



MEMORANDUM

To: Audit Committee

From: Mary Hom
Chief Risk Officer

Date: December 2, 2020

Re: 2021 Internal Audit Plan

Please find attached the proposed 2021 Internal Audit Plan. After careful performance of the annual risk assessment process (which included individual discussions with Members of the Audit Committee as well as team discussions with the various departments across the Corporation), Internal Audit has developed a plan for 2021 as follows:

- (1) Perform five assurance audits
- (2) Outsource two assurance audits
- (3) Participate in two advisory engagements
- (4) Perform four agile audits
- (5) Complete two special projects
- (6) Commence continuous monitoring of the HDC investment portfolio

Action by the Members of the Audit Committee

The Members of the Audit Committee are requested to approve the 2021 Internal Audit Plan.

**INTERNAL AUDIT PLAN
2021
(DRAFT)**

ASSURANCE						
Audit	Description of Review	Last Audit	Estimated Duration	Department	Auditor	
Employee Expenses/President's Office Expenses/Petty Cash	Annual required reviews of employee expenses, President's Office expenses, and petty cash	2020	4 weeks	Office Services/Accounting	Saranga	
IT-Cyber Security/Incident Response Management	Effectiveness of incident response protocols to a cyber security event	N/A	8 weeks	IT	Ogoke/Saranga	
Month-End Reconciliation	Effectiveness of the month-end reconciliation process with the general ledger (GL)	2013	8 weeks	Accounting	Ogoke	
Portfolio Inspections	Effectiveness of HDC policies for performing property inspections	2015	8 weeks	Asset Management	Saranga	
Reserve for Replacement (R4R)	Effectiveness of internal controls over the R4R process	N/A	8 weeks	Asset Management	Ogoke	
Payroll/Timekeeping	Effectiveness of controls over the Dayforce payroll/timekeeping software	N/A	8 weeks	Human Resources	OUTSOURCE	
Employee Benefits Administration	Effectiveness of controls over employee benefits administration	2015	8 weeks	Human Resources	OUTSOURCE	

ADVISORY	
Description	Department
Diversity Equity & Inclusion (DEI)	Human Resources
Personally Identifiable Information (PII)	IT/Legal/Human Resources/Asset Management/HPD

AGILE						
Audit	Description	Last Audit	Duration	Department	Auditor	
Other Assets	Evaluate and test controls and balances of Other Assets	2014	2 weeks	Accounting	Ogoke	
Underwriting Standards	Evaluate and test project underwriting versus underwriting standards	N/A	2 weeks	Development/Credit Risk	Saranga	
Fleet Management	Evaluate and test controls for use of HDC-owned automobiles	2012	2 weeks	Office Services	Ogoke	
Procurement/Remote Work Environment	Evaluate and test controls for procurement in the remote work environment	2019	2 weeks	Office Services/IT	Saranga	

CONTINUOUS MONITORING	
Type	Description
Investments	Monthly review of investment portfolio and compliance with Investment Guidelines

PROJECTS	
Type	Description
OpsAudit Implementation	Implementation of new Internal Audit management system
Automate Employee and President's Office Expenses Reports	Work with IT to develop reporting so that personnel expenses can be continuously monitored