




INFORMATION REPORT

TO:	Chair and Members Audit, Finance and Administration Committee
COMMITTEE DATE:	January 16, 2025
SUBJECT/REPORT NO:	Cyber Security Follow Up Audit – Planning Summary (AUD21004(a)) (City Wide)
WARD(S) AFFECTED:	City Wide
PREPARED BY:	Brigitte Minard CPA, CA, CIA, CGAP, CFE (905) 546-2424 Ext. 3107 Charles Brown CPA, CA (905) 546-2424 Ext. 4469
SUBMITTED BY:	Brigitte Minard CPA, CA, CIA, CGAP, CFE Acting Auditor General Office of the Auditor General
SIGNATURE:	

Discussion of Confidential Appendix “A” to this report in Closed Session, would be pursuant to Section 9.3, Sub-section (a) of the City’s Procedural By-law 21-021 and Section 239(2), Sub-section (a) of the Ontario Municipal Act, 2001, as amended, as the subject matter pertains to the security of the property of the municipality or local board.

RATIONALE FOR CONFIDENTIALITY

Appendix “A” is being considered in Closed Session as it contains information that pertains to the information technology security posture of critical City infrastructure, related technology applications and the underlying data.

RATIONALE FOR MAINTAINING CONFIDENTIALITY

The Auditor General recommends that Appendix “A” to Report AUD21004(a) remain confidential, because in addition to the rationale noted above, the Auditor General in their capacity as an Auditor General for compliance and value for money audits (as approved by Council per Report AUD19005) has a duty of confidentiality as per the *Municipal Act, 2001 Section 223.22*.

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.

COUNCIL DIRECTION

Report AUD21004 Cyber Security Audit was presented at the April 22, 2021, Audit, Finance and Administration Committee meeting and at the April 28, 2021 Council Meeting.

Council provided the following direction to staff as Agenda Item 5.6 (Audit, Finance and Administration Committee Report 21-006), specifically Item 3:

3. Cyber Security Audit (AUD21004) (City Wide) (Item 10.1)

- a) That Confidential Appendices “A” and “C” to Report AUD21004, respecting the Cyber Security Audit be received;
- b) That the Management Responses, as detailed in Confidential Appendices “B” and “D” of Report AUD21004 be approved;
- c) That the General Manager of Finance and Corporate Services be directed to instruct the appropriate staff to have the Management Responses (attached as Confidential Appendix “B” to Report AUD21004) implemented;
- d) That the General Manager of Public Works be directed to instruct the appropriate staff to have the Management Responses (attached as Confidential Appendix “D” to Report AUD21004) implemented; and,
- e) That the Appendices “A”, “B”, “C”, “D” and “E” to Report AUD21004, respecting Cyber Security Audit Report, and Cyber Security Recommendations and Management Responses, remain confidential and restricted from public disclosure.

The above was enacted as part of By-law 21-065.

Report AUD23012 Office of the Auditor General Work Plan 2023 to 2026 was presented at the December 7, 2023 Audit, Finance and Administration Committee meeting and at the December 13, 2023 Council meeting.

Council approved Report AUD23012. The Office of the Auditor General Work Plan 2023 to 2026 included Follow Up Audits based on the Office of the Auditor General’s (OAG) assessment of key organizational risks.

INFORMATION

The Office of the Auditor General typically completes follow up audits of value for money audits approximately 36 months after the original audit was issued, in order to provide sufficient time for major system and transformational changes to occur. Report AUD21004 Cyber Security Audit was originally issued in April 2021, and a follow up was planned for the second half of 2024. The City of Hamilton experienced a major cyber security incident (a ransomware attack) in late February 2024.

In August 2024 as the cyber security incident response moved into the “Recover” phase, the OAG began planning the Cyber Security Follow Up Audit. The OAG has engaged Valencia Risk to provide independent, confidential advice to our Office. Valencia provided confidential, independent advice for the original Cyber Security Audit in 2021.

As of December 2024, the research and planning phase of the follow up audit is wrapping up and will be moving into the fieldwork phase in early 2025. The OAG will report the follow up audit findings to the Audit, Finance and Administration Committee when the follow up audit has concluded.

Further confidential details are included in Appendix “A” to Report AUD21004(a).

APPENDICES AND SCHEDULES ATTACHED

Confidential Appendix A – Cyber Security Follow Up Audit Planning Summary.

Appendix B – Cyber Security Audit (AUD21004).