
Subject: Q2 2019 Follow-up Status of Internal Audit Recommendations

Report to: Audit Committee

Report date: Monday, May 6, 2019

Recommendations

That report AC-C 14-2019 regarding the current status of internal 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, March 18, 2019.
- 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 28 audit recommendations were detailed in this audit report.
- Between 2017 and 2018, Internal Control and Organizational Performance (ICOP) has completed 16 internal audit reports.

Financial Considerations

There are no immediate budgetary considerations associated with this report. The audit recommendations and subsequent Management Action Plans (MAPs) may have had budgetary implications associated with their implementation and have been 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 80 audit recommendations brought forward through past completed audits. Details of these 80 recommendations are as follows:

- ICOP is satisfied that 57 of the recommendations have been fully implemented,

- In addition, 12 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,
- Two recommendations remain on hold,
- Finally, eight recommendations are in progress, but behind schedule.

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 and Staff are held accountable for the implementation of action plans which they have 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
AC-C 3-2019 Q1 2019 Follow up Status of Audit Recommendations

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This report was reviewed by Maciej Jurczyk, Director, Internal Control and Organizational Performance.

Appendices

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|------------|--|-------------|
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| Appendix 2 | AC-C 14-2019 Appendix 2 – Final Detailed | Page 1 to 4 |

INTERNAL CONTROL & ORGANIZATIONAL PERFORMANCE
FOLLOW UP STATUS REPORT
 Current Status as of April 18, 2019

| Audit Name | | Total # of Recommendations | Not Started | In Progress | | On Hold | Fully Implemented | Percentage Completion |
|--------------|--|----------------------------|-------------|-------------|-----------------|----------|-------------------|-----------------------------------|
| | | | | On Schedule | Behind Schedule | | | |
| 2015 | Burgoyne Bridge | 8 | 0 | 0 | 1 | 1 | 6 | <div><div></div></div> 75% |
| 2016 | Fleet Management | 4 | 0 | 0 | 1 | 0 | 3 | <div><div></div></div> 75% |
| 2017 | Fleet Parts Inventory and Fuel | 9 | 1 | 0 | 3 | 1 | 4 | <div><div></div></div> 44% |
| | Mobile Telecommunications | 8 | 0 | 0 | 0 | 0 | 8 | <div><div></div></div> 100% |
| 2018 | Waste and Recycling Drop-Off Depot Agreement | 2 | 0 | 0 | 1 | 0 | 1 | <div><div></div></div> 50% |
| | Payroll 1 - Timekeeping | 3 | 0 | 2 | 0 | 0 | 1 | <div><div></div></div> 33% |
| | Payroll 2 - Payroll Processing | 1 | 0 | 0 | 0 | 0 | 1 | <div><div></div></div> 100% |
| | Grants and Incentives | 4 | 0 | 4 | 0 | 0 | 0 | <div><div></div></div> 0% |
| | Controlled Medications Inventory | 3 | 0 | 1 | 0 | 0 | 2 | <div><div></div></div> 67% |
| | Accounts Payable | 2 | 0 | 2 | 0 | 0 | 0 | <div><div></div></div> 0% |
| | Information Technology Security and Data Backup Controls | 20 | 0 | 3 | 2 | 0 | 15 | <div><div></div></div> 75% |
| Total | | 64 | 1 | 12 | 8 | 2 | 41 | <div><div></div></div> 64% |

| Audit Report Title | Observation Title and Brief Description | Recommendation per Audit Report | Management Action Plan per Audit Report | Accountable Individual & Title | Original Completion Date MM/DD/YYYY | Issue Status | Follow Up Comments |
|-----------------------|---|--|--|--|---|------------------|--|
| Burgoyne Bridge Audit | Procurement | The Region should develop a policy and define criteria for sole and single sourcing | Review of the existing policy (and newly implemented EFMS system) for sole and single sourced procurement to ensure that system controls are functioning as expected (Validate compliance & controls, report back on review). Undertake a best practice review of awarding contract administration on significant projects. | Bart Menage, Director, Procurement & Strategic Acquisitions Jeff Mulligan | 12/31/2017 | Completed | As per Bart Menage (Director, Procurement & Strategic Acquisitions) on 04/09/2019: The amendments to the Procurement By-law has completed. Further review on Single and Sole Source criteria will be conducted when ICOP completes the Single/Source audit in 2019. As per Bart Menage (Director, Procurement & Strategic Acquisitions) on 04/10/2018: Pursuant to Council approval of the initial amendments to the Procurement By-law in February 2019, in March 2019, Council via recommendations from the Procurement Advisory Committee approved a specific procurement work plan item which will consider further amendments to the By-law including due consideration to Single and Sole Source criteria. These revisions will be reviewed against any recommendations derived from the Single/Sole Source Audit which is scheduled to be completed by Internal Audit in Q3 2019 As per Bart Menage (Director, Procurement & Strategic Acquisitions) on 01/10/2018: The Procurement Advisory Committee endorsed a workplan in November 2017 which includes a broad review of all policies and procedures. This includes review of single/sole sourcing contracts. In addition, ICOP will be completing an assurance audit on Single/Sole Source projects within 2018. The recommendations of that audit will be considered by the Procurement Advisory Committee for implementation. No change from the previous report. Developing and defining criteria for sole and single source procurement will be reviewed upon the completion of the Single/Sole Sourced Procurement audit included on the 2019 Audit Plan. MAP will be reviewed once the 2018 Single/Sole Source Procurement audit is completed. |
| Burgoyne Bridge Audit | Cost Estimating | The Region should develop a structured estimating process to allow for accurate monitoring, control, forecasting and reporting of project costs. | 1. Large construction projects: Provide estimates at various project stages utilizing the services of qualified cost consultant s/quantity surveyors 2. Lifecycle renewal projects: Use structured estimating as applicable for the particular project 3. Structured cost estimating: Different cost estimating should be applied based on the type of capital project. Large projects should engage qualified cost consultants at various stages 4. Job order contracting: Pilot in progress for facilities lifecycle renewal projects and maintenance projects. Provides unit pricing for projects on an ongoing basis for a set term | Kashif Siraj, Manager, Implementation & Analysis | | On Hold | As per Kashif Siraj (Manager, Project Management Office) on 04/12/2019: The status will remain exactly the same as last time update. As per Kashif Siraj (Manager, Project Management Office) on 01/11/2019: Estimates for Capital Initiatives are developed as part of the business cases for budget approvals. PMO will be looking into standardizing Validation of these Estimates early on in the capital projects. Once the Asset Management Office is in place the PMO will collaborate and align with it on Estimation. Maciej Jurczyk, Aug 20, 2018: Discussions with Senior Management in PW and Finance in May 2018 resulted in ICOP taking a leadership role in cost estimating. Pending the creation of the PMO on Sept 10, 2018, this unit will be accountable for this work going forward. No update for the May 7, 2018 Audit Committee report, still on hold. Due to staff leave of absence special projects related to this recommendation have been put on hold pending return. |
| Burgoyne Bridge Audit | Document Management | The Region should develop and implement a formal document management process for all projects | Review of current corporate processes to: 1. Determine immediate actions required to have all Burgoyne Bridge records brought into compliance 2. Develop document management best practices - compare against lead/best practices and identify areas for improvement - ensure implementation of the process across the organization 3. Report back on this review and any proposed recommendations and actions | Tom Jamieson, Associate Director, Application and Information Services | 1. 08/31/2016 2. 12/31/2016 3. 03/31/2017 | In progress late | Management Action Plan updates for Q2 2019 have not been received As per correspondence with Tom Jamieson (Associate Director, Application and Information Services) on 01/11/2019: To address gaps around process, management and information governance an audit of information and content has been scheduled for Jan. and Feb. This will entail sessions with each Department or Division to inventory key information (including documents) supporting their business, the processes around it and any risks or improvement opportunities. The information gathered through these sessions will support both the Business Intelligence and Enterprise Content Management (including document management) projects. Once this information has been analyzed, it will be used to create requirements for an Enterprise Content Management system which will be included in an RFP. It is anticipated that this RFP will be released in March. As per discussion with Tom Jamieson (Associate Director, Application and Information Services) on 08/24/2018: "After researching best practices and on the advice of peer organizations who have undertaken similar projects, the team has determined that prior to going to RFP for a technology solution, it would be prudent to evaluate the Corporation's readiness and to develop a strategic roadmap to guide the project. In June a vendor with extensive expertise in assessing readiness for government organizations was engaged to facilitate a series of workshops to capture current state for the Region, as well as to assess the maturity of the organization. It is their recommendation, that the Region has some deficiencies to address before we are able to release an RFP, and that doing so prematurely would be a significant risk for the organization. The areas the Region must focus on prior to RFP are process management and information governance. By addressing these issues, the Region will increase our level of maturity (in information governance and process management). IT Services and the Office of the Regional Clerk, are working jointly on these items. Therefore, the project members recommend the Region focus on the priority areas identified by the vendor in the short-term prior to issuing an RFP for a technology solution. The Team also recommends contacting a Project Director using the capital budget for this initiative to oversee and |

