

Report to / Rapport au:

**OTTAWA POLICE SERVICES BOARD
LA COMMISSION DE SERVICES POLICIERS D'OTTAWA
27 March 2023 / 27 mars 2023**

Submitted by / Soumis par:

Chief of Police, Ottawa Police Service / Chef de police, Service de police d'Ottawa

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SUBJECT: 2023 INTERNAL AUDIT WORK PLAN

OBJET: PLAN DE VÉRIFICATION 2023

REPORT RECOMMENDATIONS

That the Ottawa Police Services Board approve the 2023 Internal Audit Work Plan as endorsed by the Finance and Audit Committee.

RECOMMANDATIONS DU RAPPORT

Que la Commission de services policiers d'Ottawa approuve le Plan de travail sur la vérification interne 2023 tel qu'appuyé par le Comité des finances et de la vérification.

BACKGROUND

As per the Ottawa Police Services Board's (Board) CR-9 Audit Requirement Policy, the Internal Audit Work Plan will be reported to the Board annually. The process requires Finance and Audit Committee (FAC) endorsement before presenting the Work Plan to the Board for its approval.

Internal Audit is central to the Ottawa Police Service's (OPS) quality assurance process, providing the Chief of Police with an independent assessment of internal controls, risk management practices and governance processes. The goal is to identify improvements to operations while ensuring the delivery of adequate and effective policing services.

The Internal Audit maintains a positive organizational relationship by working closely with management. Findings and recommendations are shared in a manner that promotes continuous improvement.

The Internal Audit work plan is developed with the organization's priorities in mind. Several inputs are considered, including the Board's Strategic Plan; the 2023 Budget; Strategic Project Health; Risk Assessments; Past Audits; and Work Plans from other municipalities.

Developing the Work Plan also considers available capacity and balances the need to remain flexible to emerging priorities. The OPS employs one full-time Internal Auditor responsible for developing and implementing the Work Plan.

The 2023 work plan has several key deliverables. These include supporting the development and implementation of action plans from the Office of the Auditor General (OAG) and Public Order Emergency Commission (POEC) recommendations, conducting two engagements, and reviewing past management action plans.

DISCUSSION

The authority for Internal Audit is established through Regulation, Ministry Standards, and oversight from the Board and the Chief of Police. These requirements are set out in the following regulation and policies:

- O. Reg. 3/99 Adequacy and Effectiveness of Police Services section 35 requires that every board and chief of police shall implement a quality assurance (QA) process relating to delivering adequate and effective police services and compliance with the Act and its regulations.
- Adequacy Standard LE-020 "Collection, Preservation and Control of Evidence and Property" specifies that every Chief of Police should ensure that an annual audit of the property/evidence control function is conducted by a member(s) not routinely or directly connected with the property/evidence control function.
- To meet the legislative requirements and support the Board's responsibilities, Board Policy CR-9 was created. The policy mandates that the Chief of Police ensure that quality assurance and audit practices align with statutory requirements and the generally accepted principles and standards for internal auditing.
- Internal Audit operates under the OPS Audit Policy 1.06 to comply with the Board requirement.

- Additionally, the Chief of Police approved the Internal Audit Charter that defines the internal audit's purpose, authority, and responsibility within the organization.

2023 Audit Work Plan & Preliminary Objective

- **OAG and POEC recommendations:** Internal Audit will support developing and implementing the action plans.
- **Property and Evidence Control (Legislative):** To provide assurance that properties held as evidence items are handled in accordance with regulatory standards and established OPS policies and procedures.
- **Time and Attendance Audit (2022):** To evaluate the time and attendance systems' effectiveness in meeting the organizational needs and provide recommendations for improving the system's performance and meeting the OPS complex's requirements.
- **Audit Follow-Up:** Given significant leadership changes, Internal Audit will review all past management action plans to ensure recommendations are implemented or adjusted as necessary.

The Work Plan is flexible to accommodate emerging priorities directed by the Chief of Police, including risks associated with program delivery, safeguarding of assets, or independent reviews of processes and systems.

CONSULTATION

The FAC endorsed the Internal Audit Work Plan on March 9, 2023. Several important topics were raised during the meeting, including Quality Assurance Governance, the Internal Audit Process, External Audit, Management Action Plans, and a Quality Assurance Review.

