



INTERNAL CONTROL & ORGANIZATIONAL PERFORMANCE AUDIT PLAN PROGRESS UPDATE

Current as of June 6, 2019

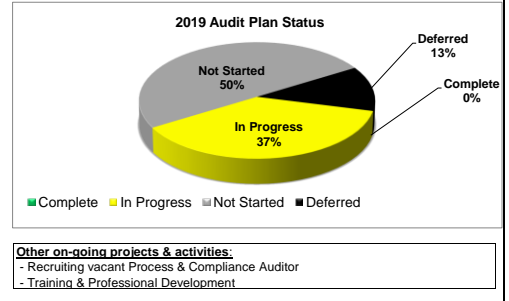
Assurance Projects

2017 Interim Audit Work Plan (AC-C 14-2017)	Percentage Complete	Audit Phase	Project Status	Due Date	Dept & Division under review	\$ under review
Purchasing Card	100%	-	Complete	31-Oct-17	ERMS, Procurement	\$9,629,000
Fleet Parts Inventory & Fuel	100%	-	Complete	9-Nov-17	Public Works, Transportation & W&	\$1,883,000
Cash Handling	100%	-	Complete	15-Jan-18	Corporate-wide	\$16,180,000
Mobile Telecommunications	100%	-	Complete	15-Jan-18	Corporate Services, IT	\$548,000
Cleaning Contract	100%	-	Complete	15-Jan-18	Corporate Services, Facilities	\$665,000
2018 Audit Plan (AC-C 6-2017)						
Grants & Incentives: Phase 1	100%	-	Complete	7-May-18	Planning/Development & Ec/Dev	\$8,746,000
Grants & Incentives: Phase 2	100%	-	Complete	18-Jun-18	Planning/Development & Ec/Dev	\$8,746,000
Waste and Recycling Drop-Off Depot Agreement	100%	-	Complete	30-Mar-18	Public Works, Waste Management	\$104,000
Procurement: Bidding / Tendering process	90%	Reporting	In Progress	31-Dec-18	ERMS, Procurement	\$470,798,000
Payroll Phase 1: Time-keeping	100%	-	Complete	10-Sep-18	Corporate-wide	\$251,284,000
Payroll Phase 2: Payroll processing	100%	-	Complete	24-Oct-18	Corporate Services, HR	\$251,284,000
Controlled Medication Inventory	100%	-	Complete	31-Dec-18	Public Health & Community Service	\$9,000
Accounts Payable	100%	-	Complete	28-Feb-19	ERMS, FMP	\$385,000,000
IT General Controls	100%	-	Complete	30-Apr-18	Corporate Services, IT	Not Applicable
Chippawa CSO Internal Review	100%	-	Complete	10-Sep-18	Public Works, W/WW	\$4,692,000
Children's Services Risk Assessment	100%	-	Complete	28-Feb-19	Community Services, Children's	\$29,468,000
2019 Audit Plan (AC-C 5-2019)						
Homelessness Service Providers Contract Compliance	75%	Fieldwork	In Progress	9-Sep-19	Community Services, Homelessnes	\$11,233,000
Waste Management Contract Compliance	30%	-	Deferred	24-Jun-19	Public Works, Waste Management	\$21,044,000
Employee Benefits Claims	25%	Planning	In Progress	9-Sep-19	Corporate Services, HR	\$19,940,000
HR On-boarding & Off-boarding Audit	0%	-	Not started	2-Dec-19	Corporate Services, HR	\$74,000
Procurement: Sole / Single sourced	5%	Planning	In Progress	9-Sep-19	ERMS, Procurement	\$44,426,000
MTD Driver Certification Program Audit	0%	-	Not started	2-Dec-19	Public Works, Transportation	TBD
Long Term Care Homes Risk Assessment	0%	-	Not started	2-Dec-19	Community Services, Seniors	TBD
Water Treatment Operations Risk Assessment	0%	-	Not started	2-Dec-19	Public Works, W/WW	\$572,000

Annual Audit Plan Status

Changes to 2019 Audit Plan:
1. Waste Management Contract Compliance Audit (Phase 2 - vendor performance and contract management) deferred to 2020.

Progress Commentary:
- The objective of the 2019 Internal Audit Plan is to provide independent, objective assurance and advisory services designed to add value through meaningful recommendations and to improve Niagara Region's operations and system of internal controls.
- Internal Control & Organization Performance has completed five projects identified in the 2017 Interim Audit Workplan (AC-C 14-2017); and eleven audit projects from the 2018 Audit Plan (AC-C 6-2017); all audit projects have previously been reported to Audit Committee (except Procurement Audit).
- The 2019 Audit Plan (AC-C 5-2019); was approved by Audit Committee on February 4, 2019 and ratified by Council on February 28, 2019. The theme of this audit plan is contract compliance with Niagara Region's major vendors; whereas the theme of the last audit plan was Procurement (Procure-to-Pay cycle). The Homelessness Review is nearing the completion of the fieldwork stage while the Employee Benefit Claims Audit and Single/Sole-Source Procurement Audits are in planning. Audit Staff separated the Waste Management Contract Compliance Audit project into two phases: Phase 1 objectives included reviewing the prospective May 2019 RFP and providing feedback to the Waste Management Service division; while Phase 2 involved a review of Waste Management contract management practices. Public Works and ERMS Staff requested that this portion be deferred to 2020, which was accommodated and reported to Audit Committee on May 6, 2019 as AC-C 15-2019.

