

The Corporation of the City of Windsor

Windsor Police Services

Final Internal Audit Report

February 12 2018

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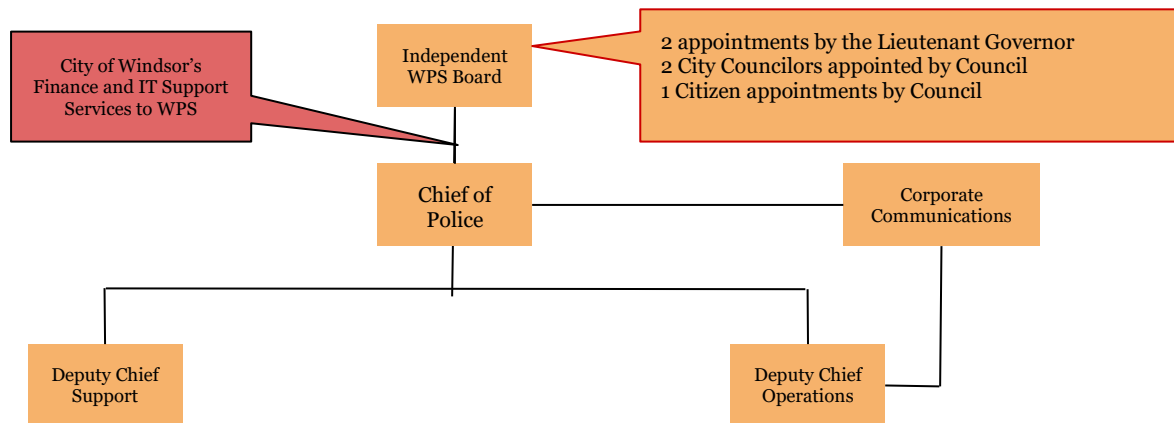
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Summary of Internal Audit Results

Background Information

Windsor Police Services (WPS) is the local police force in Windsor, Ontario (“the City”). It provides crime prevention, law enforcement, assistance to victims of crime, public order, and emergency response to the city. WPS has a Board of Directors governing its operations that is chaired by the City Mayor with representatives from the City of Windsor as part of the WPS Board. WPS is primarily funded by the City of Windsor based on a budget that is reviewed by the Board and then subsequently approved by the City Council. WPS reporting structure is illustrated by the diagram below:



Some of the key elements, which govern WPS and the relationship with the City, are as follows:

- WPS Board includes two appointments by the Lieutenant Governor, two City Councillors, and one Council-appointed citizen member;
- WPS Management provides updates to the WPS Board on the operations of WPS at least annually or as requested;
- WPS Chief of Police is responsible for the WPS operations under the direction of the Board;
- The board’s mandate is to endorse the WPS strategic plan as prepared in consultation with WPS Executive Management, including the Chief of Police;
- Sworn police members and civilian staff report to a superior through the organization structure and execute their responsibilities according to documented roles; and
- Key WPS staff interface and collaborate with the City on matters of finance, wellness, special events organization, and network and facilities management. In addition, the City provides support for finance and IT infrastructure and communication services to WPS.

WPS maintains a digital system, known as Versadex, for capturing information on criminal investigations and reports, and use of police time. The information is quality checked and processed by Data Entry Specialists and communicated to Statistics Canada as well as the City (through the Municipal Benchmarking Canada report, MBNCAN).

WPS uses documents known as directives for outlining policies and procedures for operations and conduct. Directives are drafted by relevant subject matter experts within WPS in response to new regulations or to address emerging risks to the Service. A Deputy Chief approves directives. Directives are reviewed and revised at regular intervals or as needed.

Scope

During the course of performing the “Expanded Review”, emphasis has been placed on key business processes, controls and systems or major projects and contracts. As part of the internal audit plan development, WPS has processes and controls associated with mitigating and managing the following corporate risks: Changes in Strategy; Legislative & Regulatory; Service Failure; City is portrayed in a negative manner; Funding; and Governance.

The period reviewed for the Internal Audit was the most recent 12 month period (October 1 2016 to September 30, 2017).

