



REPORT FOR ACTION

Auditor General's Proposed Risk-Based Audit Plan of the Toronto Police Service

Date: November 10, 2020
To: Toronto Police Services Board
From: Auditor General
Wards: All

SUMMARY

At the request of the Toronto Police Services Board, the Auditor General completed a risk assessment of the Toronto Police Service to develop a risk-based audit plan. This plan was independently developed by the Auditor General and sets the audit priorities at the Toronto Police Service over the next five years.

Once the Toronto Police Services Board adopts the proposed risk-based audit plan, it will be used to select audit projects of the Toronto Police Service in the short-term and longer term. Each year, the Auditor General will review the projects on the audit work plan along with any new information that becomes available. Any emerging issues or new potential police audit projects, to be initiated, will be discussed with the Board.

The Auditor General undertakes a risk-based approach to audit selection for her Annual Audit Work Plan. Each year there is a review of the of the City-wide risk assessment results along with any new information when developing the Annual Audit Work Plan to present to Audit Committee. This work plan includes audits that are in process, those which have not yet started, and new proposed audits.

The Auditor General's 2021 Work Plan includes the cyber security and 911 operations audits already approved by the Toronto Police Services Board. There is also a placeholder for a third police audit project in 2021. Available resources are a major factor in determining which priority projects are included in the Annual Audit Work Plan.

RECOMMENDATIONS

The Auditor General recommends that:

1. The Toronto Police Services Board request the Auditor General, City of Toronto, to perform the audit work identified in the proposed risk-based Audit Plan of the Toronto Police Service.

FINANCIAL IMPACT

The recommendations and information provided in this report have no financial impact.

DECISION HISTORY

The Auditor General provides independent assurance on the effectiveness and efficiency of City operations. The benefits of our audit work include identifying or mitigating risks, as well as improving both accountability and management controls.

The Auditor General's mandate, powers, and responsibilities are set out in the City of Toronto Act, 2006 and Chapter 3 of the Toronto Municipal Code. The Auditor General's mandate includes all City Divisions and most of the City's agencies and corporations. For certain City entities, such as Toronto Police Services Board, the Auditor General may undertake financial (excluding attest), compliance, and performance audits, and provide recommendations to the Board, *upon request by the Board*.

The Toronto Police Services Board Chair's letter dated December 12, 2019, stated that "*on behalf of the Toronto Police Services Board, I invite you to conduct an overall risk assessment as well as a cyber security audit of the Toronto Police Service*".

City Council recommendations made at its June 29, 2020 meeting and recommendations made by the Toronto Police Services Board at its August 18, 2020 meeting, both reinforced the support for the Auditor General's audits of the Toronto Police Service. Various recommendations in both the Council and Board reports requested the Auditor General to develop an independent audit work plan in order to identify opportunities to more effectively and efficiently deliver police services in the City of Toronto.

Council's report on Changes to Policing which was considered by Council on June 29, 2020:

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2020.CC22.2>

The Toronto Police Services Board's report on Policing Reform Initiatives which was considered at its Board meeting on August 18, 2020:

<https://tpsb.ca/component/jdownloads/send/32-agendas/631-august-18-2020-agenda>

The Auditor General included the Toronto Police Service within the scope of the 2020 City-wide risk and opportunities assessment. A status report describing the Auditor General's risk assessment process was considered at the Toronto Police Services Board meeting on October 22, 2020:

<https://www.tpsb.ca/component/jdownloads/send/32-agendas/637-2020-oct-22-agenda>

The Auditor General has included the two audits requested by the Board, as well as a placeholder for a third police audit, in her 2021 Audit Work Plan which will be presented to Audit Committee on November 19, 2020.

COMMENTS

Auditor General's Annual Audit Work Plan

The Auditor General undertakes a risk-based approach to audit selection. Determining which areas to audit and the appropriate allocation of resources is essential in maximizing the value of an audit function. Every five years the Auditor General performs an extensive City-wide risk assessment process to inform the audit selection process.

Each year there is a review of the results of the risk assessment and new information is considered by the Auditor General in developing the annual Audit Work Plan to present to Audit Committee. This work plan includes audits that are in process, those which have not yet started, and new proposed audits. Available resources are a major factor in determining which priority projects are included in the Audit Work Plan.

The Auditor General's 2021 Work Plan includes the Cyber Security and 911 Operations audits approved by the Toronto Police Services Board, as well as a placeholder for a third police audit in 2021.

Proposed Risk-Based Audit Work Plan for Toronto Police Service

Although the Auditor General has completed numerous audits at the request of the Toronto Police Services Board, this is the first time that the Auditor General has been invited to complete an independent risk assessment process at the Toronto Police Service. The resulting risk-based audit work plan was independently developed by the Auditor General to identify potential projects to be completed at the Toronto Police Service. The plan sets out the police audit priorities for the next five years.

The adoption of the proposed audit work plan by the Toronto Police Services Board will inform the selection process for projects in the short-term and the longer term.

We recognize that during our audit work, policing in Toronto will continue to experience significant change. We acknowledge that the Toronto Police Service is in a major transition period which includes selecting a new Chief of Police and developing a new strategic plan. For this reason, the Auditor General will review the potential projects and any new information each year as her annual Audit Work Plan is being developed. Any new emerging issues or potential police projects will be discussed with the Board.

The results of our risk assessment are based on the six command areas at the Toronto Police Service. Each command area was recognized as an audit area of interest.