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| Fleet, Equipment Management and Replacement Process | Fleet Strategies, Policies, Procedures | Management should formalize the Fleet Strategy and set priorities or areas of focus to provide direction to fleet services. The strategy could be supported by a life cycle costing framework or align to the enterprise wide asset management planning initiatives. Performance and value metrics should be set to align to strategic directives and should be periodically tracked. Council approval should be sought once the fleet strategy is documented. | 1. Develop a Fleet strategy statement to be presented to Public Works Committee for approval, prior to seeking approval from Regional Council (update report to Audit Committee to follow) 2. Fleet strategy will be incorporated into overall Asset Management Plan 3. Performance measures should be developed and tracked to align with the overall Fleet Strategy. 4. Review Fleet policies and procedures as required. | Shawn McCauley (Associate Director Transportation) and Ken Williams (Supervisor Fleet Operations) | 1. 06/2017 2. Ongoing 3. Ongoing 4. Ongoing | In progress late | Management Action Plan updates for Q2 2019 have not been received. As per correspondence with Shawn McCauley (Associate Director, Transportation) on 12/19/2018: 1. As part of restructuring a new division was created to run this area in 2019, once the new Associate Director is in place the division will finalize the statement. On target to complete this by end of Q1, 2019 As per correspondence with Shawn McCauley (Associate Director, Transportation) on 08/10/2018: 1. Mission statement has been finalized and is under review by senior staff. Estimated completion date: 03/31/2019 2 - 4. Previously completed As per follow up correspondence with Shawn McCauley (Associate Director, Transportation) on 04/03/2018: 1. Ken Williams has reached out to staff but the mission statement has not been formalized. Winter season was busier than usual and as a result it tied up a lot of staff time. 2-4. Previously completed As per discussion with Shawn McCauley and Ken Williams (Associate Director, Transportation) on 01/08/2018: 1. Ken Williams came up with a draft mission statement, it was put on hold due to a reorganization of positions within the department. The mission statement is on Shawn's Q1/2018 to do list. Shawn mentioned that they want to work with staff within the department to get their feedback to develop and fine tune the mission statement. 2. Ongoing 3. Ongoing 4. Ongoing |
| Mobile Telecommunications Audit | Streamlining end user access to monthly mobile telecommunication bills, possibly through the use of 3rd part billing management companies | 1. IT staff should research the benefits of 3rd party mobile management software further and consider implementation | 1. IT staff is currently assessing Telecom Expense Management (TEM) solution to assist with management of devices and to achieve great transparency for the IT staff, managers and end user. Costs associated with a TEM solution run in the range of a \$3-\$10/device/month. | Julie Max, Associate Director Infrastructure and Operations | 06/30/2018 | Completed | As per correspondence with Julie Max (Associate Director Infrastructure and Operations) on 04/10/2019: A vendor was selected that works with Rogers as part of the VOR agreement. The vendor is named CIMPL. The go-live date is currently set for May 15th with communications to come out to staff over the next month. As per correspondence with Julie Max (Associate Director Infrastructure and Operations) on 01/07/2019: TEM system POC just completed – Q4 likely for prod deployment once we get VOR signed. – end of Q1 2019 As per correspondence with Julie Max on (Associate Director Infrastructure and Operations) on 04/24/2018: 1) Currently underway As per correspondence with Julie Max (Associate Director Infrastructure and Operations) on 08/10/2018: TEM system POC has been completed. Product deployment will likely be Q4, 2018 once the VOR is signed. Estimated completion date: Q4, 2018 (Dec 31, 2018) |
| Mobile Telecommunications Audit | Potential operational risk due to lack of a formalized contract with Rogers after transitioning to the Province of Ontario Agreement | 1. The Region should reach out to Rogers and draft and formalize a written contract. | 1. Report DCAO01-2017, Cellular Devices & Services Contract was approved at Corporate Services Committee on April 19, 2017. The recommendation was to leverage the existing VOR agreement. This was approved. Procurement and Legal are in the process of formalizing the agreement with Rogers. | Procurement/Legal | 03/31/2018 | Completed | As per correspondence with Julie Max (Associate Director Infrastructure and Operations) on 04/10/2019: All agreements have been signed by vendor and Region with Legal approval As per correspondence with Julie Max (Associate Director Infrastructure and Operations) 01/07/2019: VOR – Should be completed soon. Legal currently signing it and we are waiting on them – Q4 likely for completion - end of Q1 2019 As per correspondence with Julie Max on (Associate Director Infrastructure and Operations) 04/24/2018: 1) Currently underway As per correspondence with Julie Max (Associate Director Infrastructure and Operations) on 08/10/2018: The VOR should be completed soon. Currently awaiting signatures from legal. Estimated completion date: Q4, 2018 (Dec 31, 2018) |

