



***Outstanding Audit
Recommendations Follow up
Audit Report***

January 2020

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1.0 Management Summary

Audit Services has completed a follow up of outstanding audit recommendations at September 30, 2019. These recommendations are comprised of:

1. Audit recommendations that were noted as ‘not yet completed’ in our previous Outstanding Audit Recommendations Follow up Audit Report dated June 2019.
2. Any new audit report recommendations presented at the June 2019 meeting of the York Region Audit Committee.

There were 86 audit recommendations originally issued through the 15 audit reports currently on our list for follow up. Management has implemented 81% of these recommendations. In the last term of Council this has ranged between 60% and 90%, and varies based on timing of reports being issued.

For this outstanding audit recommendations follow up, there was one ‘private’ audit report with one outstanding audit recommendation requiring update.

For a detailed summary of audit reports followed up and recommendations issued, completed and outstanding, please refer to section 4.0. Additional detail is available upon request from the Director, Audit Services.

Our follow up was conducted in accordance with the Institute of Internal Auditors *International Standards for the Professional Practice of Internal Auditing Standard 2500 – Monitoring Progress*:

The chief audit executive must establish and maintain a system to monitor the disposition of results communicated to management.

2500.A1 – The chief audit executive must establish a follow-up process to monitor and ensure that management actions have been effectively implemented or that senior management has accepted the risk of not taking action.

2.0 Introduction

As part of our 2019 - 2022 Audit Plan, which accommodates various types of audit projects, consulting engagements, and follow up requests from Audit Committee and Management, the Audit Services Branch performed a follow up of outstanding audit recommendations. These recommendations included those noted as outstanding in our Outstanding Audit Recommendations Follow up Report dated June 2019, and all new recommendations issued in audit reports reported to Audit Committee in their last meeting in June 2019.

The Audit Plan, approved by York Region's (the Region's) Audit Committee, is developed annually by the Audit Services Branch using a Risk Assessment Methodology that helps to define the different risks associated with the various processes here at the Region. It is one tool that Audit Services uses in assessing where best to allocate audit resources.

On a semi-annual basis, Audit Services updates the Region's Audit Committee and the Chief Administrative Officer (CAO) on the status of issued audit recommendations. To provide this update, Audit Services contacts Commissioners and Directors to confirm the status of the issued recommendation(s) relating to their area. In some cases, the status is further validated directly by Audit Services through discussions and / or detailed testing. This is an integral part of our audit process that allows us to confirm that the opportunities for improvement outlined in the audit report(s) has (have) been implemented.

Department heads were emailed requests containing:

1. A request to provide a status update and a confirmation of the original due date for implementation of the recommendation, or a new anticipated implementation date if necessary.
2. A summary of outstanding audit recommendation(s) for their area. The Commissioner and Director responsible for the implementation of the recommendation(s) are also requested to sign off on the updated document.
3. As requested by Audit Committee in November 2008, departments having an audit recommendation outstanding that has an original due date older than one year provide Audit Committee with a separate report as to why the recommendation has not been implemented. Management action plans that detail what is being done to implement the recommendation(s) are to be included.

Audit reports presented at the January 2020 meeting of the Region's Audit Committee will be followed up at the next Audit Committee meeting in June 2020.

3.0 Objectives and Scope

The objective for this engagement was:

- To provide feedback to the Region's Audit Committee and CAO as to the disposition of issued audit recommendations.

The audit scope to accomplish this objective was:

- All outstanding audit recommendations issued prior to and including those presented at the January 2019 meeting of the York Region Audit Committee.

4.0 Detailed Observations and Recommendations

4.1 Detailed Summary Responses and Statistics for Outstanding Audit Recommendations Followed Up

- Table A summarizes the outstanding audit recommendations followed up for this review.
- Table B is a detailed summary of outstanding audit recommendations which were followed up for this review.
- PRIVATE: Table C summarizes the private outstanding audit recommendations followed up for this review.
- PRIVATE: Table D is a detailed summary of private outstanding audit recommendations which were followed up for this review.

