

Date: 2023-02-09

Subject: **Status of Management Action Plans- Q4 2022**

Contact: **Claire Mu, Director, Internal Audit**

Report Number: CAO's Office-2023-185

Recommendations:

1. That the report from Internal Audit to the Audit Committee Meeting of February 21, 2023, re: **Status of Management Action Plans- Q4 2022**, be received.

Overview:

- City departments are required to provide Internal Audit with an update on the current status and progress of all outstanding audit recommendations;
- The objective of this report is for Internal Audit to inform Audit Committee members on the progress of the implementation of audit recommendations, as reported by management;
- The information provided reflects the status management action plans on or before December 31, 2022;
- As of December 31, 2022, there were 40 open recommendations, 28 were due according to the original management action plans, 27 were outstanding, and 12 were not yet due. Only one recommendation was implemented; and,
- **Appendix 1** contains a summary report of the status of action plans. The Management Action Plan status details are set out in **Appendix 2**.

Background:

Per the requirements of Standard 2500.A1 of the International Standards for the Professional Practice of Internal Auditing, Internal Audit has established a follow-up

process to monitor and ensure that management has successfully implemented its management action plans.

Departments are required to provide a quarterly update to Internal Audit on the progress of implementing agreed-upon recommendations. Internal Audit reviews the comments submitted by the department and, where necessary, will meet with management to discuss the respective progress and comments.

Upon complete implementation of the recommendations by management, Internal Audit will assess whether a follow-up audit is necessary to validate the operating effectiveness of the implemented processes and procedures. Where necessary, such follow-up audits are included in Internal Audit's annual work plan and approved by the Audit Committee.

This report summarizes the status of all recommendations implemented by management on or before December 31, 2022.

Current Situation:

As of December 31, 2022, there were 40 open recommendations, of which 28 were due according to the original management responses and 12 were not yet due. Only one of the 28 recommendations was implemented, and 27 were still outstanding.

The following table compares the statistics from the last reported quarter.

Status of Recommendations	Q4
Total	40
Due	28
Implemented	1
Outstanding	27
Not yet due	12

Management deferred some plans to allow for a broader corporate discussion. Other plans were deferred due to delays in policy approvals and recruitment. The remaining twelve recommendations identified as "not yet due" have anticipated completion dates between Q3 2022 and Q4 2023.

Please refer to **Appendix 1** for the details of the recommendations as of Q4 2022. For additional information on the outstanding recommendations (outstanding and not yet due), please refer to **Appendix 2**.

Corporate Implications:

Financial Implications:

N/A

Other Implications:

N/A

Term of Council Priorities

This report achieves the Term of Council Priority of 'Brampton is a well-run city' by establishing an internal audit follow-up procedure for implementing audit recommendations and promoting corporate accountability, values, and governance best practices.

Conclusion

Internal Audit is committed to continued collaboration with management in regularly improving process effectiveness.

Internal Audit encourages management and staff to continue striving to meet the target completion dates of the Management Action Plans.

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Attachments:

- **Appendix 1:** Management Action Plans as of December 31, 2022
- **Appendix 2:** Management Action Plan Status Details as of December 31, 2022