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| Fleet Parts Inventory & Fuel Audit | Niagara Recycling Centre - Area to improve internal controls | 1. Fuel dip tests should be conducted two times a week in order to monitor fuel levels and perform reconciliations. The twice-weekly dip tests should be conducted at the start of the work week, first shift Monday morning, and then the end of the work week, last shift Friday evening. 2. Fuel reconciliations should be completed on a daily basis. The reconciliations should account for opening fuel levels, deliveries and consumption for the day. This amount should be compared and reconciled to the twice-weekly fuel dip tests. Variances should be examined. 3. Assuming that the Niagara Region will retain ownership and continue to operate the Recycling Centre, Niagara Region staff should research the cost associated, and if feasible, install automatic fuel pumps in correlation with an automated fuel management system (such as the CoenCorp system utilized by Public Works). 4. In the interim, the Recycling Centre should continue and/or begin the following: a. Implement and enforce a policy whereby circle checks are not allowed to be turned in with nil values. The employee is required to fill out the circle check, indicating the amount of fuel they pumped into their unit or they are required to indicated that nil fuel was pumped and initial the box. Each form should be signed by the operator on a daily basis in order to improve and foster accountability. b. A ticket system should be implemented for any fueling transactions not completed at the time of the circle check. The ticket system will ensure that there is a tracking system in place for all fuel transactions which will improve record keeping, reporting and directly affect the ability to complete reconciliations. | 1. As per recommendation 1, Niagara Region staff to conduct manual dip test twice weekly to reconcile fueling transactions throughout the week. Dip stick ordered and received on Nov 22nd. Implementation starting week of November 27, 2017. 2. As per recommendation2, Niagara Recycling staff will complete fuel reconciliations on a daily basis. Niagara Region's Contract Manager will be responsible for reviewing tracking spreadsheet every month to look for variances/discrepancies. First monthly review scheduled for January 2018. Daily reconciliations start date November 13, 2017. 3. As per recommendation 3, and dependent on Council's direction on Niagara Region's role in recycling processing operations as part of the Waste-Free Ontario Act, Niagara Region's Contract Manager will research automated systems used at Regional facilities, and, depending on cost, will procure and install automatic fuel pumps in correlation with an automated fuel management system. 4. Implementation of a ticket based system for all fueling transactions. Staff will no longer be documenting information on circle checks, as circle check is complete at beginning of shift and fuel transactions occur throughout the day. Alternatively, as per pe recommendation 4b, ticket information includes the following: date, unit number, fuel usage, odometer reading and signature of operator. Complete - started Nov 13, 2017. | Allison Tyldesley (Associate Director, Waste Collection & Diversion) in Allison's absence, Jennifer Wilson (Supervisor Waste Management) | 1. Nov 27, 2017 2. Nov 13, 2017 and January, 2018 3. Ongoing 4. Nov 13, 2017 | On Hold | As per Jennifer Wilson (Supervisor, Waste Management) on 04/17/2019: 3. Still on hold pending decision on MRF As per Jennifer Wilson (Supervisor, Waste Management) on 01/22/2019: Action plan is awaiting to be presented and approved by Council. No data has been provided when it will be presented at this point. All MAPs have been fully implemented with the exception of #3 which is dependent on Council's direction and will be implemented once a decision is known. As per correspondence with Jennifer Wilson (Supervisor, Waste Management) on 08/10/2018: 1. Completed 2. Completed 3. Dependent on Council's direction and will be implemented once a decision is known. As per correspondence with Jennifer Wilson (Supervisor, Waste Management) on 04/04/2018: 1. Fully implemented 2. Fully implemented 3. Dependent on Council's direction 4. Fully implemented |
| Fleet Parts Inventory & Fuel Audit | Public Works - Automation of fueling system at Smithville yard | Public Works should research the cost and, if feasible, implement the CoenCorp automated fueling system at the Smithville yard. | Staff are in the process of reviewing the recommendations from a consultant report on Niagara Patrol Yards Retrofit, Smithville and Pelham Patrol Yards completed in 2013 that has been on hold while we completed an external audit on Snowplowing, Road Maintenance and Landscaping Services. Based on the recommendations in these reports and the condition of the fueling system at the Smithville Yard, staff are not recommending installing the CoenCorp fuel system at this time. If staff follow through with the recommendation to consolidate both yards into one facility, the fueling system at Pelham was built to be transferable to the new consolidated yard location. The current fuel storage system as Smithville is undersized and was built only as a temporary measure. If a final decision is made to keep Smithville Patrol Yard open than the costs of installing new tanks with the CoenCorp fuel system will be incorporated within the capital budget. | Shawn McCauley, Associate Director Transportation and Fleet Operations | Dec 31, 2017 | Not Started | Management Action Plan updates for Q2 2019 have not been received As per correspondence with Shawn McCauley (Associate Director, Transportation) on 12/19/2018: Delayed until restructuring of the division is complete. Estimated completion date: June 30, 2019 Dependent on decision to consolidate the yards or not As per correspondence with Shawn McCauley (08/10/2018): A consultant is going to be hired to conduct a yard rationale study in 4th quarter of 2018. |
