



STAFF REPORT INFORMATION ONLY

TTC Audit Department – Risk Assessment Process

Date:	February 19, 2015
To:	TTC Audit Committee
From:	Head of Audit, Joseph L. Kennelly

Summary

The evaluation of the appropriateness of audit risk assessment factors is an on-going activity to ensure that current and emerging risks are taken into account to plan and prioritize risk-based audit activities.

Financial Impact

This report has no financial impact beyond what has been approved in the current year's budget.

Comments

The following risk factors are used for the planning and prioritization of audit assignments:

- 1) Impact on safety and security
- 2) Impact on customer service and accessibility
- 3) Potential liability or reputational publicity
- 4) Assets at risk, including liquidity of assets and protection of information assets
- 5) Organizational stability and maturity level of operating procedures
- 6) Legislation and regulatory requirements
- 7) Dollar value of transactions
- 8) Complexity of operations and technology
- 9) Management's assessment of corporate risk
- 10) "Wildcard risk"

A significant improvement to the audit risk assessment process is including risks that can have an impact on customer service and accessibility (Risk Factor #2), and TTC Management's assessment of corporate risk (Risk Factor #9).

The tenth "Wildcard risk" factor reflects new and emerging risks that may impact the TTC's operations. This risk factor is adapted to meet the TTC's current high priority audit requirements, and is continuously updated to ensure that current risks are considered in the development of the audit work plan.

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