TABLE A – Summary of Outstanding Audit Recommendations Follow up as at September 2019

Audit Report	Number of opportunities originally highlighted	Completed for 3/31/19	Completed for 9/30/19	Not yet complete	% Not yet complete	Date of Audit Report	Date Reported to Audit Committee
ES – Operations Maintenance and Monitoring	11	9	1	1	9%	Dec-15	Feb-16
FN – Accounts Payable & Procurement	5	4	0	1	20%	Apr-16	Jun-16
CHS – Housing Capital Repairs	5	4	1	0	0%	Jul-16	Oct-16
ES – MRF Contract Compliance	3	2	0	1	33%	Jul-16	Oct-16
FN – Procurement Card	2	1	1	0	0%	Feb-17	Jun-17
CS – Realty Services	5	3	2	0	0%	Aug-17	Jan-18
CS – Property Services Building Security	10	7	3	0	0%	Sept-16	Jan-18
TS – Fleet Services	7	5	0	2	29%	Dec-17	Jun-18
TS – Materials Quality Assurance Testing	5	4	1	0	0%	Feb-18	Jun-18

Audit Report	Number of opportunities originally highlighted	Completed for 3/31/19	Completed for 9/30/19	Not yet complete	% Not yet complete	Date of Audit Report	Date Reported to Audit Committee
CHS – Housing York Inc. Rent Geared to Income	3	1	2	0	0%	Mar-18	Jun-18
CS – Compensation and HRMS	6	1	2	3	50%	Nov-17	Jun-18
CS – Health & Safety on Property Services Capital Projects	6	1	4	1	17%	Jun-18	Jan-19
CHS – Ontario Works	5	0	2	3	60%	Nov-18	Jun-19
FN – Treasury Investment	4	2	0	2	50%	Oct-18	Jun-19
ENV – Materials Quality Assurance	8	1	5	2	25%	Feb-19	Jun-19
Totals	85	45	24	16	19%		

TABLE B – Summary of Outstanding Audit Recommendations as at September 30, 2019

Audit Report	Recommendation	Management response	Original due date	Current due date
Environmental Services – Operations Maintenance & Monitoring	<p>4.1 OMM work with IAM to resolve the noted asset inventory discrepancies.</p> <p>OMM continue updating the protocol used to identify assets needed to be entered into MAXIMO from an asset maintenance perspective.</p>	<p>Asset inventory discrepancies have been resolved:</p> <ul style="list-style-type: none"> • Digital Updates: Done. • Physical tagging delayed one quarter due to two staffing changes. To be done the end of Q1 2020. 	<p>Q4 2019</p> <p>N/A</p>	<p>Q1 2020</p> <p>N/A</p>
	<p>4.2 OMM continue with the implementation of an input screen to help in updating the MAXIMO inventory base whenever it changes.</p> <p>OMM should also perform a full inventory of all their MAXIMO assets to establish a baseline of actual assets within each facility.</p> <p>OMM should develop and implement annual inventory verification routines that spot check an acceptable level of asset inventory using ‘book to floor’ and ‘floor to book’ asset verification.</p>	<p>Done.</p> <p>Done.</p> <p>Done.</p>	<p>N/A</p> <p>N/A</p> <p>N/A</p>	<p>N/A</p> <p>N/A</p> <p>N/A</p>

Audit Report	Recommendation	Management response	Original due date	Current due date
	<p>4.3 Spare parts inventory program create detailed plans and process flows to help ensure that management controls over the inventory are sufficient.</p>	Done.	N/A	N/A
	<p>4.4 The backlog listing should be reviewed:</p> <ol style="list-style-type: none"> 1. To determine which codes are required and who may require them. 2. Reiterate to all MAXIMO users the proper protocols for entering a Level code, with particular attention to Level 5 codes. 3. Reiterate to all MAXIMO users the importance of descriptions to help schedule work order assignment to mechanics and electricians. 4. Reiterate to all MAXIMO users the importance of timely resolution of the work –order in MAXIMO. 5. Determine the required work necessary to complete this work order. 	Done.	N/A	N/A
	<p>4.5 OMM management should reconsider the value being provided by the tablets. The connectivity fee should be terminated immediately. The 36 tablets noted could be reassigned where they will be used or sold to recover any residual value.</p>	Done.	N/A	N/A
	<p>4.6 For some types of work orders, predominantly</p>	Done.	N/A	N/A

