



## TORONTO POLICE SERVICES BOARD

### AUDIT POLICY

<b>DATE APPROVED</b>	November 15, 2010	Minute No: P292/10
<b>DATE(S) AMENDED</b>	December 15, 2014* October 9, 2014	Minute No: P272/14 Minute No: P219/14
<b>DATE REVIEWED</b>		
<b>REPORTING REQUIREMENT</b>	Toronto Police Service audit work plan – annually Toronto Police Services Board audit work plan - annually	
<b>LEGISLATION</b>	<i>Police Services Act</i> , R.S.O. 1990, c.P.15, as amended, s. 31(1)(c). <i>Adequacy and Effectiveness of Police Services</i> , O. Reg. 3/99, s. 35	
<b>DERIVATION</b>		
<b>CROSS REFERENCE</b>	Adequacy Standards Regulation - LE-020	

The *Adequacy and Effectiveness of Police Services*, O. Reg. 3/99, stipulates that the Board and Chief of Police are responsible for implementing a quality assurance process relating to the delivery of adequate and effective police services and compliance with the *Police Services Act* and its regulations.

The Board adopts a multifaceted approach to fulfill its responsibility relating to quality assurance. It includes:

- regular reports from the Chief of Police on compliance with Board policies and directions;
- annual financial audits conducted by the City of Toronto's external auditors;
- audits requested of, and conducted by, the City of Toronto's Internal Audit Division;
- audits requested of, and conducted by, the City of Toronto's Auditor General; and
- inspections conducted by the Ontario Ministry of Community Safety and Correctional Services; or
- other audits as determined by the Board.

The purpose of this policy is to assist the Board in assessing the adequacy and effectiveness of police services and compliance with the *Police Services Act*. This would be achieved through establishing a structured program for the review of Board policies, and resulting Toronto Police Service ("Service") procedures, processes, practices and programs.

The reviews, included in the Board's audit workplan, will assist the Board in determining whether the Service is in compliance with related statutory requirements, Board policies and directions. Further, these reviews may assist in determining whether risk management activity, financial controls and Service and Board governance efforts are adequate and effective, and functioning in a manner that complies with legislation, case law, inquest findings, inquiry findings, and Ministry of Community Safety and Correctional Services' guidelines.

Therefore, it is the policy of the Toronto Police Services Board that:

1. The Chief of Police will ensure that the Service's financial statements are verified by an annual audit conducted by the City of Toronto's external Auditor as identified in section 139 of the *City of Toronto Act, 2006*;
2. The Chief of Police will establish an internal quality assurance process to ensure that operational, management, training and financial controls are established and maintained to ensure compliance with Service procedures and with Board policies and to ensure that they remain consistent with case law, inquest findings, inquiry findings, legislation and Ministry of Community Safety and Correctional Services' guidelines;
3. The Chief of Police will prepare, using appropriate risk-based methodology, an annual quality assurance work plan which will identify and prioritize audits to be conducted. The plan will identify inherent risks, resource requirements and the overall objectives for each audit and the work plan will be reported to the Board at a public or a confidential meeting as deemed appropriate
4. The Chief of Police will ensure that members of the Service engaged in audit processes have the knowledge, skills, abilities and accreditations, as may be required, to perform their duties;
5. The Chief of Police will provide an annual report to the Board with the results of all audits and will highlight any issues that in accordance with this policy will assist the Board in determining whether the Service is in compliance with related statutory requirements, and issues that have potential risk or liability to the Board and/or to the Service.

It is also the policy of the Toronto Police Services Board that:

6. In addition to the annual quality assurance workplan prepared by the Chief, the Board may, in consultation with the City of Toronto Internal Audit Division or the Auditor General, as may be appropriate, and in consultation with the Chief of Police, request external audits to be conducted on matters of concern to the Board;
7. The Board may request that the City of Toronto Auditor General conduct audits that typically address systemic organizational issues or issues of an emergent nature that are of significant public interest. In addition, the Auditor General may independently recommend to the Board, audits to be conducted by the Auditor General. The Board, in consultation with the

Chief, through a service-level agreement, may engage the City of Toronto Internal Audit Division to conduct audits respecting adherence by the Board and Service to specific Board policies and relevant legislation. The Board may include, in its annual operating budget request, sufficient funds to procure external auditing services;

8. The Board will provide a public report containing its annual audit work plan; and
9. Upon the conclusion of each of its audits, the Board will provide a report which will address the following:
  - assessment of the adequacy and effectiveness of the Service's or Board's processes in the areas stated in the audit plan;
  - identification of significant issues related to the processes of the Service or the Board, including recommended improvements to those processes; and
  - updates where necessary on the status and results of the audit plan and the sufficiency of the Board's audit resources.
10. Reports with respect to audits conducted on behalf of the Board, will consider, but not be limited to, whether:
  - Operational and financial risks are appropriately identified and managed;
  - The appropriate levels of internal control exist within the Service;
  - Financial, management, and operational information provided to the Board is accurate, reliable, and timely;
  - Staff and management actions are in compliance with policies, procedures, contracts, laws, and regulations;
  - Resources are acquired economically, used efficiently, and adequately protected;
  - Programs and their objectives are achieved;
  - Quality and continuous improvement are encouraged in the Service's control processes; and
  - Significant legislative or regulatory issues affecting the Service are recognized and addressed appropriately.

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*\*This policy supersedes any Audit Policy prior to December 15, 2014.*