

ADMINISTRATION RESPONSE TO IT GENERAL CONTROLS - PROCESS OWNERSHIP AUDIT

RECOMMENDATION

That the March 18, 2022, Financial and Corporate Services report FCS00406, be received for information.

Report Purpose

Information only.

Council is being informed of Administration's response to the IT Process Ownership Audit received from the Office of the City Auditor.

Executive Summary

- The Office of the City Auditor reviewed IT General Controls within Administration's Open City and Technology Branch (OCT) to ensure the effectiveness of process ownership practice area, including supporting frameworks, policies, directives, and that procedures were in-line with industry practices.
- The Office of the City Auditor did not evaluate IT operations outside of OCT.
- The Office of the City Auditor found that OCT implemented an IT governance framework based on best practices and has good process ownership practices, however noted needed improvements to ensure Administration's practices and risk management are up to date, and that there are better defined areas of responsibility.
- As such, the Office of the City Auditor recommends that:
 - OCT update and fully implement its IT governance framework, including a gap analysis, the Risk Management Program, and assignment of ownership for each IT practice area.
- Administration accepts the recommendations of the IT Process Ownership Audit.

REPORT

IT General Controls provide managers, auditors, and Information Technology (IT) users with a set of industry standard measures, indicators, processes and best practices to assist users in maximizing the benefits derived through the use of information technology and developing appropriate IT governance and control in an organization.

ADMINISTRATION RESPONSE TO IT GENERAL CONTROLS - PROCESS OWNERSHIP AUDIT

In performing an audit of these controls, the Office of the City Auditor found that OCT implemented an IT governance framework based on best practices and has good process ownership practices. However, it also noted a number of areas needing improvement, namely that Administration has not:

- maintained its IT governance framework for several years;
- fully performed a maturity gap analysis;
- updated framework-related documentation such as the IT Risk Management Program developed in 2016; and,
- updated formal ownership for each of the IT practice areas.

The Office of the City Auditor's IT General Controls - Process Ownership Audit recommended that: OCT update and fully implement its IT governance framework, including a gap analysis, the Risk Management Program, and assignment of ownership for each IT practice area.

The Open City and Technology Branch adopted Control Objectives for Information and Related Technologies (COBIT) 4.1 as its IT governance framework in 2015, to support the City in achieving its strategic plan. The COBIT 4.1 framework, created by the ISACA (Information Systems Audit and Control Association), is based on recognized international IT governance best practices.

Beginning in 2015, a number of aspects of the City's new IT governance framework were implemented. Implementation and maintenance of the framework includes activities such as cyber security communication, awareness, policy management and risk management practices. Although these tasks are ongoing, OCT has not updated the overall IT governance framework and activities since they were developed in 2015.

Administration accepts the finding from the Office of the City Auditor. To update and fully implement the OCT IT governance framework, OCT will complete the following by Q2 2024:

- The existing COBIT 4.1 reference model for IT governance will be assessed relative to other models to determine if it is still the most appropriate for the City's use.
- Existing IT governance documents will be assessed and updated or renewed as needed to align with the governance model adopted as a result of Action 1 above. This includes renewal of the OCT Technology Risk Management Program document.
- IT Governance Practice Areas guide the assignments of the appropriate Director as the owner for individual process and control objectives within the specific business area. Director level ownership of practices within OCT business areas will be determined and documented.
- Once assigned OCT will perform a gap analysis of OCT IT governance processes. This includes:
 - Establishing an appropriate maturity level for IT governance processes;
 - Determining the current state of activity for that process;
 - Documenting any actions to take to align with the established maturity level;
 - Setting a time frame to alignment with the determined maturity level; and,
 - Operationalizing the IT governance framework and process to remain current.

The IT Process Ownership Audit was primarily focused with process ownership regarding the practice area under the IT governance framework. As such, both the Audit recommendations and the remediation efforts relate exclusively to OCT.

ADMINISTRATION RESPONSE TO IT GENERAL CONTROLS - PROCESS OWNERSHIP AUDIT

GBA+

As this audit reviewed an internal and technical IT process, Administration has not identified any gaps or equity concerns from a GBA+ perspective on this work.