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**Subject:** Q1 2019 Follow-up Status of Audit Recommendations

**Report to:** Audit Committee

**Report date:** Monday, February 4, 2019

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## **Recommendations**

That report AC-C 3-2019 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 the degree of implementation of audit recommendations made since 2015.
- This report will cover all audits completed and issued up to the previous Audit Committee meeting, September 10, 2018.
- As part of the annual audit business cycle, the follow up process will be completed and reported to Audit Committee on a quarterly basis.
- A total of 34 audit recommendations were detailed in this audit report.
- Between 2017 and 2018, Internal Control and Organizational Performance (ICOP) has completed 14 internal audit reports.

## **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**

This report is intended to be an update on the status of Management's implementation of the audit recommendations since 2015. All recommendations that have not been fully implemented within the management approved timeframe will be highlighted in this report for Audit Committee's attention.

In total, Niagara Region has 74 audit recommendations brought forward through past completed audits. Details of these 74 recommendations are as follows:

- ICOP is satisfied that 51 of the recommendations have been fully implemented,

- In addition, nine of the recommendations are in progress and proceeding with satisfactory implementation plans in place,
- One of the recommendations put forth by ICOP is listed as not started. This recommendation will commence following Council decision points,
- Three recommendations remain on hold,
- Finally, ten recommendations are in progress, late.

The attached appendix provides a detailed status of all recommendations, including expected completion dates.

This type of follow up report is considered best practice as per the Institute of Internal Auditors guiding principles, which ICOP adheres to. The quarterly follow up process ensures that Management is held accountable for the implementation of action plans which it has committed to. The follow up provides valuable information to members of Audit Committee in the execution of their oversight and governance role.

### **Alternatives Reviewed**

No other alternatives were reviewed at this time.

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

Value-For-Money audits were identified and approved as the previous Council's Strategic Priority – Advancing Organizational Excellence. The goal of this Strategic Priority was to *“Build a strong internal foundation for Niagara Region to enable a more prosperous Niagara.”*

Following completion on the 2015 and 2016 audits, Council approved having a permanent Internal Audit function situated within the renamed Internal Control and Organizational Performance division.

## Other Pertinent Reports

AC-C 8-2017 Annual Follow Up Status of Audit Recommendations  
AC-C 15-2018 Management Action Plan and Follow-up Status Report  
AC-C 21-2018 Q1 2018 Follow up Status of Audit Recommendations  
AC-C 34-2018 Q2 2018 Follow up Status of Audit Recommendations

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*This report was prepared in consultation with Frank Marcella, Internal Auditor and Henrik Gao, Internal Audit Analyst.*

## Appendices

Appendix 1                      AC-C 3-2019 Appendix 1 - Final

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