Internal Audit Objectives

In conducting this Internal Audit, we considered the process and control mechanisms management has in effect to achieve the following control objectives:

- Clear accountabilities, expectations and reporting relationships and protocols are established for the City/WPS relationship. Both parties are aware of those agreed to expectations;
- Two way communications between the City and WPS occurs and defined/required information is exchanged in a timely manner;
- Management has protocols in effect to confirm that reporting relationships and expectations are adhered to, appropriately scaled governance is in effect and information is protected from disclosure outside of this relationship (includes relationships between the City, WPS Management, and WPS Board);
- WPS has key policies related to confidentiality, conflict of interest, employees’ responsibilities, privacy, media relations, internal fraud, hiring, cash handling, reporting, etc. and mechanisms in place to assess compliance;
- The agreed to shared services protocols (e.g. IT, payroll) and cost structure between the WPS and City is operating effectively;
- Management has defined protocols for assessing the integrity of information used in decision making based on the sources used;
- There is an awareness of the impact of succession planning and dependencies at an organizational level;
- The funding/budget process is supported through clear roles and responsibilities, as well as effective communication to coordinate among internal stakeholders;
- WPS has a policy and position on fraud risk management and mechanisms for enabling compliance. WPS investigates all possible employee fraud (waste or misuse) where there is a concern or suspicion of wrongdoing within the entity;
- Management confirms that there are appropriate controls over banking, deposits and payments to mitigate losses and optimize financial reporting processes managed by WPS;
- Protocols for maintaining awareness as to media mechanisms and potential items of disclosure and for identifying and informing stakeholders of critical media content impacting brand/reputation exists and is used;
- Leadership and organizational structures and processes exist to confirm that WPS’s IT sustains and extends its strategies and objectives; and
- Information, data and processing integrity and confidentiality are maintained and monitored.

Refer to Appendix B for control descriptions associated with the control objectives that are in place at WPS.

Scope Exclusions

The following areas were not included within the scope of this internal audit:

- Any service provider controls or operations which are not provided by the City of Windsor or any of its agencies, boards or commissions;
- Aspects of the Police Services Act which do not have a direct impact on the services or arrangements with/for the City of Windsor;
- Funding from source other than the City;
- Fleet Management/Fleet Operations;
- IT Function and Controls (including data) managed by the RCMP;
- Quality of service delivery; and
- Workforce management system/planning.

Linkage to the Internal Audit Plan

The WPS internal audit is part of the Council approved 2016/17 Internal Audit Plan. Internal Audit has been tasked to perform an “Expanded Review” of Specified Objectives, which focus on predetermined key City business objectives where the City’s Agencies, Boards, and Commissions (ABCs) have a direct impact. In many instances, the issues and risks of both the City and the ABCs are similar in their inherent nature.

Report Classification

In the course of the internal audit, specific controls were identified that address the control objectives above. In general, controls are properly designed and are operating effectively for the purpose envisaged during the scope period subject to review.

The Board of Directors met regularly to review operational and financial matters and published meeting minutes within the public record, on their website. The Board consists of two members of City Council including the mayor. Members of WPS also sat on key City committees that serve to govern services provided by the City.




WPS maintains a number of key directives that are drafted to meet new legislation and emerging risks by relevant subject matter experts. In particular, the directives articulated clear processes for succession planning and promotion as applied to both sworn officers and civilian staff.











The Corporate Communications Office maintains functional relationships with both WPS officers and staff, as well as the local media agencies. Knowledge of the criminal code as well as media relations are used to select information for release that is in the public interest.

However, a few design and operating deficiencies were identified which require management attention, and are discussed below:

- Business plans should be prepared by Executive Management and the accepted/approved by the WPS Board on a regular basis
- Certain key directives issued by WPS need to be updated according to the stated schedule and risk rating.
- The WPS and the City of Windsor should document nature of shared services provided/received to increase clarity around responsibilities and accountabilities.
- Documented action plans and accountabilities should be developed and approved to completely address significant findings from bi-annual network security review in a timely manner.

Based on the controls identified and tested as part of the Internal Audit of the WPS processes we have determined that there is reasonable evidence to indicate that:

	No or limited scope improvement	No major concern noted	Cause for concern	Cause for considerable concern
For the objectives related to City Reporting Relationship & Agreement:				
Controls over the process are designed in such a manner that there is:				
Sample tests indicated that process controls were operating such that there are:				
For the objectives related to Governance, Strategic Leadership & Tone at the top				
Controls over the process are designed in such a manner that there are:				
Sample tests indicated that process controls were operating such that there are:				
For the objectives related to Policy framework and evidence of compliance				
Controls over the process are designed in such a manner that there are:				
Sample tests indicated that process controls were operating such that there are:				
For the objectives related to Shared Services with the City of Windsor				
Controls over the process are designed in such a manner that there are:				
Sample tests indicated that process controls were operating such that there are:				
For the objectives related to Integrity of Management Information and Performance Measurement				
Controls over the process are designed in such a manner that there are:				
Sample tests indicated that process controls were operating such that there are:				
For the objectives related to Executive Succession Planning				
Controls over the process are designed in such a manner that there are:				
Sample tests indicated that process controls were operating such that there are:				

