Niagara // Region

Enterprise Resource Management Services
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MEMORANDUM

AC-C 6-2019

Subject: Audit Plan Progress Update Dashboard

Date: February 4, 2019

To: Audit Committee

From: Maciej Jurczyk, Director, Internal Controls & Organization Performance

On a quarterly basis, Internal Controls & Organization Performance submits a performance dashboard to the Audit Committee. The objective is to demonstrate the progress on the Annual Audit Plan and provide other key performance indicators in a one-page summary. The dashboard is available as appendix 1 to AC-C 6-2019.

Internal Controls & Organization Performance staff is requesting to carry-forward two audit projects not completed from 2018 to the 2019 Audit Plan (see AC-C 5-2019). Unexpected employee turnover in 2018 is the principal root cause for this request.

Respectfully submitted and signed by,

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Maciej Jurczyk, CPA, CMA, CIA, CRMA
Director
Internal Controls & Organization Performance

Assurance Projects

Project Name	Percentage Complete		Audit Phase	Project Status	Due Date
2017 Interim Audit Work Plan (AC-C 14-2017)					
Purchasing Card		100%	-	Complete	31-Oct-17
Fleet Parts Inventory & Fuel		100%	-	Complete	9-Nov-17
Cash Handling		100%	-	Complete	15-Jan-18
Mobile Telecommunications		100%	-	Complete	15-Jan-18
Cleaning Contract		100%	-	Complete	15-Jan-18
2018 Audit Plan (AC-C 6-2017)					
Grants & Incentives: Phase 1		100%	-	Complete	7-May-18
Grants & Incentives: Phase 2		100%	-	Complete	18-Jun-18
Contract Compliance - Waste & Recycling		100%	-	Complete	30-Mar-18
Procurement: Bidding / Tendering process		100%	-	Complete	31-Dec-18
Payroll Phase 1: Time-keeping		100%	-	Complete	10-Sep-18
Payroll Phase 2: Payroll processing		100%	-	Complete	24-Oct-18
Employee Benefits Claims		0%	-	Deferred	TBD - 2019
Controlled Medication Inventory		100%	-	Complete	31-Dec-18
Procurement: Sole / Single sourced		0%	-	Deferred	TBD - 2019
Accounts Payable		85%	Reporting	In Progress	28-Feb-19
IT General Controls		100%	-	Complete	30-Apr-18
Chippawa CSO Internal Review		100%	-	Complete	10-Sep-18
HR On-boarding & Off-boarding Audit		0%	-	Request to Defer	TBD - 2019
Children's Services Risk Assessment		60%	Fieldwork	In Progress	28-Feb-19
Long Term Care Homes Risk Assessment		0%	-	Deferred	TBD - 2019
Water Treatment Operations Risk Assessment		0%	-	Request to Defer	TBD - 2019

Advisory & Other Projects

Project Name	Status
- Follow-up Status of Management Action Plans	Ongoing (Quarterly)
- Internal Quality Assessment Project (2018)	Complete
- Internal Audit methodology & training	In progress

Changes to 2018 Annual Audit Plan

- **ADDED:** HR On-boarding & Off-boarding Audit - Oct 31, 2017

- **REPLACED:** Chippawa CSO External VFM with Chippawa CSO Internal Review - on April 10, 2018. Deferred Procurement: Sole / Single sourced Audit to 2019 to accommodate this change

- **DEFERRED:** Employee Benefit Claims Audit & Long Term Care Risk Assessment due to two unexpected vacancies on Sept 10, 2018.

- **REQUEST TO DEFER:** Water Treatment Operations Risk Assessment & HR On-Boarding & Off-Boarding Audit due to employee turnover.
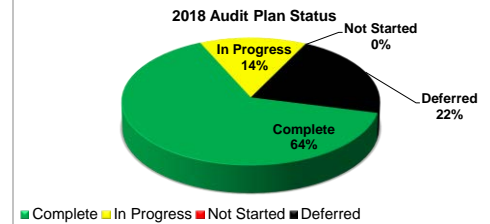
Annual Audit Plan Status

Commentary:
- Internal Control & Organization Performance (ICOP) has completed five audit projects identified in the 2017 Interim Audit Workplan (**AC-C 14-2017**); these were presented to the Audit Committee on April 10, 2018. ICOP currently has eleven audit projects in progress or complete from the 2018 Audit Plan (**AC-C 6-2017**). ICOP has completed the Procurement, Payroll Phase 2, and Controlled Medication Inventory Audits which will be presented on February 4, 2019. The Children's Services Risk Assessment and Accounts Payable Audit could not be completed by year-end and will subsequently be presented to Audit Committee at the second meeting in 2019.
- At the April 10, 2018 Audit Committee meeting, ICOP received direction to perform an internal review of the Chippawa CSO project. Given that the original value-for-money audit was planned to be out-sourced, ICOP didn't have the resources to add a new project without affecting another previously approved audit. Therefore, ICOP proposed to defer the Procurement: Sole/Single source audit to 2019 to accommodate this work.
- At the Sept 10, 2018 Audit Committee meeting, ICOP received approval to defer the Employee Benefits and LTC Homes Risk Assessment to 2019 on account of a lack of resources due to two unexpected vacancies in the ICOP division and overtime required for Grants & Incentives and Payroll Audits.
- At the February 4, 2019 Audit Committee meeting, ICOP will request approval to carry-forward the Water Treatment Operations Risk Assessment and HR On-boarding & Off-boarding Audits to 2019 Plan respectively. These audit projects couldn't be completed on time within 2018 due to internal employee turnover.
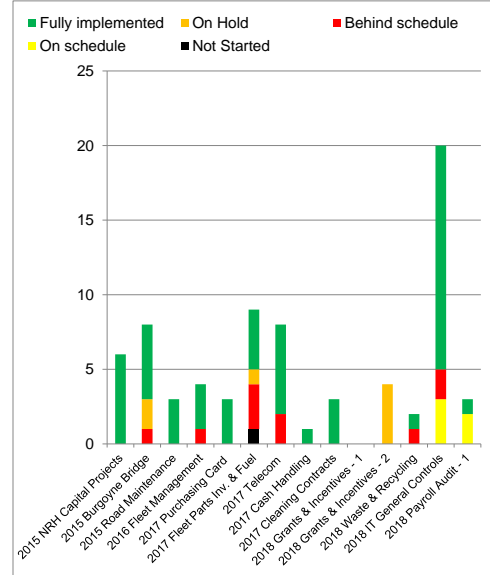
2018 Audit Plan Status
- In Progress 14%
- Not Started 0%
- Deferred 22%
- Complete 64%

