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**Subject:** Management Action Plan Update

**Report to:** Audit Committee

**Report date:** Monday, December 7, 2020

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## **Recommendations**

1. That report AC-C 12-2020 regarding the current status of audit recommendations **BE RECEIVED.**

## **Key Facts**

- The purpose of this report is to provide Audit Committee with a status update on management responses to audit recommendations since 2016 that are not fully implemented.
- This report will cover all audits completed and issued up to the previous Audit Committee meeting, September 21, 2020 and Corporate Services Committee meeting, June 17, 2020 that may have some action plans in progress.
- Management Action Plan (MAP) status updates are considered a best practice by the Institute of Internal Auditors (IIA) to ensure Audit Committee is aware of any outstanding risk areas within the corporation.
- A total of 15 outstanding high and medium risk audit recommendations and related management responses are detailed in this audit report.

## **Financial Considerations**

There are no immediate budgetary considerations associated with this report. The audit recommendations and subsequent Management Action Plans (MAPs) had budgetary implications associated with their implementation and which are accommodated within current operating budgets.

## **Analysis**

Many of the program areas have continued the implementation of management action plans as noted in the attached summary. Since the last report three management action plans have been completed and additionally, an update to the Burgoyne Bridge

Audit action plan has been provided. A more detailed and updated summary is attached to this report.

### **Alternatives Reviewed**

No other alternatives were reviewed at this time.

### **Relationship to Council Strategic Priorities**

Internal Audit along with related audit functions such as Value-for-money (VFM) audits and compliance reviews were identified and approved within the current Council's Strategic Priority – Sustainable and Engaging Government. The goal of this strategic initiative is a commitment to high quality, efficient, fiscally sustainable and coordinated core services through enhanced communication, partnerships and collaborations with the community.

Management Action Plan status updates satisfy IIA Performance Standard 2500 – Monitoring Progress. “The Chief Audit Executive must establish a follow-up process to monitor and ensure that management actions have been effectively implemented.”

### **Other Pertinent Reports**

AC-C 5-2020 – Management Action Plan Follow-up Report

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#### **Recommended by:**

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Commissioner, Corporate Services/  
Treasurer

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#### **Submitted by:**

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**Appendices:** Appendix 1 – AC-C 12-2020 Management Action Plan Update

## Observation Status for Management Action Plan as of November 2020

Report Title	Report Issue Date	High & Medium Observations	Closed	In Progress	Past Due	On Hold	Deadline	Follow-up Action Plan
Burgoyne Bridge Performance Assessment	Feb-16	8	6		2		Mar-21	The two past due observations pertain to project cost estimating and document management. The projects have scope has changed and thus the overall deadline has also changed from the original MAP report. Asset Management Office (AMO) has developed a work plan for cost estimating model based on three phases. The first phase is to develop a cost estimating process, which has already started.
VFM - Snow Plowing, Road Maintenance and Landscaping Services	Jun-16	13	13				n/a	Targeted follow-ups may be planned focussing on performance measures, contract management and expenditure management.
Fleet, Equipment Management & Replacement Process	Jan-17	4	4				Dec-20	Internal Audit should conduct a follow-up on Fleet Management in 2022.
Fleet Parts Inventory & Fuel Audit	Nov-17	2	1			1	n/a	The observation on hold pertains to research the cost and benefit associated with installation of automatic fuel pumps. The research is dependent on Council's direction on Niagara Region's role in Material Recycling Facilities (MRF)
P-Card Audit	Oct-17	10	10				n/a	Follow-up audit planned for 2021
Information Technology Security and Data Backup Controls Audit	Apr-18	16	15	1			Apr-20	The three observations in process pertain to security assessments, remote sites of infrastructure devices and investigation of CMDB tool. Internal Audit is currently scoping out plans to conduct audits next year focussing on cyber security, access and control measures and penetration testing.

Grants and Incentive Program	Jun-18	4		4			Dec-20	The four observations in process pertain to program rationalization, standardization of operating procedures, establishment of performance measures and improvement of administrative efficiency in regional grants program
Payroll Audit: Phase 1 - Timekeeping Process	Aug-18	2	2	0			Dec-20	Follow-up audit planned for 2022
Procurement Audit	Jan-20	4		4			Dec-20	All the recommendations are in the process of implementation
Non-competitive Procurement Audit	Jan-20	3		3			Jul-20	All the recommendations are in the process of implementation
Health Benefits Claims Audit	Mar-20	3		3			Dec-21	
		69	51	15	2	1		