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REPORT TITLE: **2023 Internal Audit Risk Based Work Plan**

FROM: Jennifer Weinman, CPA, CA, CIA, CRMA, Director, Internal Audit

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## **RECOMMENDATION**

**That the 2023 Internal Audit Risk Based Work Plan as outlined in the report of the Director, Internal Audit, listed on the February 16, 2023, Audit and Risk Committee agenda, titled “2023 Internal Audit Risk Based Work Plan”, be approved.**

## **REPORT HIGHLIGHTS**

- The 2023 Internal Audit 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 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.
  - Internal Audit can independently and objectively carry out the audit projects identified in the 2023 Work Plan.
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## **DISCUSSION**

### **1. Background**

Internal Audit has a responsibility to develop an annual work plan in accordance with the *International Standards for the Professional Practice of Internal Auditing (Standards)*. Annually, the Internal Audit division prepares the Work Plan for review and approval by the Audit and Risk Committee.

The 2023 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 auditing activities in 2023. The goal was to assess the Region’s risk exposure from its business operations and the effectiveness of internal controls to manage the risks.

### **2. Methodology**

The Work Plan has been developed to set the priorities for the internal auditing activities in 2023. The following methodology was used to develop the Work Plan:

- Risk assessment survey of directors.
- Interviews with selected survey respondents.
- Application of a risk management framework to prioritize areas with higher risk.
- Consideration of past audits and auditors’ experiences.

## 2023 Internal Audit Risk Based Work Plan

Changes to the Work Plan may be required as risks and issues unfold during the year. Therefore, the 2023 Work Plan will remain flexible to allow for in-year requests. Internal Audit will update the Audit and Risk Committee and the Executive Leadership Team of changes to the Work Plan.

The *Standards* require that Internal Audit review and adjust the Work Plan in response to changes in the business, risks, operations, programs, systems, and controls; and those changes related to the Work Plan be reported. The Work Plan assumes a full complement of six audit staff.

### 3. 2023 Internal Audit Risk Based Work Plan Highlights and Comments

The audit projects outlined in Table 1 of Appendix I – 2023 Internal Audit Risk Based Work Plan will form a list of audit projects to be started in 2023. These projects are aligned with the Region's services and with current and emerging risks. 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 detailed risk assessment. These projects will be completed and reported to the Audit and Risk Committee in 2023 and 2024.

Table 2 of Appendix I – 2023 Internal Audit Risk Based Work Plan is the list of projects that started in 2022 and will be reported to the Audit and Risk Committee in the spring of 2023. Table 3 outlines other services that Internal Audit provides and includes descriptions of the services.

## RISK CONSIDERATIONS

The 2023 Work Plan has been developed using the best available information at the time. There is a risk that a high-risk area may not have been included in the Work Plan. As the Work Plan remains flexible, adjustments will be made to address any in-year requests should a high-risk area require Internal Audit's attention.

## CONCLUSION

The 2023 Internal Audit Risk Based Work Plan was developed to set priorities for Internal Audit division for 2023. It is aligned with the Region of Peel's services and risk exposure. 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. Internal Audit will be able to independently and objectively undertake the audit projects presented in the 2023 Work Plan in accordance with the *Standards*.

## APPENDICES

Appendix I – 2023 Internal Audit Risk Based Work Plan

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Jennifer Weinman, Director, Internal Audit

**2023 Internal Audit Risk Based Work Plan**

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