

Mechanisms for the Auditor General to Conduct Cyber Security Assessments for City Agencies and Corporations

Date: January 24, 2020

To: Audit Committee

From: Chief Technology Officer

Wards: All

SUMMARY

This report responds to a request from City Council at its meeting in October 2019 that the City Manager, in consultation with the Auditor General, report on the mechanisms required that would enable the Auditor General to conduct risk assessments or investigate cyber security for City Agencies and Corporations not currently within the Auditor General's purview. This report therefore outlines the existing mechanisms which may be used by the Auditor General to conduct risk assessments or investigate cyber security for City Agencies and Corporations not currently within the Auditor General's purview. These Agencies and Corporations are specifically identified as Toronto Hydro Corporation and its subsidiaries, Toronto Police Services, Toronto Public Library and Toronto Board of Health.

The Auditor General is currently engaging with these entities to conduct risk or cyber security assessments utilizing these existing mechanisms. As a result, no new mechanisms are required at this time.

RECOMMENDATIONS

The Chief Technology Officer, Information and Technology Division, recommends that:

1. City Council receive this report for information.

FINANCIAL IMPACT

There are no financial implications resulting from the recommendations included in the report in the current budget year or in future years.

The Chief Financial Officer and Treasurer have reviewed this report and agree with the financial impact information.

DECISION HISTORY

On October 29, 2019, City Council requested the City Manager, in consultation with the Auditor General, to report by the December 17 and 18, 2019 meeting of City Council on mechanisms required that would enable the Auditor General to conduct risk assessments or investigate cyber security for City Agencies and Corporations not currently within the Auditor General's purview.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2019.AU4.1>

COMMENTS

The City of Toronto Act, 2006 provides that the Auditor General may exercise the powers and shall perform the duties as may be assigned to him or her by city council in respect of the City, its local boards (restricted definition) and such city-controlled corporations and grant recipients as city council may specify. Additionally, Council has certain authority to direct the Toronto Atmospheric Fund (TAF) pursuant to the Toronto Atmospheric Fund Act, 2005.

The City of Toronto's Municipal Code Chapter 3 - Accountability Officers (<https://www.toronto.ca/legdocs/bylaws/lawmcode.htm#l>) lays out the framework for the Auditor General's authority and practices applicable to Agencies and City-controlled Corporations. The Toronto Atmospheric Fund Relationship Framework provides the framework for Council's authority with respect to TAF.

1. Broad Authority to Audit Agencies and Corporations

Within the Municipal Code § 3-3.3. Responsibilities paragraph A states:

"The Auditor General is responsible for carrying out financial (excluding attest), compliance and performance audits of all programs, activities and functions of all City departments, the offices of the Mayor and members of Council, local boards (restricted definition) and City-controlled corporations."

The Relationship Framework for the Toronto Atmospheric Fund provides:

"The Board shall comply with any additional operational or administrative policies or requirements that may be established by Council from time to time and made applicable to TAF."

Under these broad authorities the Auditor General has access to audit the Agency and Corporation organizations listed in Attachment 1 as per the direction of Council.

2. Specific Authority with regards to Toronto Police Services Board, Toronto Public Library Board and Toronto Board of Health

Within the Municipal Code § 3-3.3. Responsibilities paragraph B states:

"Despite Subsection A, the Auditor General may undertake financial (excluding attest), compliance and performance audits and provide recommendations to the board, upon request by the following boards:

- (1) Toronto Police Services Board.
- (2) Toronto Public Library Board.
- (3) Toronto Board of Health."

Under this authority the Auditor General has authority to conduct audits at the request of these boards.

3. Specific authority with regards to Toronto Hydro Corporation

Within the Municipal Code § 3-3.3. Responsibilities paragraph C states:

"The Auditor General shall only undertake an audit of the Toronto Hydro Corporation and its subsidiaries upon specific direction from Council in relation to:

- (1) A perceived breach by Toronto Hydro Corporation of the shareholder direction; or
- (2) A specific purpose or project where the Auditor General has not been able to obtain the necessary information either:
 - (a) Through the shareholder direction reporting mechanisms; or
 - (b) Through inquiries to senior management of the Toronto Hydro Corporation; or
 - (c) Through a request from Council to the Chair of the Toronto Hydro Corporation."

4. Reports from Auditor General

Within Municipal Code § 3-3.3. Responsibilities paragraph D states:

"All reports by the Auditor General on City controlled agencies and City corporations shall be submitted first to the agency or corporation's board of directors."

5. Current status of activities to engage Agencies and Corporations by the Auditor General to conduct risk/cyber assessments

The Auditor General has been in communication with each of the four entities noted above with respect to conducting risk/cyber assessments and such discussions are ongoing.

The mechanisms noted above through the Toronto Municipal Code outline how the Auditor General can be engaged to conduct risk or cyber security assessments and are deemed sufficient.

CONTACT

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SIGNATURE

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ATTACHMENTS

Attachment 1 - Agencies Subject to Auditor General's Authority