Audit Report	Recommendation	Management response	Original due date	Current due date
	level 1 thru 4, a triage system should be piloted to determine if tradespersons could be more effectively and efficiently dispatched to perform their work.			
	4.7 OMM management should continue constructing and finalizing an input page to be used by tradespersons in the field.	Done.	N/A	N/A
	4.8 Consultants contracted to provide complete and accurate asset information should be held accountable for incomplete and erroneous asset information. Explore the possibility to recoup the cost of having to review and correct any new asset information entered by consultants.	Done.	N/A N/A	N/A N/A
	4.9 OMM management ensures that any future contracts issued for tender follows the Surety Bond Policy and associated procedures.	Done.	N/A	N/A
	4.10 A current, blanket COI should be collected by Finance – Insurance & Risk for the contractor executing the diesel generator maintenance.	Done.	N/A	N/A

Audit Report	Recommendation	Management response	Original due date	Current due date
	<p>4.11 OMM management should arrange for preventative maintenance to be performed on the portable diesel generators as per the contract with the contractor responsible for this work.</p> <p>Missing documentation should be investigated and collected to help ensure that all equipment is being maintained as per the standards followed.</p>	Done.	N/A	N/A
Finance – A/P & Procurements	<p>4.1 Consider implementing a stamp for departments to use for invoice approval / general ledger coding.</p> <p>Reiterate to staff the requirement for segregation of duties between purchase commitment and payment authority.</p>	Done.	N/A	N/A
	<p>4.2 Tender Bid Request Form is updated to clarify the requirement for advertising in the DCN.</p> <p>Consider implementation of an electronic procurement filing system to reduce likelihood of misplacing key documents, and, create a more consistent standard file set-up.</p>	Done.	N/A	N/A
	<p>4.3 A formal process be developed to ensure compliance with the policy of annual reviews of</p>	Done.	N/A	N/A

Audit Report	Recommendation	Management response	Original due date	Current due date
	<p>designated authorities.</p> <p>Department heads perform annual review of the designated approval authorities and report results to Finance for updates.</p>			
	<p>4.4 Compare all NSA forms to purchasing course training records. Where the course has not been attended, a deadline established for attendance. If not attended, the NSA form should be revoked.</p> <p>NSA form should include the requirement for attendance to the purchasing training course and employee statement that the course was attended or scheduled attendance.</p>	Done.	N/A	N/A
	<p>4.5 Authorization of Payment of Goods and Services Policy is updated to clarify approval limits for Project Managers, include the segregation of duties between purchase commitment and payment approval.</p> <p>Purchasing Tool Kit be updated to clearly identify the requirement for a purchase order for purchases above a specified dollar limit.</p>	<p>Done.</p> <p>The Council date for the new Procurement Bylaw has been deferred to January, 2020, so the new Bylaw will not take effect until February or March, 2020. A new protocol –</p>	<p>N/A</p> <p>Q1 2019¹</p>	<p>N/A</p> <p>Q1 2020</p>

¹ As presented by the Commissioner of Finance to the Audit Committee in their January 9, 2019 meeting.

Audit Report	Recommendation	Management response	Original due date	Current due date
		<p>“Payment for Goods and Services by Purchase Order” will take effect at the same time that the Bylaw takes effect. There is no impact on the due date which remains Q1 2020.</p>		
	<p>4.6 Perform a thorough review of the purchase orders identified as having errors and omissions and correct them in the system.</p> <p>Perform an annual review of unused purchase orders beyond a certain age to identify instances where invoices are being processed without being applied to a purchase order or directly to a general ledger account.</p>	<p>Done.</p>	<p>N/A</p>	<p>N/A</p>
<p>CHS - Housing Capital Repairs</p>	<p>4.1 Management should:</p> <ul style="list-style-type: none"> • Review contract requirements to ensure Schedule C and Schedule A are completed • Implement a process to ensure these and other contract requirements are completed 	<p>Done.</p>	<p>N/A</p>	<p>N/A</p>
	<p>4.2 Management should:</p> <ul style="list-style-type: none"> • Ensure that interest is calculated, tracked and reported annually to housing providers • Move forward with the development and implementation of the integrated Housing 	<p>Done.</p> <p>Done. Development is complete. Training and</p>	<p>N/A</p> <p>N/A</p>	<p>N/A</p> <p>N/A</p>