	No or limited scope improvement	No major concern noted	Cause for concern	Cause for considerable concern
For the objectives related to Funding/Budget Process				
Controls over the process are designed in such a manner that there are:				
Sample tests indicated that process controls were operating such that there are:				
For the objectives related to Internal Fraud Risk Management Process				
Controls over the process are designed in such a manner that there are:				
Sample tests indicated that process controls were operating such that there are:				
For the objectives related to Financial Management Process				
Controls over the process are designed in such a manner that there are:				
Sample tests indicated that process controls were operating such that there are:				
For the objectives related to Media Relations, Monitoring and Escalation				
Controls over the process are designed in such a manner that there are:				
Sample tests indicated that process controls were operating such that there are:				
For the objectives related to IT Governance, and Information and Data Security				
Controls over the process are designed in such a manner that there are:				
Sample tests indicated that process controls were operating such that there are:				

Management has provided comprehensive action plans, which we believe will address the deficiencies noted.

Summary of Positive Themes

Based on the interviews and testing to date conducted by Internal Audit, the following positive themes were noted:

City Reporting Relationship & Agreement:

- The Board consists of five civilian members, two of which are representatives from the City. Minutes are published after every Board meeting.
- Reporting roles and responsibilities, as well as timelines, are exhibited for verifying and reporting key crime statistics
- Communication was exhibited between WPS and the City for governance and maintenance of key systems, such as AMANDA, PeopleSoft, Questica.
- The Special Events Resource Team (SERT) is an example of effective two-way communication between WPS and the City.

Policy Framework and Evidence of Compliance

- WPS is governed by a broad series of relevant directives, from ethics, to recruitment to media relations. Specific directives that were sampled by Internal Audit were approved by the Chief or Deputy Chief.
- WPS has procedures for updating directives on a regular schedule, and a risk-based system for prioritizing the updating of high-risk directives.
- Directives exist that explain the disciplinary process for acts of misconduct, including fraud.

Succession Planning

- There is a policy that outlines the promotional process for civilian employees, as well as a directive for the process of promoting sworn employees.
- Evidence was provided to support the application of those policies and directives.

Funding/Budget Process

- A budget cycle is demonstrated with participation by Chief of Police, the WPS Board, and the City of Windsor.
- Communication is exhibited between the Board, WPS, and the City regarding capital budget requests.

Media Relations

- There are directives governing media relations and social media use.
- The Corporate Communications Office (CCO) manages key media risks through consultation with officers and by constructing messages before media release.
- The CCO leverages knowledge of the criminal code, as well as media relations, to select information for release that is in the public interest.

IT Governance and Information Data Security

- Directives are in force that address key IT risks, from use of wireless devices to appropriate use of email.
- WPS conducts (via a third party) a network security review every two years and receives recommendations as part of the report returned by a third party consultant, [which are acted upon by IT staff](#).

Summary of Findings:

Finding #	Topic	Rating ¹			Management Action Plan
		Significant	Moderate	Low	
City Reporting Relationship and Agreement					
Please refer to finding #3.					
Governance, Strategic Leadership & Tone at the top					
1	Acquire Board Approval for the Draft Business Plan (<i>design effectiveness</i>)	-	-	X	The draft 2017-2019 Business Plan has been approved by the WPS Board and is pending minor amendments.
Policy Framework and Evidence of Compliance					
2	Update Directives past their refresh date (<i>operating effectiveness</i>)	-	-	X	The Superintendent – Admin Support has initiated a work plan which will be formerly documented in WPS police document – Directives/Memorandums/Orders
Shared Services with the City of Windsor					
3	Document shared services and accountabilities (<i>design effectiveness</i>)	-	X	-	The WPS agrees to consider the viability of documenting shared services with the City.
Integrity of Management Information and Performance Measurement					
Please refer to consideration for improvement #1.					
Executive Succession Planning					
No additional findings or considerations noted					
Funding/Budget Process					
No additional findings or considerations noted					
Internal Fraud Risk Management Protocols					
Please refer to consideration for improvement #2.					
Financial Management Process					
Please refer to finding #3.					
Media Relations, Monitoring, and Escalation					
No additional findings or considerations noted					
IT Governance, Information and Data Security					
4	Document action plans to completely address significant findings from network security report in a timely manner (<i>design effectiveness</i>)	X	-	-	The Director of Technology Services will ensure that a work plan, addressing the recommendations from each future network security assessment, is created and reported.
Total Audit Findings		1	1	2	