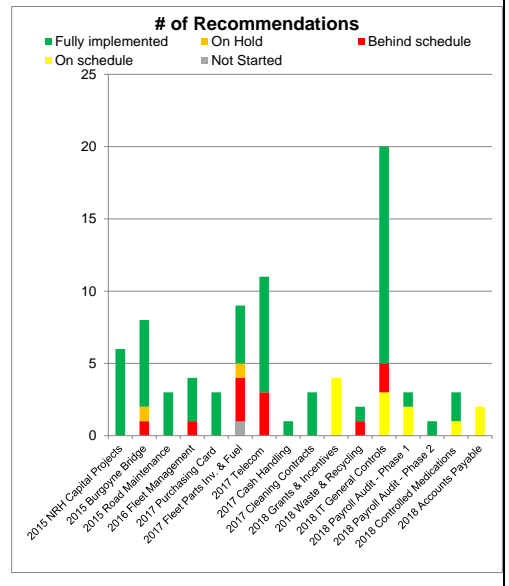


Recommendations Status - current as of May 6, 2019

Audit Project Title	Total Recommendations	Not Started	On schedule	Behind schedule	On Hold	Fully implemented
2015 NRH Capital Projects	6	-	-	-	-	6
2015 Burgoyne Bridge	8	-	-	1	1	6
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	-	-	3	-	8
2017 Cash Handling	1	-	-	-	-	1
2017 Cleaning Contracts	3	-	-	-	-	3
2018 Grants & Incentives	4	-	4	-	-	-
2018 Waste & Recycling	2	-	-	1	-	1
2018 IT General Controls	20	-	3	2	-	15
2018 Payroll Audit - Phase 1	3	-	2	-	-	1
2018 Payroll Audit - Phase 2	1	-	-	-	-	1
2018 Controlled Medications	3	-	1	-	-	2
2018 Accounts Payable	2	-	2	-	-	-
TOTAL # of Issues	80	1	12	11	2	57

Audit Project Title	Total Recommendations	Not Started	On schedule	Behind schedule	On Hold	Fully implemented
Corporate Administration	5	-	-	-	1	4
Corporate Services	30	-	5	3	-	22
Community Services	2	-	-	-	-	2
ERMS	14	-	2	-	-	12
Planning & Development	4	-	4	-	-	-
Public Health	4	-	1	2	-	1
Public Works	15	1	-	3	1	10
Other: NRH	6	-	-	-	-	6
TOTAL # of Issues	80	1	12	8	2	57

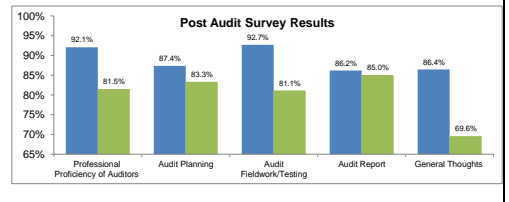
Outstanding Recommendations - current as of May 6, 2019:
There are 23 outstanding audit recommendations across all business units (23 when previously reported to the Audit Committee in AC-C 12-2019). Progress is being made against all outstanding Recommendations, and ICOP staff are confident all will be completed within a reasonable period of time. Greater detail is identified in AC-C 14-2019.



Post Audit Survey Results

Survey Areas of Interest	2017	2018	2019	Details
Professional Proficiency of Auditors	92.1%	81.5%	NA	Objectivity, professionalism, and knowledge of program areas.
Audit Planning	87.4%	83.3%	NA	Communication effectiveness of scope, objectives, timing and approach.
Audit Fieldwork/Testing	92.7%	81.1%	NA	Effective use of clients' time.
Audit Report	86.2%	85.0%	NA	Clear, concise report with timely and meaningful recommendations.
General Thoughts	86.4%	69.6%	NA	Overall benefit of audit and conduct of ICOP team.
AVERAGE SCORE	89.5%	80.6%	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. No surveys yet in



Admin / Human Resources

Personnel:	Title:	Credentials:	Start Date:
Maciej Jurczyk	Director	CPA, CMA, CIA, CRMA	26-Jun-17
Frank Marcella	Internal Auditor	MPA, BE, CGAP	25-Aug-14
Joan Ugwu	Process & Compliance Auditor	CFE	18-Feb-19
Vacant	Process & Compliance Auditor	-	-
Xiang Henrik Gao	Internal Audit Analyst	MBA	10-Sep-18
Katie Marnede	Internal Audit Co-op Student	-	6-May-19