

TORONTO STAFF REPORT

June 15, 2004

To: Audit Committee

From: Auditor General

Subject: Audit Work Plan – Deferral of the Review of the City’s Disaster Recovery Plan

Purpose:

To provide information to Audit Committee relating to the deferral of the Review of the City's Disaster Recovery Plan previously included in the Auditor General's 2004 Annual Work Plan as submitted to City Council on January 27, 28 and 29, 2004.

Financial Implications and Impact Statement:

There are no financial implications resulting from the receipt of this report.

Recommendations:

It is recommended that this report be received for information.

Background:

The Auditor General’s By-law requires that the Auditor General’s Office submit to City Council an annual work plan which summarizes the projects to be undertaken during the year. This work plan was submitted to City Council on January 27, 28 and 29, 2004, and was based on information available to the Auditor General at the time.

The work plan is necessarily dynamic and may be amended during the year to accommodate the receipt of new information. This report provides information on our decision to defer our Review of the City’s Disaster Recovery Plan originally scheduled for 2004.

Comments:

At its meeting held on July 22, 23 and 24, 2003, Council adopted Report No. 3 of the Audit Committee. In that report, as a result of concerns raised by the City’s external auditor Ernst & Young, the Audit Committee requested the Auditor General to conduct a review of the City’s Disaster Recovery Plan.

For some time now, City staff has been in the process of reviewing the City's Disaster Recovery Plan. In December 2003, a contract was awarded to carry out a Business Impact Analysis. The focus of this analysis is to identify the key systems and processes that need to be included in the City's Disaster Recovery Plan. The current phase of the review is focussed on systems and processes supported by the Information and Technology Division of the Corporate Services Department. Approximately 40 business applications, including major applications such as the SAP financial and human resources system, the tax system and the Parks and Recreation registration system, are included in this analysis. Business applications that are supported and maintained locally within departments are outside the scope of the Business Impact Analysis.

In parallel with the Business Impact Analysis, an independent assessment of the hardware/software and recovery processes at the City's data centre is being conducted by a third party. A report detailing the results of the Business Impact Analysis and the independent assessment at the data centre is expected in September 2004. The next step will be to issue a Request for Quotation to develop and implement a formal Disaster Recovery Plan.

In view of the analyses now underway, it is clear that City staff are taking steps necessary to update the Disaster Recovery Plan. Given the work in progress, it would not be efficient to perform a review of the current Disaster Recovery Plan at this time. Rather, the Auditor General will evaluate progress made by City staff and consider a review of the City's Disaster Recovery Plan in developing subsequent year's work plans.

Conclusion:

At the July 2003 meeting of Audit Committee, the City's external auditor, Ernst & Young, recommended that the City implement a full Disaster Recovery Plan as soon as possible. As a result of that recommendation, the Auditor General's 2004 work plan included a review of the City's Disaster Recovery Plan. Work currently in progress by City staff led to a re-evaluation of the original 2004 audit work plan submitted to City Council. Given the significant changes that are anticipated to the City's Disaster Recovery Plan as a result of work in progress, we will defer the review of the City's Disaster Recovery Plan until staff has had sufficient time to the implement a revised Plan.

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