¹ See Appendix A for Basis of Finding Rating and Report Classification

Summary of Significant Findings:

The Internal Audit identified one area for significant improvement related to the design of controls, specifically:

- The significant finding in the bi-annual independent network security report did not have documented remediation plans, timelines or owners identified. Going forward, Management should define a plan for remediation or risk acceptance for each action, acquire approval on those plans and track progress to completion/resolution.

Management Comments

Management agrees with the summary of significant findings and has identified an action plan to address the one issue identified. Overall, outside of the one significant finding, all other items were found to be of low or moderate concern. Management action plans and timelines are noted below to address the various matters identified within the report. The internal audit also noted several positive themes regarding City reporting relationship, policy framework and evidence of compliance, succession planning, funding/budget process, media relations and IT governance and information data security.

Management welcomes the recommendations for improvement and appreciates the professionalism of the PricewaterhouseCoopers LLP staff and organization.

Name: Al Frederick
Title: Chief of Police
Date: February 9, 2018

Detailed Observations

1. <i>Acquire Approval for the Draft Business Plan (Design Effectiveness)</i>			Overall Rating: Low
Impact:	Low	Likelihood:	Likely
<p>Observation: Upon inquiry with the Finance Director and the Superintendent Administrative Support, we noted that the WPS Board follows a business plan when making strategic decisions for WPS. Internal Audit was provided with a draft business plan for the period 2017-2019, but this draft has not been approved. The 2014-2016 Business Plan was created and approved.</p> <p>The yearly budget process acts as an additional control in helping the Board establish priorities for WPS. In addition, annual business reports are used to gauge emerging trends at WPS.</p>			
<p>Implication: Without a business plan, there is no accountable and independently verifiable direction for WPS, which may result in lost opportunities or sub-par results. In addition, without clear articulation, the strategy is open to an applied misinterpretation.</p>			
<p>Possible root cause: There is no requirement in the Board responsibilities that states the Board must update the Business Plan on a regular and timely basis and have it approved.</p>			
<p>Recommendation: Business plans should be prepared by Executive Management and accepted/approved by the WPS Board on a regular basis.</p> <p>In view of the rapidly changing landscape of issues facing the police service, a three-year plan may be too long a horizon. WPS and the Board should consider yearly revisions to a rolling Business Plan, so that the plan maintains relevance and continues to address emerging issues.</p>			
<i>Management Action Plan</i>			
<p>Action Plan: The Chief of Police has initiated a work plan to implement the above recommendations. External factors drive the Business Plan, a dynamic annual plan would be more appropriate. The WPS Board has resolved to consider the possibility of hiring a facilitator to assist with the development of the next Business Plan. The draft 2017-2019 Business Plan has been approved by the WPS Board and is pending minor amendments. Once the 2017-2019 Business Plan is complete, it will be submitted to Council for final approval.</p>	Responsible Party:	Chief of Police, Albert Frederick	
	Due Date:	June 30, 2018	