| Fleet Parts Inventory & Fuel Audit | Public Works - Inventory storage and reconciliation process | 1. Inventory cycle counts should continue to be conducted on a quarterly basis. Staff working at each respective yard should be informed of the count results and required to follow up with Management on variances. 2. Management should develop an internal guideline as to how many variances are considered to be an acceptable variance 3. When unacceptable variances are noted on more than one occasion, Management should conduct cycle counts on a more frequent basis (bi-monthly) in order to ensure inventory existence and accuracy until counts are within acceptable variance limits 4. The Smithville inventory storage room should be reorganized using the bin location format applied at the other locations 5. Management should implement a system, whereby staff taking an inventory item off the shelf, he/she uses the hand held scanner to scan the barcode affixed to the shelving to add the item to the work order rather than manually adding the item, mitigating the risk of an incorrect item being added to the work order 6. If Public Works decides to consolidate the current yard locations, they should investigate the incremental cost of adding a stock clerk to the remaining location(s) | 1. Inventory cycle counts are part of our current inventory process guideline manual in Cityworks, this document will be updated to include the M5 inventory. 2. Current Cityworks internal inventory process identifies a variance reporting mechanism and a process for recounts if there are any unusual variances. The manual will be updated to include the M5 inventory including identifying acceptable variance limits. 3. The update manual will include a section on a procedure to handle unacceptable variances including recommending bimonthly counts where required 4. Staff will reorganize Smithville into bin locations after the 2017 year end inventory reconciliation 5. Current scanners are not capable of adding items directly onto a work order. Staff will review and determine if this functionality can be programmed into our current scanners or will an upgrade be required 6. Staffing levels will be reviewed once a decision on the yard locations is made, including adding an additional staff member to deal with the stock at the Patrol Yards. Currently there are only two Road Operations Clerk for the four Patrol Yards. These positions have stock responsibility in their job descriptions, adding a third in a three yard model will help control both fleet and road inventory levels | Ken Williams (Supervisor Fleet Operations) and Shawn McCauley (Associate Director Transportation and Fleet Operations) | March 31, 2018 | In progress late | Management Action Plan updates for Q2 2019 have not been received As per discussion with Shawn McCauley (Associate Director, Transportation), on 12/19/2018: 1-3. Process updated and utilized to conduct year end counts. 4. Previously completed. 5. Upgrade required as part of the division's mobile solution strategy. Currently waiting on IT. 6. Delayed until the restructuring of the division is complete Estimated completion date: June 30, 2019 As per discussion with Shawn McCauley (Associate Director, Transportation) on 08/10/2018: 1. In progress 2. In progress 3. In progress 4. Complete 5. In progress 6. Consultant to be hired to conduct yard rationale study in 4th quarter of 2018. Estimated completion date: 12/31/2018 As per discussions with Shawn McCauley (04/05/2018). MAP #4 is fully implemented while the remainder are still In progress. Staff have not had time to complete the remainder of the MAPs with the absence of the Traffic Manager. Have had to take on some the responsibilities. |
| Fleet Parts Inventory & Fuel Audit | EMS - Maximization of available discounts | 1. Management should continue to encourage the use of the key fobs and the follow up of employees when it is noted that the key fob was not used at the respective gas station 2. Management should inquire with the key fob provider if there are any increased savings plans based on volume of fuel they are purchasing on an annual basis | 1. We observe approximately a 30% utilization of the key fob vs. Visa card. We will communicate with staff to use key fob or Visa Card with key fob vendor as first choice, and use alternate fuel providers if key fob vendor is not available. We will set up a meeting involving upper management, fleet and our Operation's team to discuss the best course of action to increase the use of the key fob 2. We will reach out to Corporate, ICOP and key fob vendor sales representative to see if further discounts can be gained or if there are other incentive programs available since we adopted the use of the key fob. Our Pcard is used approximately 70% of the time and reconciling the monthly statement is time consuming and lends itself to risk of human error. We will be seeking out advice from our Region IT dept. to see if they can come up with an electronic solution to automatically populate our current internal spread sheets to mitigate human error. | Ralph Paolini (Manager, EMS and Support Services) | February 2018 | In progress late | As per conversation with Ralph Paolini (Manager, EMS and Support Services) on 04/16/2019: Purchasing is in the process of having all Regional fuel purchasers involved in trying to have all criteria noted included in a purchasing contract with a particular fuel vendor. Preliminary findings show all criteria mentioned in the audit can be satisfied. As per conversation with Ralph Paolini (Manager, EMS and Support Services) on 12/19/2018: Procurement is in the process of completing the work. As per conversation with Ralph Paolini (Manager, EMS and Support Services) and Bart Menage (Director, Procurement and Strategic Acquisitions) on 08/20/2018: Procurement is in the process of completing the work. As per correspondence received from Ralph Paolini (03/27/2018), 1. Fully implemented 2. EMS has found 2 providers that would meet all of their requirements (volume discounts, store hours, security aspects when dealing with Pcard or fob, record keeping, use friendliness). They are currently working with Procurement on this MAP. |

