

Date: 2023-10-29

Subject: **Status of Management Action Plans - Q3 2023**

Contact: Claire Mu, Director, Internal Audit

Report Number: CAO's Office-2023-941

Recommendations:

That the report titled: **Status of Management Actions Plans- Q3 2023**, to the Audit Committee Meeting of November 7, 2023, 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 September 30, 2023.
- As of September 30, 2023, there were 98 open recommendations, 70 were due according to the original management action plans, 38 were outstanding, 32 action plans were completed, and 28 were not yet due.
- **Appendix 1** contains summary counts of all action plans. The Management Action Plan status details are set out in **Appendix 2** and **Appendix 3**

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 their 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 September 30, 2023.

Current Situation:

By September 30, 2023, there were 98 open recommendations, 70 were due according to the original management action plans, 38 were outstanding, 32 action plans were completed, and 28 were not yet due.

Recommendations and Management Action Plan statistics at a glance:

Status of Recommendations	Q3
Total open recommendations	98
Due	70
Completed	32
Outstanding	38
Not yet due	28

Please refer to **Appendix 1** summary counts of all management action plans. The details are contained in **Appendix 2** and **Appendix 3**. **Appendix 3** covers Management Action Plans for the User Fee Audit.

We have not verified the implementation status of completed management action plans due to resource constraints. The 2024 budget request includes resources to verify the implementation status of management action plans.

Corporate Implications:

Financial Implications:

N/A

Other Implications:

N/A

Strategic Focus Area:

Government & Leadership: Internal Audit is an essential service and provides a systematic, disciplined approach to evaluate and improve the effectiveness of the City's governance, risk management, and internal controls and processes.

Conclusion

Internal Audit is committed to continued collaboration with management in regularly reviewing, improving, and updating policies and procedures and enhancing efficiency and process effectiveness.

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

Authored by:

Richard Gervais, Sr Advisor
Internal Audit

Reviewed and approved by:

Claire Mu, Director
Internal Audit

Attachments:

Appendix 1: Management Action Plans Summary Table - September 30, 2023

Appendix 2: Management Action Plans Details - September 30, 2023

Appendix 3: Management Action Plan for the User Fee Audit - September 30, 2023