2. Update Directives past their refresh date (Operational Effectiveness)		Overall Rating: Low	
Impact:	Low	Likelihood:	Likely
<p>Observation: Through inquiry with WPS staff such as the Finance Director, the Superintendent Administrative Support, and the Director of Technology Service, Internal Audit was presented with several key WPS directives related to conflict of interest, media relations, electronic mail, and others. IA noted that each directive clearly states a date of last revision and a date when the directive is scheduled to be revised next. According to directive 160-01 on directives, the Professional Standards Branch is to notify the responsible manager that the directive is due for review 30 days prior to the applicable anniversary. The frequency that a directive is updated is determined based on the risk rating assigned to it: low risk = updated every 3 years; medium risk = 2 years; high risk = 1 year.</p> <p>Directives that were subject to review and currently out of date include 310-03 Oaths of Office and Secrecy, 141-02 Conflict of Interest, 831-01 Media Relations, 451-02 Corporate Mobile and Wireless Devices, 602-01 Internet-Access & Use, 602-02 Electronic Mail. In addition, the update schedule for directives is not consistently determined based on directive risk rating.</p>			
<p>Implication: Directives that are out-of-date are at risk of being irrelevant or misinformed, and unable to address the key risks for which they were enacted. This could lead to increased prevalence of high-risk activities within WPS, or ad-hoc and inconsistent mechanisms of addressing emerging risks.</p>			
<p>Possible root cause: There is no high-level oversight to follow up on whether expired directives were revised after the Professional Standards Branch notified a responsible manager. Directives that are due for review but do not require material change may be ignored.</p>			
<p>Recommendation: A Deputy Chief or a Superintendent should be jointly notified when a directive within their jurisdiction is due for review, in addition to the subject matter expert at the Director level. The professional standards branch should be mandated to follow up on the progress of revising directives and escalate the matter to the Chief's attention if the directive is more than 60 days past due.</p> <p>A mechanism should be set to report on directives that will soon need to be updated, as well as directives that are currently past due. This report may be produced quarterly and delivered to management.</p>			
Management Action Plan			
<p>Action Plan: The Superintendent – Admin Support has initiated a work plan which has already implemented the above recommendations. All outstanding Directives have been identified. Each responsible member has been notified to update their respective Directives. The Deputy Chief – Operational Support will receive a quarterly report updating the progress of the review and process to date. The work plan and related reports will be formerly documented in WPS police document – Directives/Memorandums/Orders” Directive #160-01.</p>		<p>Responsible Party: John St.Louis</p>	<p>John St. Louis, Superintendent – Admin Support</p>
		<p>Due Date:</p>	<p>Quarterly status reports with anticipated completion by 3rd Quarter 2018</p>

3. <i>Document shared services and accountabilities</i> (Design Effectiveness)			Overall Rating: Moderate
Impact:	Medium	Likelihood:	Likely
<p>Observation: WPS relies on the City for a number of shared services: financial services (GL, receivables/payables, etc.), systems (Peoplesoft, AMANDA, Questica, etc.), legal & risk management, human resources, capital (facilities & maintenance, equipment, radio system, IT). To help guide the operation and maintenance of these systems, representatives from WPS sit on governing committees for these systems, where such committees exist.</p> <p>However, there is no formal documentation between WPS and the City identifying and agreeing to the services to be provided/shared, the business arrangements, respective roles and responsibilities, service level expectations and issue escalation/resolution. These elements appear to be informally understood but are not outlined in a formal document.</p>			
<p>Implication: WPS does not always have clear understanding on the quality, availability, and responsibilities for shared services. There is no definition for what constitutes a significant service disruption.</p>			
<p>Possible root cause: A formal agreement has not been initiated since there is a collaborative approach currently which neither party has had concerns about.</p>			
<p>Recommendation: As two separate legal entities, WPS and the City should work together to formally document the current/desired services to be provided/shared, the business arrangements, respective roles and responsibilities, service level expectations and issue escalation/resolution process.</p>			
<i>Management Action Plan</i>			
Action Plan: The WPS agrees to consider the viability of documenting shared services with the City. The formalization of working relationships would need to be consistent with those of the City and other Agency, Board, or Commission's shared service agreements.	Responsible Party:	Director of Finance	
	Due Date:	4th Quarter 2018 for viable services identified	

4. Document action plans to completely address significant findings from network security report in a timely manner <i>(Design Effectiveness)</i>		Overall Rating: Significant	
Impact:	High	Likelihood:	Likely
<p>Observation: Every two years, WPS contracts a third party to perform a network security review. This review involves tests of WPS network security technologies and controls, including: physical access to key hardware, firewalls, antivirus software, internet traffic analysis, wireless security, IT policies and procedures review.</p> <p>Through inquiry, Internal Audit noted that the report presented contained significant findings, in particular, the report highlighted those WPS IT policies and procedures are insufficient from a network security point of view. Remediation plans to address these significant items and/or other findings in a timely manner were not documented at the time of this review. IA was informed that this report is presented to the Chief/Deputy Chief for review however; review and approval of the specific actions taken/planned were not evidenced formally.</p>			
<p>Implication: Remediation plans may not completely address the risks identified in a timely manner or accountability for actions are not assigned to appropriate individuals.</p>			
<p>Possible root cause: Responsibility assigned informally following up on the network security review report.</p>			
<p>Recommendation: Management should consider the findings from the independent network security report and develop a risk management rationale or remediation response. Risk management responses should be approved by leadership. Going forward, remediation plans should be assigned owners and due dates for resolution, acted upon and resolution validated.</p>			
Management Action Plan			
<p>Action Plan: The Director of Technology Services will develop a work plan, addressing the recommendations from each future network security assessment, is created and reported to WPS senior leadership. Subsequent to the initial report, senior leadership will be updated on the progress of each item in the work plan. The work plan and related reports will be formerly documented. The next scheduled network security assessment is in Q1 2018.</p>		Responsible Party:	Matt Caplin, Director of Technology Services
		Due Date:	June 30, 2018