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| Fleet Parts Inventory & Fuel Audit | EMS - Opportunities to automate record keeping process | 1. Management should discuss with the key fob provider if there is a capacity in which they can receive the statement electronically and download them into their vehicle operation data report or online platform in order to save time and mitigate the risk of human error 2. Management should download PCard transactions and download the transactions into their vehicle operation data report or online platform in order to save time and mitigate the risk of human error. EMS may want to discuss with the IT department a spreadsheet in which the PCard data can be downloaded, sorted and summarized based on their requirements for the vehicle operation data report | 1. We will meet with Corporate and fuel provider to investigate any software upgrades (mileage, vehicle call sign ID, signature, cost and litres used) of their system for reconciling monthly statements 2. Our Pcard is used approximately 70% of the time and reconciling the monthly statement is time consuming and lends itself to risk of human error. We will be seeking out advice from our Region IT dept. to see if they can come up with an electronic solution to automatically populate our current internal spread sheets to mitigate human error. | Ralph Paolini (Manager, EMS and Support Services) | February 2018 | In progress late | As per conversation with Ralph Paolini (Manager, EMS and Support Services) on 04/16/2019: Purchasing is in the process of having all Regional fuel purchasers involved in trying to have all criteria noted included in a purchasing contract with a particular fuel vendor. Preliminary findings show all criteria mentioned in the audit can be satisfied. As per conversation with Ralph Paolini (Manager, EMS and Support Services) on 12/19/2018: Procurement is in the process of completing the work. As per conversation with Ralph Paolini (Manager, EMS and Support Services) and Bart Menage (Director, Procurement and Strategic Acquisitions) on 08/20/2018: Procurement is in the process of completing the work. As per correspondence received from Ralph Paolini (Manager, EMS and Support Services) on 03/27/2018: 1. Fully implemented 2. EMS has found 2 providers that would meet all of their requirements (volume discounts, store hours, security aspects when dealing with Pcard or fob, record keeping, use friendliness). They are currently working with Procurement on this MAP. |
| Waste and Recycling Drop-Off Depot Agreement Audit | Opportunity to enhance transparency of reported information from the vendor | 1. Waste Management staff at Niagara Region should discuss with the vendor the possibility of including tipping fee as one of the selected data fields on the daily transfer of information. Waste Management should request that the pre-tax tipping fee amount, tax amount and gross tipping fee amount be reported on a daily basis so that montly and quarterly reconciliations may be completed easier. 2. Waste Management staff should discuss with the vendor, the possibility of enhancing the reporting process so that both tonnage and revenues are reported on a quarterly basis. As a result of the enhancements, Waste Management staff may be able to reconcile the systems, compute royalty amounts and monitor information with increased ease and efficiency. | 1. Niagara Region holds quarterly meetings with the vendor. The next meeting is to be scheduled in late Q2. The issue will be brought forward to see if tipping fee can be a selected data field. The Region will investigate if the quarterly report can be done on a monthly basis showing pre-tax tipping fee amount, tax amount and gross tipping fee amount. 2. Niagara Region hold quarterly meetings with the vendor. The next meeting is to be scheduled in late Q2. The issue will be brought forward to see if tonnage can be added to the quarterly report. If the vendor is in agreement to supply this information. | Waste Disposal Operations Program Manager | 1. 09/30/2018 2. 07/31/2018 | In progress late | Management Action Plan updates for Q2 2019 have not been received As per correspondence with Andrew Winters (Waste Disposal Operations Program Manager) on 01/09/2019: 1. The vendor currently are unable to select this data field. Next time they have to upgrade their program they will look at feasibility if they can implement this request. 2. The vendor agreed that they would add the tonnages to the quarterly report. They will start in Q4 report. As per discussion with Andrew Winters (Waste Disposal Operations Program Manager) on 08/16/2018: A meeting was held with the Vendor on June 4, 2018 in which items #1 and #2 were raised. The Vendor is going to go back to their IT department for validation but Vendor didn't think it would be an issue. MAP#1 is still on target to be completed for the original September 30, 2018 completion date. The Vendor indicated that item #2 would be completed at the same time. |
| Grants and Incentives Audit | The Region needs to consider program rationalization | 1. Regional Council needs to reaffirm the alignment of current programs with Council objectives and/or priority projects at least once during each term of Council. 2. Regional Council needs to rationalize the number of programs that it manages and funds and ensure that new or remaining programs have direct alignment to the Region's core mandate. The Region should develop an exit strategy to terminate its participation in the following programs: Building and Facade; Heritage Restoration and Improvement; Environmental Assessment; Planning Studies; Residential Grant/Loan 3. Regional Council needs to reconsider its participation in the following programs given the limited client uptake: Agricultural Buildings and Facilities Revitalization Grant/Loan; Agricultural Feasibility Study Grant; and Affordable Housing Grant/Loan Program 4. The Region needs to re-evaluate its role as the administrative lead in Niagara Investment in Culture and consider either providing block funding to Local Area Municipalities or transfer full administrative responsibility to an external agency (ie: Niagara Prosperity Initiative, Prokids). 5. The Region should consider repurposing budgets and resources from any programs it is no longer financially supporting to those programs that have high strategic alignment to ensure these programs are being delivered at the appropriate financial scope and scale. | Representatives from Economic Development, Finance and Planning and Development have reviewed the observations and associated comments provided in Phase 1 and 2 of the Grant and Incentives Programs audit. The implementation of the observations as proposed needs to be carefully considered as there would be significant impact on: - the delivery of grant and incentives programs - resources allocated within Regional Departments and Local Area Municipalities; and - the applicants of the grant and incentive programs In order to adequately assess the observations and make considered recommendations on grant and incentive programs moving forward, it is recommended that a Working Group is established consisting of representatives from Economic Development, Finance, Planning and Development and ICOP. The Working Group will report to CLT. | Doug Giles, Director, Community and Long Range Planning | | In progress on time | Management Action Plan updates for Q2 2019 have not been received As per correspondence with Marian Bannerman (Program Manager, Grants and Incentives) on 01/24/2019: As outlined in the Management Action Plan, an inter-departmental Incentive Review Working Group met several times during Q4 2018 to develop recommendations regarding potential incentive target areas and options for program resourcing and delivery . An education session for Regional Council on existing Regional incentive programs and the status and next steps of the Incentive Review is anticipated in February 2019, with a similar session anticipated to be provided for interested Local Area Municipal staff in March. Following leadership review of the Working Group recommendations, a report will go forward (likely in May-June 2019) to Planning and Economic Development Committee and Regional Council for consideration. Per discussion with Doug Giles and Marian Bannerman (08/24/2018): a report will be going go Planning and Development Committee that highlights the result of a survey of Local Area Municipalities. A full strategy on how to implement the recommendations will be developed in Q1 2019 following an orientation to the various programs delivered for the new Regional Council. |
| Grants and Incentives Audit | Lack of master agreement or standard operating procedures | 1. Regional staff needs to develop foundational documents such as a Master Agreement and Standard Operating Procedures in conjunction with its LAM partners. Some items to be included within the master agreement are: a. Details of the program objectives from a Regional perspective b. Regional criteria to be considered during application evaluation/approval and post-award monitoring phases, i.e. jobs created, minimum external investment threshold. c. Enforcement of Regional standards and approval procedures 2. Regional staff, along with LAMs, should define its optimal business model, such as a delegated authority model. This will establish the parameters around the business relationship and support the description of roles and responsibilities for all parties in the delivery of grant and incentive programs. a. If the Region continues with Type B and Type C program models, whereby the LAMs provide post-award monitoring or verification, then a right to audit clause should be developed and enforced. b. As an alternative, if a right to audit clause cannot be agreed upon within the master agreement, the Region should consider implementing an indemnity clause to protect the Region from exposure to legal or financial liability. 3. Following the drafting of a Standard Operating Procedure for all the programs, the Region should develop flow charts and work descriptions that detail the following service levels: a. Appropriate level of due diligence required from each party b. Communication requirements and frequency. c. Documentation to support application approval and payment processing d. Ongoing and post-award monitoring to ensure application criteria have been satisfied; and e. Timeliness and quality of project, program and performance reporting. | Representatives from Economic Development, Finance and Planning and Development have reviewed the observations and associated comments provided in Phase 1 and 2 of the Grant and Incentives Programs audit. The implementation of the observations as proposed needs to be carefully considered as there would be significant impact on: - the delivery of grant and incentives programs - resources allocated within Regional Departments and Local Area Municipalities; and - the applicants of the grant and incentive programs In order to adequately assess the observations and make considered recommendations on grant and incentive programs moving forward, it is recommended that a Working Group is established consisting of representatives from Economic Development, Finance, Planning and Development and ICOP. The Working Group will report to CLT. | Doug Giles, Director, Community and Long Range Planning | | In progress on time | Management Action Plan updates for Q2 2019 have not been received As per correspondence with Marian Bannerman (Program Manager, Grants and Incentives) on 01/24/2019: As outlined in the Management Action Plan, an inter-departmental Incentive Review Working Group met several times during Q4 2018 to develop recommendations regarding potential incentive target areas and options for program resourcing and delivery . An education session for Regional Council on existing Regional incentive programs and the status and next steps of the Incentive Review is anticipated in February 2019, with a similar session anticipated to be provided for interested Local Area Municipal staff in March. Following leadership review of the Working Group recommendations, a report will go forward (likely in May-June 2019) to Planning and Economic Development Committee and Regional Council for consideration. Per discussion with Doug Giles and Marian Bannerman (08/24/2018): a report will be going go Planning and Development Committee that highlights the result of a survey of Local Area Municipalities. A full strategy on how to implement the recommendations will be developed in Q1 2019 following an orientation to the various programs delivered for the new Regional Council. |

