

INFORMATION NOTE

Title: Summary of Outstanding Internal Audit Recommendations

Date Prepared: February 21, 2020

Report To: Audit Committee

Council/Role: N/A

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

- 57 (or 88%) of the 65 recommendations are closed (8 or 12% are pending).

Pending Recommendations:

- Recommendations made regarding the development of Cash Handling and Petty Cash policies and related procedures are still proposed to be implemented by the end of July 2019 (October 2018, August 2017, October 2015, December 2014).

ST. JOHN'S

- A recommendation to develop written procedures for reviewing accounts receivable balances is now proposed to be implemented by the end of December 2019 (October 2018, August 2017, October 2015, December 2014).

Closed Recommendations:

- Nothing for discussion as this audit was not scheduled for follow-up at this time. Next scheduled follow-up for this audit is after the 1st quarter of 2020.

Commercial Property Tax Allowance – Assignment #15-02

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

Pending Recommendations:

- 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 are now proposed to be implemented by the end of Dec 2019 (June 2019, TBD, November 2018).
- Implementation of a recommendation to prepare a Commercial Property Tax Allowance Policy must wait until the associated by-law is reviewed. It is hoped that implementation will happen by the end of June 2020 (TBD, September 2018).

Closed Recommendations:

- Nothing for discussion.

Non-Profit Housing – Assignment #16-01

- 31 (or 82%) of the 38 recommendations are closed (7 or 18% are pending).

Pending Recommendations:

- A recommendation to develop a policy and procedures manual for the division is now proposed to be implemented by the end of April 2020 (December 2019, TBD, January 2018).
- Recommendations regarding criteria and a process for ensuring the assignment of housing units is done in a fair and equitable manner are now proposed to be completed by the end of April 2020 (December 2019, April 2019, August 2017).
- A recommendation to develop a procedure for providing subsidies to affordable housing tenants to ensure consistency is now proposed to be implemented by the end of April 2020 (TBD, June 2018, April 2017).
- A recommendation to determine if the Yardi computer system is sufficient to meet the needs of the division is on hold until it can be determined if Non-Profit Housing's waiting list can be combined with Newfoundland and Labrador Housing Corporation's waiting list. Implementation date TBD (TBD, March 2019, September 2017).

- The timeline for implementation of recommendations made to improve the process of handling cheques received from Advanced Education and Skills is TBD (April 2019, October 2017, July 2018).

Closed Recommendations:

- Nothing for discussion.

Citizen Service Centre – Assignment #17-01

- 22 (or 42%) of the 52 recommendations are closed (30 or 52% 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:

- A recommendation to develop and implement a procurement plan for the City is now proposed to be completed by the end of April 2020 (April 2019, September 2018).
- A recommendation to measure the City's procurement cycle times is now proposed to be completed by the end of April 2020 (TBD, July 2018).
- Recommendations to compare the City's procurement cycle times to internal and external benchmarks are proposed to be completed by the end of 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).

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.

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

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

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.

Prepared and Approved by: Sean Janes, City Internal Auditor

Reviewed by: Sean McGrath, Senior Internal Auditor

Attachments:

1. Follow-up Summary Report: Commercial Property Tax Allowance
2. Follow-up Summary Report: Non-Profit Housing
3. Follow-up Summary Report: eTendering