Considerations for Improvement

1) Digitize key processes and create process logs

Observation: Several key processes are still relying on ad-hoc and non-digital (paper-based) processes. The processes noted include:

- On a daily basis, data entry clerks review entries in Versadex, made by officers that capture crime data. The Lead Data Entry Clerk reviews work done by Data Entry Clerks, and creates an Internal Correction Sheet requesting that the Data Entry Clerk revise the previous day's work. These sheets are hand-written, and although they have an entry for the event number, there is no clear connection between an Internal Correction Sheet and revisions to the event number.
- In reviewing internal analysis/investigations for business purposes, we noted that the work was significantly manual and paper based.

Considerations:

- Digitize Internal Correction Sheets, and make the correction sheets readily accessible based on event number. Capture change logs within Versadex. Such processes should increase visibility into how Data Entry Clerks are modifying events, and makes it easy to understand common errors, track trends, and record data. Digitizing also enables visibility into whether corrections are made to data entries and reason for the change (for ease of monitoring trends).
- Create secure digital folders to retain relevant documents, emails, reports, etc. pertaining to analysis investigations. This enables easier sharing of results internally and enables analysis of the investigative process.

2) Develop a clear policy for reporting fraud concerns anonymously

Observation: Several directives exist which touch on various aspects of misconduct: a code of professional ethics, conflict of interest, cash handling, oaths of office and secrecy, all of which have a mechanism to report actions against the directives. Internal Audit was informed that employees have the ability to report anonymously and there is a complaint/suggestion box that is available and monitored.

It is noted that in Bill 175 of the Safer Ontario Act that Police Services will be legislated into providing anonymous reporting mechanisms for civilian and sworn employees. During the scope of this review a clear outline of the options for reporting concerns anonymously using the digital "suggestion box" was not documented in the form of a policy or a communication to staff (new and existing).

When comparing elements in WPS's current directives to City's "Concerned Employee Policy" the relevant directives were silent on the following:

- Clear definitions for key terms related to fraud, including misuse, misappropriation, suspicion, that are relevant to both civilian and sworn employees; and
- Provisions to protect employees that report concerns.

Considerations:

WPS should clearly define specific guidelines/protocols for reporting concerns via the suggestion box and explicitly document the options for reporting anonymously when the changes to the Safer Ontario Act are introduced. IA would recommend including a clear process for reporting concerns and an outline for the channels that exist for concerned employees, both sworn and civilian.

Appendix A: Basis of Findings Rating and Report Classification

Findings Rating Matrix

Audit Findings Rating		Impact		
		Low	Medium	High
Likelihood	Highly Likely	Moderate	Significant	Significant
	Likely	Low	Moderate	Significant
	Unlikely	Low	Low	Moderate

Likelihood Consideration

Rating	Description
Highly Likely	<ul style="list-style-type: none"> History of regular occurrence of the event. The event is expected to occur in most circumstances.
Likely	<ul style="list-style-type: none"> History of occasional occurrence of the event. The event could occur at some time.
Unlikely	<ul style="list-style-type: none"> History of no or seldom occurrence of the event. The event may occur only in exceptional circumstances.