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| Grants and Incentives Audit | Insufficient performance measures to report on program success and compliance | 1. Regional staff needs to further develop performance measures for all of its grant and incentive programs along with templates to support the LAMs in the collection, verification and reporting on the program successes. As a foundation the Region should develop performance measures categorized by volume, outputs, performance and qualitative as described in Appendix X. 2. Regional staff needs to develop an effective post-award monitoring methodology, especially for Type C programs, those administered by the LAMs and funded by the Region. 3. Regional staff needs to conduct regular comprehensive program evaluations (i.e. once per Council term) to ensure program objectives are continuously satisfying its original and intended goals. For all programs the Region should develop a sunset clause that defines the timing of when to conduct program evaluations. | Representatives from Economic Development, Finance and Planning and Development have reviewed the observations and associated comments provided in Phase 1 and 2 of the Grant and Incentives Programs audit. The implementation of the observations as proposed needs to be carefully considered as there would be significant impact on: - the delivery of grant and incentives programs - resources allocated within Regional Departments and Local Area Municipalities; and - the applicants of the grant and incentive programs In order to adequately assess the observations and make considered recommendations on grant and incentive programs moving forward, it is recommended that a Working Group is established consisting of representatives from Economic Development, Finance, Planning and Development and ICOP. The Working Group will report to CLT. | Doug Giles, Director, Community and Long Range Planning | | In progress on time | Management Action Plan updates for Q2 2019 have not been received As per correspondence with Marian Bannerman (Program Manager, Grants and Incentives) on 01/24/2019: As outlined in the Management Action Plan, an inter-departmental Incentive Review Working Group met several times during Q4 2018 to develop recommendations regarding potential incentive target areas and options for program resourcing and delivery . An education session for Regional Council on existing Regional incentive programs and the status and next steps of the Incentive Review is anticipated in February 2019, with a similar session anticipated to be provided for interested Local Area Municipal staff in March. Following leadership review of the Working Group recommendations, a report will go forward (likely in May-June 2019) to Planning and Economic Development Committee and Regional Council for consideration. Per discussion with Doug Giles and Marian Bannerman (08/24/2018): a report will be going go Planning and Development Committee that highlights the result of a survey of Local Area Municipalities. A full strategy on how to implement the recommendations will be developed in Q1 2019 following an orientation to the various programs delivered for the new Regional Council. |
| Grants and Incentives Audit | The Region can provide greater value added support to improve administrative efficiency and program success | 1. The Region should work with LAMs to develop an effective web portal and Regional website landing page to improve communication, reporting, and sharing of information and documentation between partner municipalities. 2. The Region needs to study the merits, benefits and risks of converting grant programs to loans to create greater sustainability. 3. The Region should develop minimum investment thresholds (i.e. \$100,000 per project) to increase scale, overall ROI and efficiencies. 4. Based on the entire inventory of Regional grant and incentive programs, the Region should review the creation of a separate function with dedicated resources that specializes in grant administration and is reliant upon the technical support of program areas. | With respect to Redesigning Programs as Loans, it was felt that this particular observation is not an option for the delivery of grant and incentive programs; however comments relating to this should be provided as part of the assessment and recommendations made by the Working Group to CLT. | Doug Giles, Director, Community and Long Range Planning | | In progress on time | Management Action Plan updates for Q2 2019 have not been received As per correspondence with Marian Bannerman (Program Manager, Grants and Incentives) on 01/24/2019: As outlined in the Management Action Plan, an inter-departmental Incentive Review Working Group met several times during Q4 2018 to develop recommendations regarding potential incentive target areas and options for program resourcing and delivery . An education session for Regional Council on existing Regional incentive programs and the status and next steps of the Incentive Review is anticipated in February 2019, with a similar session anticipated to be provided for interested Local Area Municipal staff in March. Following leadership review of the Working Group recommendations, a report will go forward (likely in May-June 2019) to Planning and Economic Development Committee and Regional Council for consideration. Per discussion with Doug Giles and Marian Bannerman (08/24/2018): a report will be going go Planning and Development Committee that highlights the result of a survey of Local Area Municipalities. A full strategy on how to implement the recommendations will be developed in Q1 2019 following an orientation to the various programs delivered for the new Regional Council. |
| Information Technology Security and Data Backup Controls Audit | Cybersecurity Management - Security systems Architecture | A. It is recommended to limit the access from the branch locations to the Region's network by placing the branch locations into a separate security zone and only allow the bare minimum required for business operation. B. - The branch location's network is to be segmented; separating the managed from the unmanaged devices and only allow access to the Region's network to managed devices. - Segment end-user devices, included managed devices, into controlled zones treated as semi-trusted to limit exposure to critical infrastructure as application and database servers. | A. Non Corporate internet is currently on separated network segmentation with no communication to the corporate network. We are implementing physical security to the ports (network port locks) on the non Corporate internet ports of the switch at the branch office locations to reduce risk. B. The Region will be implementing segmented security zones through Corporate firewall for critical servers to reduce exposure. | Julie Max (Associate Director, Infrastructure and Operations) | | In progress late | Management Action Plan updates for Q2 2019 have not been received As per correspondence with Julie Max (Associate Director, Infrastructure and Operations) on 01/15/2019: A. The network locks have been purchased and are scheduled to be installed in Regional facilities. Completed B. The current firewall migration is underway, and upon completion the segmented security zones will be in place as indicated. Security Zones have been configured and scheduled for implementation in Q1 2019. As per correspondence with Julie Max (Associate Director, Infrastructure and Operations) on 08/20/2018: A. The network locks have been purchased and are scheduled to be installed in Regional facilities Estimated completion date: 12/31/2018 B. The current firewall migration is underway, and upon completion the segmented security zones will be in place as indicated. Estimated completion date: 12/31/2018 |
| Information Technology Security and Data Backup Controls Audit | Cybersecurity Management - Network Security Systems | 1. Identify operating systems in use on each ASA in use by the Region and identify all the latest versions available for installation. 2. Install the latest version available for all Cisco ASA firewalls. 3. Replace firewalls for a more recently released firewall system which is expected to be supported for the intended lifecycle of the firewall. 4. Use a vulnerability assessment solution to identify old versions of firmware and software. A vulnerability assessment solution generally provides information on new releases of firmware and software for monitored devices. 5. To limit exposure to known vulnerabilities in unsupported firmware and software releases, ensure equipment in use is running firmware and software which is still supported by the vendor. | 1&2: Currently underway 3: ASA firewall replacements will be budgeted for in 2019. 4:The Region regularly conducts security assessments with 3rd party vendors to help identify these areas. The most recent being January 2018. We will be assessing a vulnerability assessment solution further. 5:It should be noted that mitigation solutions have been put in place to deal with unsupported firmware and software to limit vulnerabilities. Staff have enrolled to receive vendor notifications for hardware and software updates and do review and assess notifications for exposure and risk. We will be looking at enhancing our processes with a vulnerability assessment solution. | Julie Max (Associate Director, Infrastructure and Operations) | | In progress on time | Management Action Plan updates for Q2 2019 have not been received As per correspondence with Julie Max (Associate Director, Infrastructure and Operations) on 01/15/2019: 2. Budget has been allocated in 2019 for the purchase of new ASA's as the current ones have memory limitations. Currently procuring hardware. Anticipated completion Q3 2019 4. SAS product will need further investigation. As per correspondence with Julie Max (Associate Director, Infrastructure and Operations) on 08/20/2018: 1. Complete 2. Budget has been allocated in 2019 for the purchase of new ASA's as the current ones have memory limitations. Estimated completion date Q1/2019 3. Complete - Budget has been allocated in 2019 for the new hardware replacements of the current asa5505's with PA220's and support 4. SAS product will need further investigation Estimated completion date: Q1/2019 5. Complete |
| Information Technology Security and Data Backup Controls Audit | Cybersecurity Management: Account and access management | 1. Disable insecure management and authentication mechanisms on networking devices and in particular the firewalls and force the use of secure mechanisms like SSHv2. 2. Implement centralized authentication for management of networking devices to prevent credential reuse and sharing, allow for password requirements enforcement, and auditability of administrator actions. | 1: We have set SSHv2 and disabled SSHv1 and have modified the configuration to telnet access. This has been confirmed and verified. No further action is required. 2: Will be implemented with the new firewall implementation and remainder of infrastructure devices by end of year. | Julie Max (Associate Director, Infrastructure and Operations) | | In progress late | Management Action Plan updates for Q2 2019 have not been received As per correspondence with Julie Max (Associate Director, Infrastructure and Operations) on 01/15/2019: 1.Completed 2. This project is currently underway as ClearPass in being setup and configured by the vendor. Completion Q1 2019 As per correspondence with Julie Max (Associate Director, Infrastructure and Operations) on 08/20/2018: 1. Completed 2. Will be completed as part of the Aruba ClearPass implementation Estimated completion date: Q4, 2018 (Dec. 31, 2018) |

