenges for attracting and retaining specialized staff, there is a risk that the overall IT capability management processes may not meet the needs of the Region.
	Information and Technology – Information Technology	N/A	The 2019-2022 IT Risk Based Work Plan includes a project to audit IT Disaster Recovery Planning. The potential scope of this audit includes assessing the adequacy level of IT Disaster Recovery Plans in meeting the business requirements; training provided to staff to execute the plans; and processes to maintain and refresh the plans.
			Risk: Due to the significant infrastructure changes in the last five to ten years and the unprecedented challenges IT is faced with during the COVID-19 pandemic, there is a prominent risk that the IT Disaster Recovery Plans may not meet immediate and long-term needs of the Region.

Table 2 - 2020 Audit Projects to be Concluded in 2021

Strategic Plan Area of Focus	Service / Sub Service	Last Time Audited	Background and Risk
Living	Long Term Care Resident Trust Account	2016	The Region of Peel operates five Long Term Care Homes. In accordance with the Long-Term Care Homes Act, 2007 and Ontario Regulation, the Region has undertaken to establish and maintain non-interest-bearing trust accounts for the deposit of all money entrusted to the centres on behalf of residents and to ensure that trust funds are available to meet residents' daily spending needs. Risk: There is a risk of non-compliance with the legislations and internal policies and procedures, errors and/or misappropriation of funds going undetected, insufficient funds available to meet residents' cash needs and reputational risk arising for lack of financial monitoring and oversight at the homes.
Leading	Information and Technology – Information Technology	N/A	The Enterprise Architecture audit was part of the 2019-2022 IT Risk Based Work Plan. The scope of this audit includes reviewing the processes for systems architecture, such as the adoption of modern technologies and the dependencies and service level monitoring. Risk: Due to the requirements to keep up with modern technology and alignment of IT across the organization, there is a risk that processes may not be effectively carried out.

Table 3 - Other Audit Related Services

Strategic Plan Area of Focus	Audit Service	Description
Leading	Advisory Services	Risks and issues emerge and evolve throughout the year. Enterprise Audit Services sets aside time to handle special projects, assignments, and advisory work. The objective is to be proactive by addressing client needs on the front-end of changes and new initiatives. In addition, Enterprise Audit Services may be asked to sit on committees or provide education and training to provide proactive control advice to management.
	Consulting – Emergency Management Program	Performing consulting work to help management strengthen the Region's emergency management program.
	Follow-up on Enterprise Audit Reports	Audit staff follow up on outstanding audit observations and management action plans from audit reports that have been previously reported to the Audit and Risk Committee.
	Fraud Prevention Program	This service is to advance and promote the fraud prevention program as defined in the Fraud Prevention Policy. The Director, Enterprise Risk and Audit Services has the lead responsibility for advancing, promoting and educating the organization about the fraud prevention program.
	Investigations	The Region is committed to protecting its revenue, property, proprietary information and other assets from any misuse or misappropriation. It is the Region's intent to fully investigate any suspected acts of 'fraud' as defined in Fraud Prevention Policy. The Director, Enterprise Risk and Audit Services has the lead responsibility for conducting fraud related investigations.