Quality Assurance Governance

Quality assurance functions, including Internal Audit, are managed through the Strategy and Communications Directorate, directly reporting to the Chief of Police. This provides a level of independence and objectivity.

Each year the Internal Audit Work Plan is presented to the FAC for endorsement and subsequently to the Board for approval. The work plan always includes the legislated Audit of the Property and Evidence Control that must be completed annually. With the capacity of one Internal Auditor, the plan includes up to two additional operational audits.

As part of the Board's Monitoring Requirements, the Board is provided with an annual report on Quality Assurance, including Compliance with Ministry Standards. Included in this report are the results of Internal Audit Activities. This includes detailed objectives and high-level findings. The Board is informed of any significant findings by the Chief of Police per Board Policy.

Internal Audit Process

The process for each Internal Audit engagement follows the principles and standards of the Institute of Internal Auditors (IIA). This includes four phases - Planning, conducting, reporting, and follow-up. Every stage of the process involves ongoing dialogue with management and is collaborative to ensure objectives are achieved.

- **Planning:**

As part of the planning stage, a letter of introduction is issued to management, informing them of the upcoming engagement. The goal of the planning phase is to develop the audit program that defines the methodology, including the objective and scope. A risk-based audit program is designed through a review of the business area. Once completed, Terms of Reference (ToR) are developed that set the expectations of the audit (refined objective, scope, methodology and timelines).

- **Conduct:**

The conduct stage focuses on executing the steps identified in the detailed audit program. Specifically, for each business risk identified, audit tests are conducted to determine if they have been mitigated. Management input is critical to validating the information.

- **Reporting:**

Throughout the entire process, communication with management is ongoing. The business owner is continuously debriefed, and results that may require corrective actions are proactively shared. Once the findings have been validated and recommendations identified, management responses are gathered with proposed timelines for completion. The report is then provided to Business Owner at the Command Level for sign-off. The Chief is then debriefed for final approval, and the information is then presented to Senior Leadership Team for awareness and monitoring of committed action plans.

- **Follow-up:**

A key component of Audit engagements is ensuring that the committed management action plans are completed. Internal audit reviews action plans recommended for closure to ensure the identified business risk has been addressed. The Senior Leadership Team, chaired by the Chief of Police, monitors progress on the committed action plans.

External Audit

There was a discussion on engaging the City of Ottawa Office of the Auditor General to support the Board with their mandate. It was confirmed that the Board or Chief of Police could procure external resources. Previous examples have included Gender Audit (2018), Diversity Audit (2019), and Convoy Protest Audit (2023). The Police Services Act also gives the Ministry of the Solicitor General the responsibility for inspecting Ontario's police services. This ensures communities in Ontario receive a consistent standard of policing. The last inspection occurred in 2019 on the Major Case Management. The OPS is also subject to an annual external Financial Audit that is reported to Council and subsequently provided to the Board.

External Audit support requirements will be discussed further through the upcoming Strategic Planning process. Initial conversations have taken place between the Board Chair and the Auditor General.

Review of Past Recommendations

Given the impact of the pandemic and significant leadership changes, a fulsome review of past management action plans is being completed. These will be assessed through a risk-based lens that also considers value-for-money opportunities. The results of this exercise will be reported back to the FAC in a future meeting, expected in Q3.

Quality Assurance Review

In alignment with the results from the upcoming Strategic Planning process, the Police Service is reviewing the Quality Assurance process. This includes a review of capacity which is currently a single Internal Auditor and Policy Development Specialist.

FINANCIAL IMPLICATIONS

Subject to potential outcomes from audit recommendations, no immediate financial implications are forecasted for the 2023 Audit Plan.

SUPPORTING DOCUMENTATION

This section is OPTIONAL and is to be used if there are attachments to the report. If there is supporting documentation, the documents should be labelled Document 1, Document 2, etc. (instead of Annex or Appendix).

CONCLUSION

The proposed Plan aligns with the OPS' commitment to improving service delivery and building trust with the community. It is designed to meet regulatory requirements and address high-risk areas. The Plan also assists management's commitment to public safety and confidence by supporting the planning and implementation of required recommendations from the OAG and POEC. Internal Audit is a critical function that supports the organization's vision of being a trusted partner in community safety.

The OPS is currently reviewing the quality assurance process, part of which will address capacity issues and ensure alignment with the Board's Strategic Priorities.