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| Information Technology Security and Data Backup Controls Audit | Change Management | 1. Formalize and agree with the CAB which changes need to be run by the CAB before implementing. 2. Keep track of all changes, regardless of their importance or impact, in a formalized change management system storing at least the purpose, executor, approver, rationale, request and execution date. | 1: It should be noted that a formal CAB process currently exists. Updates will be added to CAB terms of reference to include a more comprehensive list of standard changes needs along with preapproved SOP's. 2: This will be addressed with changes to CAB processes. | Julie Max (Associate Director, Infrastructure and Operations) | | In progress on time | Management Action Plan updates for Q2 2019 have not been received As per correspondence with Julie Max (Associate Director, Infrastructure and Operations) on 01/15/2019: 1) Completed 2) Currently investigating a CMDB tool - Change Management Database As per correspondence with Julie Max (Associate Director, Infrastructure and Operations) on 08/20/2018: 1. Current CAT policy is being revised to include the new processes identified in response, certain SOP's have been created for standard changes. Estimated completion date: Q4 2018 (Dec 31, 2018) 2. Currently investigating a CMDB tool - Change Management Database Estimated completion date: Q2, 2019 (June 30, 2019) |
| Information Technology Security and Data Backup Controls Audit | Patch Management | A. Recommendations for Findings A and B: 1. Create a patch management policy that outlines the objectives of patching, roles and responsibilities, steps to evaluate criticality, testing and handling of exemptions. 2. The patch management policy should include procedures when patches are not applied, risk is assessed, mitigation or acceptance is documented and approved by the appropriate level. | A 1: There is currently an SOP in place to implement operating systems securities patches. We will be looking at enhancing current practices. A 2: We will be implementing a Risk Assessment Framework supported by documented approvals. | Julie Max (Associate Director, Infrastructure and Operations) | | In progress on time | Management Action Plan updates for Q2 2019 have not been received As per correspondence with Julie Max (Associate Director, Infrastructure and Operations) on 01/15/2019: 1) SOP for OS and security patches completed. 2) Risk Framework is being developed. As per correspondence with Julie Max (Associate Director, Infrastructure and Operations) on 08/20/2018: 1. Currently underway Estimated completion date: 12/31/2018 2. Currently underway Estimated completion date: 12/31/2018 |
| Payroll Audit: Phase 1 - Timekeeping Process | Lack of Management Approval of Timekeeping in some Divisions | 1. Supervisors/Managers should be given Kronos user logins. 2. The HR Division, in consultation with business units, should develop an approval/sign off business process whereby Supervisors/Managers are reviewing and signing off on the timecards of the staff that they supervise in a consistent manner. 3. In the longer term, HR Division should investigate the feasibility of designing a process which consolidates the Supervisor/Manager's approval of time entries and the encoding of time entries into one step. | 1. Management is conducting a cost benefit review of adding additional manager timekeeping licenses, allowing for manager level approvals, against the cost/risk of potential payroll errors. 2. Management fully supports the need for appropriate manager level oversight on all payroll costs in a consistent fashion. Some operational areas (i.e.: Children's Services) have a well documented manager level approval process for timekeeping sign off developed by HR, as well as manager licenses to electronically support this work. Depending on the outcome of item 1 above, HR will provide a documented corporate wide business process that supports manager electronic approval, or a suitable alternative to ensure manager level oversight. 3. Management acknowledges the benefits of the time entry and approval being consolidated into one step. While there are technical constraints in implementing this today, HR has included this items as part of their broader HRIS review project currently underway. | Peter Wadsworth (Director, Human Resources) Linda Gigliotti (Associate Director, Employee Services) Cindy Creemer (Manager, Employee Services) | 09/30/2019 | In progress on time | Management Action Plan updates for Q2 2019 have not been received As per correspondence with Linda Gigliotti (Associate Director, Employee Services) on 12/21/2018: This review is expected to be completed by the deadline. |
| Payroll Audit: Phase 1 - Timekeeping Process | Developing Training and Guidelines | 1. Manuals that detail step-by-step procedures should be updated to include Niagara Region business procedures. This will allow for time keeping tasks to be completed consistently throughout the corporation. 2. The HR division should develop training modules for Kronos users. The training should educate the user on the task associated with their specific role(s) within the timekeeping process. The format of training (on-line, in person, etc.) should be decided upon by the HR division in order to effectively suit the corporation. 3. A Champion for each collective agreement should be decided upon and communicated to the encoder group so that when questions arise, Encoders have the necessary resources. 4. Management from respective business units should develop backup/coverage plan for instances when their main Encoder is away from the office or otherwise unable to complete the encoding. | 1. Management fully supports updating training materials to include Niagara Region business procedures. 2. Management supports the delivery of timekeeping training and is developing online tools to create greater effectiveness, consistency, timeliness and access in comparison to the prior classroom provided training. 3. Management has considered this. Escalated questions from timekeepers are managed by HR, and recommends that any additional supports in a specific operating area can be determined within the division. 4. Management supports this recommendation and will continue to encourage adequate back up support amongst timekeepers in each operating area. The requirement to utilize a back up resource for one's own encoding will reinforce this need, as per Observation 2. | Linda Gigliotti (Associate Director, Employee Services) | 09/30/2019 | In progress on time | Management Action Plan updates for Q2 2019 have not been received As per correspondence with Linda Gigliotti (Associate Director, Employee Services) on 12/21/2018: This review is expected to be completed by the deadline. |
| Payroll Audit: Phase 2 - Payroll Processing | Locking excel spreadsheets to avoid minor errors | HR Management should enable spreadsheet controls to protect the integrity and accuracy of the payroll data. Formula cells in the excel templates should be locked, to ensure that only authorized changes to the cells are done. Locking the formula cells will mitigate the risk that an error in the spreadsheet may occur. | Management is very supportive of adding locks on the excel template tools created in order to ensure that formulas are not inadvertently edited/deleted. This includes current/existing excel tools and will also incorporate as a standard for templates created in the future. | Linda Gigliotti, Associate Director, Employee Services | 01-Nov-18 | Completed | As per discussion with Linda Gigliotti (Associate Director, Employee Services) on 12/21/2018: This recommendation has been completed. All templates are now locked. |
| Controlled Medications Inventory | NEMS - Internal controlled medications policy needs to be updated | 1. NEMS Management should update the internal policy to include all current business process. 2. Once the internal policies have been updated, all changes should be communicated to staff. | 1. The recommended updates will be made within the policy. 2. Training surrounding the updates will be delivered to affected staff. | Michael Franklin, Commander, Quality Management and Professional Standards | 06-01-2019 | In progress on time | As per correspondence with Michael Franklin (Commander, Quality Management and Professional Standards) on Apr 10, 2019: 1. NEMS is working on the policy update, and the update is scheduled to be completed prior to their internal Spring Training. 2. If the policy update is completed prior to the Spring Training, NEMS is able to meeting the current deadline. If it is delayed, the completion date would be by August 1, 2019 |
| Controlled Medications Inventory | LTC Homes - Missing documentation | 1. Management, along with the pharmacy service provider if possible, should conduct follow up re-training of the new business processes implemented by the new pharmacy service provider. 2. When the Homes are conducting their own documentation inspections, if trends in missing documentation or errors are observed, they should be communicated and corrected with Home staff. Follow up training should be completed with staff where Home Management deems necessary. | 1. Finalize implementation of the final phase of the pharmacy transition plan including audit of new systems and processes to determine training needs. Will ensure through this process that all required documentation as per the new pharmacy provider is captured in a timely manner. 2. Ensure that all audits are consistently completed and that training needs identified through audits are addressed. | Kim Eros, Associate Director Clinical and Support Services | 04-15-2019 | Completed | As per correspondence with Kim Eros (Associate Director Clinical and Support Services) on Apr 4, 2019: The contracted pharmacy provider has completed education session in each of the Homes in Q1 of 2019. The Homes and pharmacy continues to audit. |

