

INFORMATION NOTE

Title:	Summary of Outstanding Internal Audit Recommendations
Date Prepared:	December 8, 2020
Report To:	Audit Committee
Councillor and Role:	Choose an item.
Ward:	N/A

Issue: To provide the committee with a summary of outstanding internal audit recommendations.

Discussion – Background and Current Status:

Attribute Standard 2500.A1 of The Professional Practices Framework from the Institute of Internal Auditors states:

“The chief audit executive should establish a follow-up process to monitor and ensure that management actions have been effectively implemented or that senior management has accepted the risk of not taking action.”

To that end the Office of the City Internal Auditor provides the Audit Committee with a summary update on outstanding recommendations from previously issued audit reports twice annually. The following is a summary of issues still deemed to be outstanding by area management. Unless otherwise indicated all pending recommendations listed below are now beyond the original implementation dates set by management. Detailed reports, by audit/review, containing all pending and closed issues are attached for your review.

Recreation Division – Assignment #14-01

- 62 (or 95%) of the 65 recommendations are closed (3 or 5% are pending).

Pending Recommendations:

- Recommendations made regarding the development of Petty Cash vouchers and advance vouchers are still proposed to be implemented - date TBD (Aug 2019, October 2018, August 2017, October 2015, December 2014).
- A recommendation to develop written procedures for reviewing accounts receivable balances is still proposed to be implemented – date TBD (December 2019, October 2018, August 2017, October 2015, December 2014).

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Closed Recommendations:

- Nothing for discussion.

Commercial Property Tax Allowance – Assignment #15-02

- 24 (or 83%) of the 29 recommendations are closed (5 or 17% are pending).

Pending Recommendations:

- A recommendation to prepare a Commercial Property Tax Allowance Policy and several recommendations made for reviewing and making changes to the Commercial Property Tax By-Law to ensure it is clear, protects the City's interests and is in line with current practices remain outstanding. Management has indicated that these recommendations are linked together and some of the changes will depend on provincial regulations. After these regulations are published staff will regroup to address a path forward. Implementation date – TBD.

Closed Recommendations:

- Nothing for discussion.

Non-Profit Housing – Assignment #16-01

- 34 (or 89%) of the 38 recommendations are closed (4 or 11% are pending).

Pending Recommendations:

- The implementation date for a recommendation to develop a policy and procedures manual for the division is now TBD (April 2020, December 2019, TBD, January 2018).
- The implementation date for recommendations regarding criteria and a process for ensuring the assignment of housing units is done in a fair and equitable manner are now TBD (April 2020, December 2019, April 2019, August 2017).
- The implementation date of a recommendation to determine if the Yardi computer system is sufficient to meet the needs of the division is now TBD (TBD, TBD, March 2019, September 2017).

Closed Recommendations:

- Nothing for discussion.

Citizen Service Centre – Assignment #17-01

- 35 (or 67%) of the 52 recommendations are closed (17 or 33% are pending).

Pending Recommendations

- These will be discussed in an in-camera session of the Audit Committee as they relate to cash handling and employee safety matters.

Closed Recommendations:

- These will be discussed in an in-camera session of the Audit Committee as they relate to cash handling and employee safety matters.

eTendering – Assignment #17-02

- 7 (or 64%) of the 11 recommendations are closed (4 or 36% are pending).

Pending Recommendations:

- The implementation date of a recommendation to develop and implement a procurement plan for the City is now January 2021 (April 2020, April 2019, September 2018).
- The implementation date of a recommendation to measure the City's procurement cycle times is now TBD (April 2020, TBD, July 2018).
- The implementation date of recommendations to compare the City's procurement cycle times to internal and external benchmarks are now TBD (April 2020, TBD, July 2018).

Closed Recommendations:

- Nothing for discussion.

SJSEL – Investigation into Float Discrepancy at Mile One Centre – Assignment #S17-01

- 35 (or 66%) of the 53 recommendations are closed (18 or 34% are pending).
- This report was not followed-up this quarter and therefore there are no changes noted. It will be followed-up at the end of the 1st quarter of 2021.