Impact Consideration

Rating	Basis	Description
HIGH	Dollar Value ²	Financial impact likely to exceed \$250,000 in terms of direct loss or opportunity cost.
	Judgmental Assessment	<p>Internal Control Significant control weaknesses, which would lead to financial or fraud loss.</p> <p>An issue that requires a significant amount of senior management/Board effort to manage such as:</p> <ul style="list-style-type: none"> · Failure to meet key strategic objectives/major impact on strategy and Objectives. · Loss of ability to sustain ongoing operations: <ul style="list-style-type: none"> - Loss of key competitive advantage/opportunity - Loss of supply of key process inputs · A major reputational sensitivity e.g., market share, earnings per share, credibility with stakeholders and brand name/reputation building. <p>Legal/Regulatory Large scale action, major breach of legislation with very significant financial or reputational consequences.</p>
MEDIUM	Dollar Value	Financial impact likely to be between \$75,000 to \$250,000 in terms of direct loss or opportunity cost.
	Judgmental Assessment	<p>Internal Control Control weaknesses, which could result in potential loss resulting from inefficiencies, wastage, and cumbersome workflow procedures.</p> <p>An issue that requires some amount of senior management/Board effort to manage such as:</p> <ul style="list-style-type: none"> · No material or moderate impact on strategy and objectives. · Disruption to normal operation with a limited effect on achievement of corporate strategy and objectives · Moderate reputational sensitivity. <p>Legal/Regulatory Regulatory breach with material financial consequences including fines.</p>
LOW	Dollar Value	Financial impact likely to be less than \$75,000 in terms of direct loss or opportunity cost.
	Judgmental Assessment	<p>Internal Control Control weaknesses, which could result in potential insignificant loss resulting from workflow and operational inefficiencies.</p> <p>An issue that requires no or minimal amount of senior management/Board effort to manage such as:</p> <ul style="list-style-type: none"> · Minimal impact on strategy · Disruption to normal operations with no effect on achievement of corporate strategy and objectives · Minimal reputational sensitivity. <p>Legal/Regulatory Regulatory breach with minimal consequences.</p>

² Dollar value amounts are agreed with the client prior to execution of fieldwork.
Internal Audit Report for The Corporation of the City of Windsor

Audit Report Classification

Report Classification	The Internal Audit identified one or more of the following:
Cause for considerable concern	<ul style="list-style-type: none"> • Significant control design improvements identified to ensure that risk of material loss is minimized and functional objectives are met. • An unacceptable number of controls (including a selection of both significant and minor) identified as not operating for which sufficient mitigating back-up controls could not be identified. • Material losses have occurred as a result of control environment deficiencies. • Instances of fraud or significant contravention of corporate policy detected. • No action taken on previous significant audit findings to resolve the item on a timely basis.
Cause for concern	<ul style="list-style-type: none"> • Control design improvements identified to ensure that risk of material loss is minimized and functional objectives are met. • A number of significant controls identified as not operating for which sufficient mitigating back-up controls could not be identified. • Losses have occurred as a result of control environment deficiencies. • Little action taken on previous significant audit findings to resolve the item on a timely basis.
No major concerns noted	<ul style="list-style-type: none"> • Control design improvements identified, however, the risk of loss is immaterial. • Isolated or “one-off” significant controls identified as not operating for which sufficient mitigating back-up controls could not be identified. • Numerous instances of minor controls not operating for which sufficient mitigating back-up controls could not be identified. • Some previous significant audit action items have not been resolved on a timely basis.
No or limited scope for improvement	<ul style="list-style-type: none"> • No control design improvements identified. • Only minor instances of controls identified as not operating which have mitigating back-up controls, or the risk of loss is immaterial. • All previous significant audit action items have been closed.

Appendix B: Control Descriptions

Review Area	Control Title	Control Description	Reference to Finding
City Reporting Relationship & Agreement	1) Police Representation on HR Committees	The City maintains the Wellness Steering Committee which meets quarterly to discuss the wellbeing of the City employees. The Human Resource Manager for WPS attends these meetings to ensure that the HR needs of WPS are communicated to the city.	
	2) Police Representation on the City's Special Events Committee	The City maintains a Special Events Resource Team for planning and executing special events within the City. WPS sends a Sergeant to attend the meetings and coordinate Police resources necessary for events.	
Governance, Strategic Leadership & Tone at the top	3) Communication Between the Police Board and the City	Oversight of the WPS is maintained through a civilian Board, as per the Police Services Act, that has two representatives from the City. The Board meets monthly to discuss reports on operational, financial, and human resources matters and publishes meeting minutes.	Finding # 1
Policy Framework and Evidence of Compliance	4) Approval and Enforcement of Police Directives	The Chief of Police, or the Deputy Chief, approves the directives related to conflict of interest, code of professional ethics, petty cash, media relations, hiring and mandatory reporting and are enforced by the department directors. The Professional Standards Branch is responsible for updating the Directives based on the review schedule in the Directives Manual.	Finding #2
Shared Services with the City of Windsor	5) Management of Shared Services	WPS shares services with the city (such as IT, payroll, accounting, etc.) and follows the City's policies for use of those services. Representatives from WPS sit on the City Committees that govern the administration of relevant shared services.	Finding #3
Integrity of Management Information and Performance Measurement	6) Data Quality Review	Crime statistics as inputted into Versadex and collected by the Canadian Centre for Justice Statistics (CCJS), are audited and checked by Data Entry on a daily basis as reports are received. A staff of nine UCR trained civilian Data Entry Clerks review this data for accuracy in real time. A secondary review of the previous day's work is then performed on a daily basis by the Data Entry Lead Hand. In addition to this, monthly error edit reports are sent from Statistics Canada highlighting any reporting errors – which are corrected at this time. As well, Statistics Canada sends a six-month and year end verification reports of all crime statistics that are reviewed and verified by the Supervisor of Data Entry, and authorized for release by the Chief.	Consideration for Improvement # 1