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| Accounts Payable Audit | Maintenance and review of vendor master file information | <p>1) Maintenance should be conducted on the master vendor file on a regular basis (i.e. at least annually). This would include the following activities to ensure completeness and accuracy:</p> <p>a) Review and update the vendor master information.</p> <p>b) Obtain missing or incomplete data such as missing telephone numbers, postal address, complete name, and emails.</p> <p>c) Update any out of date information</p> <p>d) Determine if there are any vendors (i.e. duplicate vendors) that should be removed from the master file.</p> <p>e) Archive inactive vendors which have had no business activity for a certain amount of time (i.e. for over 18 months). If the vendor is archived, their information can be easily accessed for reinstatement, if needed. By removing inactive vendors, the list becomes leaner and records are easier to access, increasing employee productivity through reduced processing time.</p> <p>Maintenance activities should include department representatives (in addition to Finance staff), if possible, as they may have insight into information that is old, missing or incorrect.</p> <p>The Region should also consider if any of the master vendor file review or maintenance activities can be automated as some cleanup activities lend themselves well to automation. In addition, the Region may want to consider the use of a vendor self-service portal where individual vendors can update their information.</p> <p>2) On a regular basis, conduct analysis and further review on areas which may uncover fictitious vendors, such as comparing vendor and employee addresses and vendor use of P.O. Box addresses.</p> | <p>1. While maintenance on the master vendor file including the activities identified in the recommendation is not currently an established process, Procurement is in agreement with the audit recommendation that it should be. Procurement (Strategic Acquisitions, specifically Strategic Sourcing) with assistance from the ERP Support team will develop a new process (completed annually) for the Supplier Administration function which gives due consideration to the activities/requirements identified above.</p> <p>Process considerations for initial update and ongoing maintenance could include: Procurement seeking assistance from ERP Support team to extrapolate the vendor data from PeopleSoft Financials and then in conjunction with Finance identify the priority data fields which are omitted/important. Supplier Admin would obtain the missing information or out of date information for the purposes of updating the master vendor file, seeking assistance from the Client Department on an as and when required basis.</p> <p>With regards to the automation of the master vendor file review or maintenance activities, Procurement will coordinate with the ERP Support team to explore this but it is our understanding that this would not be possible without customization of the PeopleSoft Financials.</p> <p>With regards to recommendation 1d), Procurement is in agreement that it is important to determine if there are any vendors (i.e. duplicate vendors) that should be removed from the master file but would add that the search would be for "true duplicates" as business decisions during the implementation of PeopleSoft Financials (Deloitte) gave due consideration the creation of duplicate vendor master files, specifically Yardi Landlords, differing currencies and utilities on case to case basis.</p> <p>With regards to recommendation 1e), Procurement is appreciative of comment however at this time it would not be Procurements intent to create a separate process to inactivate vendors (and subsequently re-activate them) as we do not envision a gain in efficiency vis a vis a direct correlation between the number of records, accessibility to data and efficiency/productivity. The database which resides within PeopleSoft Financials is solely maintained in an electronic format (no paper copies) and is both searchable by vendor name and exportable to Excel.</p> <p>At this time, we do not have the capability in our current version of PeopleSoft Financials to audit the start and end dates of when users have turned on their delegated authority. Although a user can choose the start and end date when turning on the delegation function, the back end table in PeopleSoft Financials that tracks delegation is not effective dated and therefore only records that the function was turned on (not as of/when). As such, we can run a report that shows everyone who has delegation turned on today, but cannot run an historical version of that report.</p> <p>However, at any point in time, we can easily provide a history of when a delegation of authority was used to approve something (as we provided for the purpose of this audit). Every transaction records when it has been approved "on behalf of" someone else. For example:</p> <ul style="list-style-type: none">• Director of Finance, Helen Chamberlain, turns on delegation of authority for March 4 – 8, 2019, assigning the Associate Director, Budget Planning and Strategy, Margaret Murphy, as her delegate.• During that period, Margaret Murphy approves several purchase orders, travel and expense reports, and vouchers that would usually be approved by the Director role.• PeopleSoft Financials records each of those transactions as "Margaret Murphy approved on behalf of Helen Chamberlain". <p>If the delegator (Helen Chamberlain, in this example) would like to know what transactions were approved in her absence, PeopleSoft Financials is able to provide that information.</p> <p>If the concern is that an employee could assign a delegate for the length of their employment and therefore never directly approve transactions, then the available report would show that the employee's user ID has never approved a transaction.</p> <p>To our knowledge, there is no PeopleSoft Financials out-of-the-box audit logging process that shows effective dating for the delegation function. In theory, we could customize a solution; however, our system strategy is to minimize any customizations and use configuration where possible (to ensure system integrity and reduce opportunity for errors during patching and upgrades). Given that we are able to report on when delegation of</p> | Bart Menage, Director, Procurement & Strategic Acquisitions | 11/30/2019 | In progress on time | As per Correspondence with Bart Menage (Director, Procurement & Strategic Acquisitions) on 04/16/2019: "No definitive update at this point in time. I believe we had provided actions dates on the audit responses we were going to action. I will review and these and provide confirmation of any status updates based on those initial response." |
| Accounts Payable Audit | System logging and reporting of delegation of authority | <p>Consider review of the PeopleSoft system to determine if the start and end dates of users who have delegated their approval authority can be captured within the system and reported on.</p> | <p>At this time, we do not have the capability in our current version of PeopleSoft Financials to audit the start and end dates of when users have turned on their delegated authority. Although a user can choose the start and end date when turning on the delegation function, the back end table in PeopleSoft Financials that tracks delegation is not effective dated and therefore only records that the function was turned on (not as of/when). As such, we can run a report that shows everyone who has delegation turned on today, but cannot run an historical version of that report.</p> <p>However, at any point in time, we can easily provide a history of when a delegation of authority was used to approve something (as we provided for the purpose of this audit). Every transaction records when it has been approved "on behalf of" someone else. For example:</p> <ul style="list-style-type: none">• Director of Finance, Helen Chamberlain, turns on delegation of authority for March 4 – 8, 2019, assigning the Associate Director, Budget Planning and Strategy, Margaret Murphy, as her delegate.• During that period, Margaret Murphy approves several purchase orders, travel and expense reports, and vouchers that would usually be approved by the Director role.• PeopleSoft Financials records each of those transactions as "Margaret Murphy approved on behalf of Helen Chamberlain". <p>If the delegator (Helen Chamberlain, in this example) would like to know what transactions were approved in her absence, PeopleSoft Financials is able to provide that information.</p> <p>If the concern is that an employee could assign a delegate for the length of their employment and therefore never directly approve transactions, then the available report would show that the employee's user ID has never approved a transaction.</p> <p>To our knowledge, there is no PeopleSoft Financials out-of-the-box audit logging process that shows effective dating for the delegation function. In theory, we could customize a solution; however, our system strategy is to minimize any customizations and use configuration where possible (to ensure system integrity and reduce opportunity for errors during patching and upgrades). Given that we are able to report on when delegation of</p> | Erin Amirault, Associate Director, Finance Operations and Systems | 11/30/2019 | In progress on time | As per Correspondence with Erin Amirault (Associate Director, Finance Operations and Systems) on 04/12/2019: More definitive update is not available at this time. We are still planning the PeopleSoft Financials upgrade for November with initial review and testing to start in September, however final dates are still to be determined. We will review at that time if functionality will change to allow for logging of when delegation has been turned on. At this time we do not anticipate that such a logging function will be available. |