St. John's Transportation Commission: Review of Cash Handling – Assignment #18-01

- 35 (or 92%) of the 38 recommendations are closed (3 or 8% are pending).

Pending Recommendations

- These will be discussed in an in-camera session of the Audit Committee as they relate to cash handling and employee safety matters.

Closed Recommendations:

- Nothing for discussion

RHB Waste Management Facility – Scale House Operations – Assignment #18-02

- 16 (or 46%) of the 35 recommendations are closed (19 or 54% are pending).

Pending Recommendations

- 9 of 20 recommendations in the Reporting and Review section of the report are still pending. These recommendations relate to the review of adjustment reports, investigating methods of reducing the overall number of adjustments made, improving controls over the tare weight process, and improving controls in the process over handling expired permits and overdue accounts. Management expects implementation of these recommendations to be completed by the end of December 2020.
- 2 of 6 recommendations in the PC Scale System Access and Controls section of the report are still pending. These recommendations relate to documenting procedures for the review of active operators and access rights for users of PC Scale. Management expects implementation of these recommendations to be completed by the end of December 2020.
- 4 of 5 recommendations in the Procedure Documents section of the report are still pending. These recommendations relate to updating the documents to ensure they are clear and concise, and adding new processes currently in use. Management expects implementation of these recommendations to be completed by the end of December 2020.
- 3 of 3 recommendations in the Miscellaneous section of the report are still pending. These recommendations relate to improving controls over scale house operations during a power outage and investigating the feasibility of an inspection program. Management expects implementation of two of these recommendations by the end of December 2020, while the third is expected to be implemented by the end of March 2021.

Closed Recommendations:

- Nothing for discussion.

Key Considerations/Implications:

1. Budget/Financial Implications: There may be budget implications for the functional areas in implementing audit recommendations.
2. Partners or Other Stakeholders: The main stakeholders are internal; however, external stakeholders may be impacted by the implementation of certain audit recommendations.

3. Alignment with Strategic Directions/Adopted Plans: Audit recommendations aim to reduce costs, improve efficiency and effectiveness, align processes with strategic directions, measure and report on performance, share knowledge, ensure safety, etc., and therefore support all strategic directions.
4. Legal or Policy Implications: Specific recommendations may have legal and/or policy implications as stated.
5. Privacy Implications: The implementation of certain audit recommendations may have privacy implications. This would be determined by management of the functional areas under review.
6. Engagement and Communications Considerations: The implementation of certain audit recommendations may have engagement and communications requirements. This would be determined by management of the functional areas under review.
7. Human Resource Implications: The implementation of certain audit recommendations may have human resource implications. This would be determined by management of the functional areas under review.
8. Procurement Implications: The implementation of certain audit recommendations may have procurement implications. This would be determined by management of the functional areas under review.
9. Information Technology Implications: The implementation of certain audit recommendations may have information technology implications. This would be determined by management of the functional areas under review.
10. Other Implications: The implementation of certain audit recommendations may have other implications. This would be determined by management of the functional areas under review.

Conclusion/Next Steps:

This memo is provided to the committee for information purposes only. Updates on the status of internal audit recommendations will be provided to the committee biannually.

Report Approval Details

Document Title:	Summary of Outstanding Internal Audit Recommendations.docx
Attachments:	<ul style="list-style-type: none">- Follow-up Summary Report Recreation.pdf- Follow-up Summary Report Commercial Property Tax Allowance.pdf- Follow-up Summary Report Non-Profit Housing.pdf- Follow-up Summary Report eTendering.pdf- Follow-up Summary Report Citizen Service Centre.pdf- Follow-up Summary Report SJTC Review of Cash Handling.pdf- Follow-up Summary Report RHB Scale House Operations.pdf
Final Approval Date:	Dec 11, 2020

This report and all of its attachments were approved and signed as outlined below:

Kevin Breen - Dec 11, 2020 - 3:11 PM