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**Subject:** Q3 2019 Follow-up Status of Audit Recommendations

**Report to:** Audit Committee

**Report date:** Monday, September 9, 2019

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## **Recommendations**

That report AC-C 24-2019 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, June 24, 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 80 recommendations have been provided to management and staff to improve operations or their internal controls.
- Between 2017 and 2019, Internal Control and Organizational Performance 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 had 80 audit recommendations brought forward through past completed audits. Details of these recommendations are as follows:

- 58 have been fully implemented,

- 13 of the recommendations are in progress and proceeding with satisfactory implementation plans in place,
- 7 recommendations are in progress, but behind schedule.
- 2 recommendations remain on hold,

The attached appendices provide a detailed status of all recommendations, including progress updates from management and staff.

This type of follow-up report is consistent with a best practice outlined in the guiding principles published by the Institute of Internal Auditors, which Internal Control & Organizational Performance 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**

Internal Auditing is consistent with Regional Council's Strategic Plan, specifically the fourth pillar: "Sustainable and Engaging Government". Internal auditing promotes an organizational culture that values continuous improvement, collaboration between business units and innovative ideas to drive efficiency and effectiveness.

### **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  
AC-C 14-2019 Q2 2019 Follow-up Status of Audit Recommendations

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*This report was reviewed by Frank Marcella, Internal Auditor and Henrik Gao, Internal Audit Analyst.*

**Appendices**

Appendix 1	AC-C 24-2019 Appendix 1 – Final Summary
Appendix 2	AC-C 24-2019 Appendix 2 – Final Detailed