Legend: Complete ■ In Progress ■ Not Started ■ Deferred ■

Management Action Plan (MAP) Status

	Total	Not Started	On schedule	Behind schedule	On Hold	Fully implemented
2015 NRH Capital Projects	6	-	-	-	-	6
2015 Burgoyne Bridge	8	-	-	1	2	5
2015 Road Maintenance	3	-	-	-	-	3
2016 Fleet Management	4	-	-	1	-	3
2017 Purchasing Card	3	-	-	-	-	3
2017 Fleet Parts Inv. & Fuel	9	1	-	3	1	4
2017 Telecom	8	-	-	2	-	6
2017 Cash Handling	1	-	-	-	-	1
2017 Cleaning Contracts	3	-	-	-	-	3
2018 Grants & Incentives - 1	0	-	-	-	-	-
2018 Grants & Incentives - 2	4	-	-	-	4	-
2018 Waste & Recycling	2	-	-	1	-	1
2018 IT General Controls	20	-	3	2	-	15
2018 Payroll Audit - 1	3	-	2	-	-	1
TOTAL # of Issues	**74**	**1**	**5**	**10**	**7**	**51**

|	Total	Not Started	On schedule	Behind schedule	On Hold	Fully implemented
Corporate Administration	5	-	-	-	1	4
Corporate Services	29	-	5	4	-	20
Community Services	0	-	-	-	-	-
ERMS	12	-	-	1	1	10
Planning & Development	4	-	-	-	4	-
Public Health	3	-	-	2	-	1
Public Works	15	1	-	3	1	10
Other: NRH	6	-	-	-	-	6
TOTAL # of Issues	**74**	**1**	**5**	**10**	**7**	**51**

Outstanding MAP's:
There are 23 outstanding MAPs across all business units (23 when previously reported to the Audit Committee in **AC-C 34-2018**). New recommendations from audit reports published to the Audit Committee on Sept 10, 2018 now appear in this table (i.e. Payroll Phase 1). Greater detail is identified in **AC-C 3-2019**.

Chart legend: Fully implemented ■ | On Hold ■ | Behind schedule ■ | On schedule ■ | Not Started ■

Post Audit Survey Results

Survey Areas of Interest	2017	2018	2019	Details
Professional Proficiency of Auditors	92.1%	82.7%	NA	Objectivity, professionalism, and knowledge of program areas.
Audit Planning	87.4%	82.8%	NA	Communication effectiveness of scope, objectives, timing and approach.
Audit Fieldwork/Testing	92.7%	80.8%	NA	Effective use of client's time.
Audit Report	86.2%	87.3%	NA	Clear, concise report with timely and meaningful recommendations.
General Thoughts	86.4%	70.0%	NA	Overall benefit of audit and conduct of ICOP team.
AVERAGE SCORE	**89.5%**	**81.4%**	**NA**	
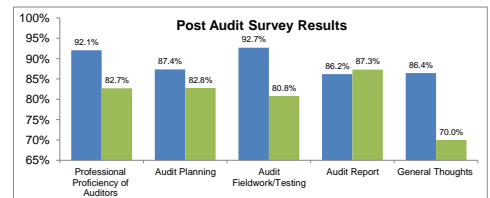
ICOP Action Plans　　ICOP has developed an Audit Manual to standardize our internal practices. This Audit Manual is used for the training and on-boarding of new Audit Staff. The Audit Manual will be reviewed and updated annually.

Post Audit Survey Results
- Professional Proficiency of Auditors: 92.1% / 82.7%
- Audit Planning: 87.4% / 82.8%
- Audit Fieldwork/Testing: 92.7% / 80.8%
- Audit Report: 86.2% / 87.3%
- General Thoughts: 86.4% / 70.0%

Admin / Human Resources

Personnel:	Title:	Credentials:	Start Date:
Maciej Jurczyk	Director	CPA, CMA, CIA, CRMA	26-Jun-17
Frank Marcella	Internal Auditor	MPA, BEd, CGAP	25-Aug-14
Vacant	Process & Compliance Auditor		
Mafu Ojisua	Process & Compliance Auditor	CPA, CMA	20-Nov-17
Henrick Xiang Gao	Internal Audit Analyst	MBA	4-Sep-18
Bartlomiej Gora	Internal Audit Co-op Student		4-Sep-18