Review Area	Control Title	Control Description	Reference to Finding
Executive Succession Planning	7) Promotion Process for Sworn and Civilian Employees	The Inspector-Professional Advancement is responsible for overseeing the process for hiring, promoting, skills development, learning and career plans for sworn employees in conjunction with the Director of Human Resources. The Director of Human Resources oversees the above processes for civilian employees of the service. Sworn service members are selected for promotion based on the eligibility criteria and an annual promotion process cycle as defined in Directive 352. Directive 310 provides the sworn service members the opportunity to develop their skills and maximize the career potential. Civilian employees are selected for promotion when positions are available based on a points-based promotional system which includes annual performance evaluations, as defined in the Civilian Promotional Policy.	
Funding/ Budget Process	8) Preparation of WPS Annual Budget	Annually, the Finance Director prepares a budget for Windsor Police Services in the template provided by the City to be submitted to both the Board and the City for approval.	
	9) Capital Budget Requests Outside Normal Budget Cycle	The Finance Director requests to the Board to get approval for capital budget increases outside of the normal budget cycle. WPS then prepares and submits a request to the City's Capital Budget Review Team for formal approval.	
Internal Fraud Risk Management Protocols	10) Fraud Investigation	WPS Risk Management partners with members of the investigation division to investigate and prosecute instances of fraud that are determined to be criminal. If determined to be non-criminal misconduct, it would be investigated under section 76 of the Police Services Act and the Code of Professional Ethics, and the investigation would be conducted by members of the professional standards branch.	Consideration for Improvement #2
Financial Management Process	11) Reconciliation of the WPS accounts	The Finance Director performs a monthly overall review of the WPS revenue accounts and discrepancies are investigated immediately as they are discovered.	Finding #3
Media Relations, Monitoring, and Escalation	12) Media Coordination by the Public Information Officer	The Public Information Officer oversees the operation of the Corporate Communications Unit to liaise between the WPS and the media through traditional relations and social media outlets. The Public Information Officer is the contact for media inquiries, maintaining a list of media contacts, and managing/monitoring social media accounts in order to provide information in a consistent and timely manner.	
IT Governance, and Information and Data Security	13) Documentation and Review of Key IT Policies	Key policies covering IT operations and data security or usage are documented and reviewed periodically	Finding #2
	14) Network Security Reviews	Network security reviews conducted bi-annually by a third party and results are reviewed by management.	Finding #4

Appendix C: Limitations and Responsibilities

Limitations inherent to the Internal Auditor's work

We have undertaken the 'expanded' internal audit of Windsor Police Services, subject to the limitations outlined below.

Internal control

Internal control systems, no matter how well designed and operated, are affected by inherent limitations. These include the possibility of poor judgment in decision-making, human error, control processes being deliberately circumvented by employees and others, management overriding controls and the occurrence of unforeseeable circumstances.

Future periods

Our assessment of controls is for the period specified only. Historic evaluation of effectiveness is not relevant to future periods due to the risk that:

- the design of controls may become inadequate because of changes in operating environment, law, regulation or other; or
- the degree of compliance with policies and procedures may deteriorate.

Responsibilities of Management and Internal Auditors

It is management's responsibility to develop and maintain sound systems of risk management, internal control, and governance and for the prevention and detection of irregularities and fraud. Internal Audit work should not be seen as a substitute for management's responsibilities for the design and operation of these systems.

We endeavor to plan our work so that we have a reasonable expectation of detecting significant control weaknesses and, if detected, we shall carry out additional work directed towards identification of consequent fraud or other irregularities. However, Internal Audit procedures alone, even when carried out with due professional care, do not guarantee that fraud will be detected.

Accordingly, our examinations as Internal Auditors should not be relied upon solely to disclose fraud, defalcations or other irregularities which may exist.



This document has been prepared only for The Corporation of the City of Windsor and solely for the purpose and on the terms agreed with The Corporation of the City of Windsor in our agreement dated June 9th 2016. We accept no liability (including for negligence) to anyone else in connection with this document, and it may not be provided to anyone else.

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