We evaluated each audit area of interest using the following 10 risk factors:

- Cyber Security and Information and Technology Exposure
- Legal Exposure (incl. Environmental, Regulatory, Litigation)
- Susceptibility to Fraud, other Wrongdoing, or Waste
- Complexity and Significant Changes in Operations and Service Delivery
- Alignment of Strategic / Business / Service Planning
- Sufficient Staffing Levels & Organization Competence
- Financial Exposure (Materiality and Impact)
- Contractual Exposure
- Adequacy of Policies, Procedures, Processes and Controls
- Public and Political Interest

A status report describing the Auditor General's risk assessment process and the details of each risk factor was considered at the Toronto Police Services Board meeting on October 22, 2020:

<https://www.tpsb.ca/component/jdownloads/send/32-agendas/637-2020-oct-22-agenda>

Proposed Police Audit Projects

Performance audits help in identifying opportunities to deliver services more effectively, efficiently, and to obtain the greatest value from the use of public funds. Audits also help management and boards to continuously improve policies, controls, processes, and to strengthen accountability.

A Memorandum of Understanding will be established to formalize and guide the working relations between the Auditor General and the Toronto Police Service and the Toronto Police Services Board.

Table 1 below identifies the proposed audit projects that emerged after completing our risk assessment of the Toronto Police Service. The projects are categorized by area of command at the Toronto Police Service, as well as by the anticipated timing. Any potential audit projects are subject to available resourcing of the Auditor General's Office.

The projects are not listed in order of priority. Some of the identified high priority projects have been shown as longer-term, such as Response to Mental Health Calls, as we acknowledge that the Toronto Police Service is currently working with the City to improve certain areas.

The scope for each audit area will be defined during the planning stage of the project.

Table 1: Auditor General's Proposed Risk-Based Audit Plan of the Toronto Police Service

Audit Area of Interest	2021 Auditor General's Annual Work Plan		On the Horizon 2022-2023	Longer-term Projects
Information Technology	1. Cyber Security [Confidential]	3. Assessing Policing Responsibilities and Service Areas – to identify opportunities for improvement and potential cost savings, including delivery by alternate service providers	IT Infrastructure & Governance	IT Contract Review Business Continuity
Priority Response Unit	2. 911 Operations			Response to Mental Health Calls Court Services** Use of Body Camera Evaluation
Human Resources Command			Workforce Administration	Occupational Health & Safety Race Based Data Collection
Community Response Unit			Traffic Services Parking Enforcement*	Proactive Community Policing
Specialized Operations				Paid Duty*
Support Command			Fleet**	Police Facilities

* last audited by the Auditor General in 2011

** last audited by the Auditor General in 2008

For 2021, we have identified three audit projects. Cyber Security and 911 Operations have already been requested by the Toronto Police Services Board, and have been included in the Auditor General's 2021 Audit Work Plan. The third audit project proposed for 2021 is assessing policing responsibilities and service areas to identify opportunities for improvement and potential cost savings, including delivery by alternate service providers. A brief description for each of these three projects is provided below.

1. Cyber Security

The high priority area of cyber security is a high risk area for most organizations, and our work at the City in 2019 highlighted these risks. We have begun a cyber security audit at the request of the Board. A Memorandum of Understanding is in place regarding the cyber security audit currently in process.

This project includes IT vulnerability assessment and penetration testing of the Toronto Police network, systems, and applications. We will also use social engineering techniques to test police information technology cyber security risks.

2. 911 Operations

The Public Safety Answering Point, better known as the 911 emergency call centre, is a critical area that has never been reviewed by the Auditor General. Dialing "9-1-1" in Toronto links a caller to an emergency dispatch centre operated by the Toronto Police Service. It is intended for emergency purposes, such as fires, when someone can't breathe, a crime is happening, or there is a serious car accident. Of the 1.24 million calls for service received in 2019 by the emergency call centre, 34 per cent required a police unit to attend. The 911 emergency call centre is the gateway to reactive police services. It provides critical information for prioritizing the Toronto Police Service's response to emergency calls and impacts other important emergency response services in the City, such as fire and paramedics.

3. Assessing Policing Responsibilities and Service Areas – to identify opportunities for improvement and potential cost savings, including delivery by alternate service providers

The third proposed audit for 2021 is assessing policing responsibilities and service areas to identify opportunities for improvement and potential cost savings, including delivery by alternate service providers. Core policing services are required to be delivered by the Toronto Police Service, as defined by the Police Services Act in provincial legislation. However, there may be opportunities for improvement and potential cost savings in other policing services or the transition of services between other service providers and the Toronto Police Service. For example, life guard and crossing guard services used to be performed by the Toronto Police Service and are now performed by other service providers.

Given current financial pressures with COVID-19, this is an ideal time for this review. The Auditor General is able to provide an objective perspective and audit report for the Board's consideration that may result in potential efficiencies and cost savings for the Toronto Police Service. This proposed project is intended to provide an overarching and foundational piece of work that will guide the selection of future more in-depth audit topics.

This project is not exclusive to a specific command area but applies across the overall Toronto Police Service. The results of this project and future legislative changes may impact the police audit work plan.

Thank You to the Toronto Police Service and its Board

We would like to extend our appreciation to the Toronto Police Service and Toronto Police Services Board, for their professional courtesy and cooperation in assisting us to complete the risk assessment.

We look forward to the ongoing working relationship as we continue our work to complete police audits to benefit the City of Toronto.

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SIGNATURE

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