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**REPORT TITLE: 2022 Internal Audit Risk Based Work Plan**

**FROM: Jennifer Weinman, Director, Internal Audit**

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## **RECOMMENDATION**

**That the 2022 Internal Audit Risk Based Work Plan as outlined in the report of the Director, Enterprise Risk and Audit Services, listed on the May 19, 2022 Audit and Risk Committee agenda, titled “2022 Internal Audit Risk Based Work Plan”, be approved.**

## **REPORT HIGHLIGHTS**

- The 2022 Internal Audit Risk Based Work Plan was developed based on risk assessment information from various sources and applying a risk management framework.
  - The Work Plan takes into consideration the risk impact on the Region of Peel from the COVID-19 pandemic emergency response and the mass vaccination program.
  - The Work Plan is intended to provide the Audit and Risk Committee and senior leadership reasonable assurance that higher risk areas in the Region are being audited.
  - The Executive Leadership Team has provided input to the Work Plan.
  - With ongoing reassignments and three vacant positions anticipated to be filled by the end of the second quarter of 2022, the Work Plan assumes an 85 per cent complement of six related audit staff for the year.
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## **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 2022 Internal Audit 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 (Region) are being audited.

The Work Plan sets the priorities for internal audit activities in 2022. The goal was to assess the Region’s risk and internal controls including those related to the COVID-19 pandemic emergency response, and the impact of the mass vaccination program on risk and controls.

### **2. Methodology**

The following methodology was used in developing the Work Plan:

- Risk and control survey of managers, supervisors, and other frontline people leaders.

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- Identification of audit projects from the 2021 work plan that were put on hold due to the COVID-19 emergency and are still relevant and high risk.
- Interviews of selected survey responders.
- Application of a risk management framework to prioritize areas with higher risk.
- Consideration of non-COVID-19 related risk areas.
- Consideration of past audits and auditors' experiences.
- Input from the Executive Leadership Team.

Changes to the Work Plan may be required as risks and issues unfold during the year, particularly as COVID-19 situations continue to evolve. Therefore, the 2022 Work Plan will remain flexible to allow for in-year requests. Enterprise Audit Services will update the Audit and Risk Committee and the Executive Leadership Team of changes to the Work Plan.

The Work Plan is normally developed considering the time available for five auditors and the audit manager. There are presently three vacancies; two vacant auditor positions are expected to be filled near the end of the first quarter of 2022 and a third vacancy will be filled near the end of the second quarter. The Work Plan assumes an 85 per cent complement of six related audit staff for the year to account for the vacancies.

### **3. 2022 Internal Audit Risk Based Work Plan Highlights and Comments**

The audit projects outlined in Table 1 of Appendix I will form a list of potential audit projects to be started in 2022. These projects are aligned with the Region's services and with current and emerging risks, including those in relation to the COVID-19 pandemic emergency response and the mass vaccination program. The scope and objective of each audit will be determined after completion of the planning phase of each audit project. This includes review of background information, discussions with management and conducting a risk assessment. These projects will be completed and reported to the Audit and Risk Committee in 2022 and 2023.

Table 2 of Appendix I is the list of projects that started in 2021 and will be reported to the Audit and Risk Committee in the spring of 2022.

Table 3 outlines other services that Enterprise Audit Services provides and includes descriptions of the services.

## **RISK CONSIDERATIONS**

The 2022 Work Plan has been developed using the best available information at the time of development. COVID-19 response and recovery remains a top priority for the organization and the community. Inherently, given the current COVID-19 crisis, there is a risk the Work Plan may not have allotted time to a high-risk area. As the Work Plan remains flexible, adjustments will be made should such a situation come to Enterprise Risk and Audit Services' attention.

## **CONCLUSION**

The 2022 Internal Audit Risk Based Work Plan was developed to set priorities for Enterprise Audit Services activities for 2022. It is aligned with the Region of Peel's services and the risks related to the Region's COVID-19 response and mass vaccination work. The Work Plan is

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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 2022 Work Plan in accordance with the Standards.

## **APPENDICES**

Appendix I – 2022 Internal Audit Risk Based Work Plan

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