



**CITY OF HAMILTON**  
**CITY MANAGER'S OFFICE**  
**Audit Services Division**

<b>TO:</b>	Chair and Members Audit, Finance and Administration Committee
<b>COMMITTEE DATE:</b>	October 13, 2015
<b>SUBJECT/REPORT NO:</b>	Audit Report 2015-06 - Public Health Services - Encryption Audit (AUD15028) (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>PREPARED BY:</b>	Brigitte Minard 905-546-2424 x2088
<b>SUBMITTED BY:</b>	Brigitte Minard CPA, CA, CIA, CGAP Acting Director, Audit Services City Manager's Office
<b>SIGNATURE:</b>	

**Discussion of Private and Confidential Appendix "A" to Report AUD15028 in Closed Session is subject to the following requirement(s) of the City of Hamilton's Procedural By-law and the Ontario Municipal Act, 2001:**

- ◆ **The security of the property of the municipality or local board.**
- ◆ **The subject matter pertains to litigation or potential litigation, including matters before administrative tribunals, affecting the City.**

**RECOMMENDATION**

- (a) That the Management Action Plans, as detailed in Private and Confidential Appendix "A" of Report AUD15028 be approved;
- (b) That the Medical Officer of Health be directed to instruct the appropriate staff to have the Management Action Plans (attached as Private and Confidential Appendix "A" to Report AUD15028) implemented; and
- (c) That the Appendix "A" to Report AUD15028, respecting Audit Report 2015-06 – Public Health Services – Encryption Audit, remain confidential and restricted from public disclosure.

## **EXECUTIVE SUMMARY**

The Public Health Services Department (PHS) is responsible for the provision of a broad portfolio of services to residents. PHS utilizes encryption software to protect sensitive data. The objectives of this audit included assessing if there are effective internal controls to manage and track mobile computing devices, evaluate if these devices are protected with encryption software as required per the current PHS policy and procedure manual and evaluate if the current PHS policy addresses the necessary scope and provides adequate detail to guide staff. The audit identified opportunities to improve the safeguarding of sensitive PHS data.

### ***Alternatives for Consideration – Not Applicable***

## **FINANCIAL – STAFFING – LEGAL IMPLICATIONS (for recommendation(s) only)**

Financial: None.

Staffing: None.

Legal: Implementing the recommendations listed in Private and Confidential Appendix “A” of Report AUD15028 may reduce the risk of an incident that could result in litigation against the City.

## **HISTORICAL BACKGROUND (Chronology of events)**

The 2015 Internal Audit work plan approved by Council included approximately 10% of flexible staff time to accommodate requests from Council, management and to complete other special projects or investigations. This audit is the result of a request from PHS management. Fieldwork was completed in March to June 2015. The results of this audit are attached as Private and Confidential Appendix “A” of Report AUD15028.

The Audit, Finance and Administration Committee receives and approves final audit and review reports as part of its responsibilities for the oversight of governance and control.

## **POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS**

- *Personal Health Information Protection Act, 2004 (Ontario)*
- Public Health Services Department, Policy and Procedure Manual—Security Practices with Mobile Computing Devices

## **RELEVANT CONSULTATION**

Private and Confidential Appendix “A” to Report AUD15028 includes action plans which reflect the responses of the Planning and Business Improvement Division of the Public Health Services Department. The Information Technology Division in the Corporate Services Department was also consulted with.

**ANALYSIS AND RATIONALE FOR RECOMMENDATION  
(Include Performance Measurement/Benchmarking Data if applicable)**

The Public Health Services Department (PHS) is responsible for the provision of a broad portfolio of services to residents. PHS staff work in both office settings and in the community at various clinics, workshops and healthcare facilities and conduct inspections at businesses to meet the public health needs of the community. In order to effectively deliver these services to residents, mobile computing devices are utilized. It is required by the current PHS Policy and Procedure that all mobile computing devices be encrypted.

PHS utilizes disk encryption software (computer security software that protects the confidentiality of data stored on computer media allowing information to be hidden so that it cannot be read without a password) to protect sensitive data. The protected information is said to be encrypted.

The objectives of this audit included assessing if there are effective IT hardware asset management-related controls to manage and track mobile computing devices, evaluate if these mobile computing devices are protected with disk encryption software as required per the current PHS policy and procedure manual, and evaluate if the PHS policy and procedure is of sufficient scope and detail to effectively protect sensitive PHS data.

The audit identified opportunities to strengthen processes, enhance internal controls and improve the safeguarding of sensitive PHS data.

A formal Audit Report (2015-06) containing observations, recommendations and resulting management action plans was issued. Four recommendations were included in Audit Report 2015-06 (attached as Private and Confidential Appendix "A" to Report AUD15028).

Audit Services conducted this audit in conformity with the *International Standards for the Professional Practice of Internal Auditing*. These standards require that Audit Services plan and perform the audit to obtain sufficient, appropriate evidence to support the findings and conclusions based on the audit objectives. Audit Services believes that the work performed provides a reasonable basis for the audit findings and conclusions.

**ALTERNATIVES FOR CONSIDERATION**

**(Include Financial, Staffing, Legal and Policy Implications and Pros and Cons for each alternative)**

Not Applicable.

**ALIGNMENT TO THE 2012 – 2015 STRATEGIC PLAN**

**Strategic Priority #2**

*Valued & Sustainable Services*

*WE deliver high quality services that meet citizen needs and expectations, in a cost effective and responsible manner.*

**Strategic Objective**

- 2.1 Implement processes to improve services, leverage technology and validate cost effectiveness and efficiencies across the Corporation.

**APPENDICES AND SCHEDULES ATTACHED**

Private and Confidential Appendix “A” to Report AUD15028.

BM:ah