



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

<b>TO:</b>	Chair and Members Audit, Finance and Administration Committee
<b>COMMITTEE DATE:</b>	November 7, 2016
<b>SUBJECT/REPORT NO:</b>	Follow Up of Audit Report 2013-10 - Corporate Services - Information Security and Identity & Access Management Review (AUD16021) (City Wide)
<b>WARD(S) AFFECTED:</b>	City Wide
<b>PREPARED BY:</b>	Brigitte Minard CPA, CA, CIA, CGAP 905-546-2424 x2088 Domenic Pellegrini CPA, CMA, CIA 905-546-2424 x2207
<b>SUBMITTED BY:</b>	Charles Brown CPA, CA, CPA (Illinois) Director, Audit Services City Manager's Office
<b>SIGNATURE:</b>	

**Discussion of Private and Confidential Appendix "A" to Report AUD16021 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.**

**RECOMMENDATION**

- (a) That Report AUD16021, respecting the follow up of Audit Report 2013-10, Corporate Services – Information Security and Identity & Access Management Review, be received.
- (b) That the Appendix "A" to Report AUD16021, respecting the follow up of Audit Report 2013-10, Corporate Services – Information Security and Identity & Access Management Review, remain confidential and restricted from public disclosure.

**EXECUTIVE SUMMARY**

Audit Report 2013-10 was originally issued in May 2014 and management action plans with implementation timelines were included in the Report. In early 2016, Audit Services conducted a follow up exercise to determine if appropriate and timely actions had been taken. Some additional work was completed in August 2016. Of the 17 recommendations, two are completed, six are in progress, one has been initiated and six are not completed. An additional two recommendations are in varying stages of completion due to the involvement of multiple stakeholder groups.

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

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

Financial: None.  
Staffing: None.  
Legal: None.

**HISTORICAL BACKGROUND (Chronology of events)**

Audit Report 2013-10, Corporate Services – Information Security and Identity & Access Management Review was originally issued in May 2014. The report provided 17 recommendations to improve controls, strengthen management oversight, safeguard the City's information and technology assets and improve IT governance.

It is normal practice for Audit Services to conduct follow up reviews within 12-18 months following the issuance of the original report in order to determine whether action plans committed to by department management have been implemented.

**POLICY IMPLICATIONS AND LEGISLATED REQUIREMENTS**

City of Hamilton Information Technology Security Policy

City of Hamilton Password Policy

City of Hamilton User Account Policy

City of Hamilton Security Incident Response Policy

Payment Card Industry Data Security Standard (PCI DSS)

**RELEVANT CONSULTATION**

The results of the follow up were provided to management responsible for the administration of the City's Information Technology Division and to the Director currently leading the IT Governance Project Team (Director of Finance, Administration & Revenue Generation) in the Corporate Services Department.

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

The City of Hamilton has a complex information technology infrastructure environment. Corporate-wide information security services are provided by the IT Division's Security Section. Areas monitored and reported upon regularly by the Security Section include: malware detections, antivirus compliance, patching compliance and internet email volumes. There is also a detailed and complex security monitoring program that is executed daily by the Security Section and includes: monitoring physical security, firewalls, data security and corporate user accounts. The monitoring program consists of a formalized and scheduled routine of "security checks".

The report attached as Private and Confidential Appendix "A" to Report AUD16021 contains the first three columns as originally reported in Report 2013-10 along with an added fourth column indicating Audit Services' comments from the follow up work conducted.

There were 17 recommendations contained in the original audit report (AUD14014). Two were "Completed", six were "In Progress", one was "Initiated" and six were "Not Completed". An additional two recommendations were found to be in varying stages of completion due to the involvement of multiple stakeholder groups. Private and Confidential Appendix "A" to Report AUD16021 should be examined for details of implementation by recommendation.

Audit Services conducted this follow up assignment in conformity with the *International Standards for the Professional Practice of Internal Auditing*. Audit Services believes that the work performed provides a reasonable basis for the follow up comments and conclusions.

**ALTERNATIVES FOR CONSIDERATION**

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

Not applicable

**ALIGNMENT TO THE 2016 – 2025 STRATEGIC PLAN**

**Our People and Performance**

*Hamiltonians have a high level of trust and confidence in their City government.*

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*OUR Vision: To be the best place to raise a child and age successfully.*

*OUR Mission: To provide high quality cost conscious public services that contribute to a healthy, safe and prosperous community, in a sustainable manner.*

*OUR Culture: Collective Ownership, Steadfast Integrity, Courageous Change, Sensational Service, Engaged Empowered Employees.*

**APPENDICES AND SCHEDULES ATTACHED**

Private and Confidential Appendix "A" to Report AUD16021

CB: bm