Audit Report	Recommendation	Management response	Original due date	Current due date
	Solutions software	implementation to take place in Q1 and Q2 of 2020.		
	<p>4.3 Management develop and implement formal policies and procedures for the administration of the loan program. This program should include interest tracking and management.</p>	Done.	N/A	N/A
	<p>4.4 Management should:</p> <ul style="list-style-type: none"> • Ensure housing providers selection process is in compliance with the provincial requirements for future programs • Develop / implement a formal process to ensure the reporting requirements for provincial flow through fund programs are met and in compliance with the Transfer Payment Agreement • Consider drafting a tenant waiver agreement to ensure access to the required electrical billing and usage data • Ensure the draft agreement with housing providers captures the applicable reporting requirements and consider including a clause in the agreement to grant Region access to electrical information on their behalf • Determine the frequency of collecting this data 	Done.	N/A	N/A

Audit Report	Recommendation	Management response	Original due date	Current due date
	4.5 Management should develop a formal policy and process document for the administration of the government flow through funding programs.	Done.	N/A	N/A
Environmental Services – MRF Contract Compliance	4.1 Subsequent revisions to the operating agreement require 30 days written notice of cancellation to coincide with the standard insurance requirements for the Region.	The revised wording addressing the audit recommendations has been included in the new contract and will be finalized prior to Q3 2020.	Q3 2020	Q3 2020
	4.2 To assist the Region in ensuring the facility is operating in compliance with the operating agreement: <ul style="list-style-type: none"> • Include a three month rolling average for rear-load compaction tonnage to the spreadsheet used to monitor gate-to-gate times, loading times, and rear-load compaction. This would help in timely identification if minimum tonnage is not being achieved, or trending unfavourably. • Update the monthly averages spreadsheet to document reasons for unfavourable variances. Historical references can assist in identifying and correcting any future unfavourable variances. • Implementation of a checklist for use by cleaning personnel to ensure all items are performed as per the operating agreement and 	Done.	N/A	N/A

Audit Report	Recommendation	Management response	Original due date	Current due date
	documented.			
	4.3 The Contractor submits completed and signed due diligence questionnaires with their monthly invoices for applicable buyers that month.	Done.	N/A	N/A
Finance - Procurement Card	4.1 Management should ensure the P-Card Policy is formally approved by Council. Once approved, management should ensure the P-card procedures are finalized and formally communicated to staff.	Done.	N/A	N/A
	4.2 Management should continue to automate the P-Card process to improve the control environment and increase efficiencies where possible, including the automation of the monthly reconciliation and approval process. Management could consider procuring an external consultant for assistance in the development and implementation of the automation process where internal recourses are limited.	Completed. The reconciliation, review and approval of Purchasing Card transactions was implemented and released to the organization in June 2019.	N/A	N/A
Corporate Services – Realty Services	4.1 Due to the growth of the Realty Services Branch and increasing volume of acquisitions since the last policy review, Management should review both policies to ensure that definitions, descriptions,	Done.	N/A	N/A

Audit Report	Recommendation	Management response	Original due date	Current due date
	policies and procedures remain relevant and up to date.			
	<p>4.2 To help ensure the fairness, objectivity, accountability and transparency of the procurement process, management should complete a formal Request for Pre-Qualification through the Procurement Office to develop a roster of qualified appraisers.</p>	<p>Completed. The award was made and the roster is in place.</p>	N/A	N/A
	<p>4.3 Management should identify critical documents and develop a consistent process for maintaining acquisition files. For example, each file should include a checklist of critical documents to ensure consistency in file maintenance.</p> <p>Management should consider monitoring completion dates for each step of the acquisition process from negotiations to CAO and Council approval.</p>	Done.	N/A	N/A
	<p>4.4 Since the LTM system is an interim solution being replaced in the near future, we recommend that management ensure the following internal controls are implemented in the MasterWorks system:</p> <ul style="list-style-type: none"> • Specific read-only and editing access rights based on job requirements 	Done.	N/A	N/A

Audit Report	Recommendation	Management response	Original due date	Current due date
	<ul style="list-style-type: none"> • Comprehensive audit trail with all editing history available • Formal policies and training communicated to all staff requiring use of the system. 			
	<p>4.5 The accrued interest spreadsheet produced by the Realty Services Branch should be produced and communicated to all clients.</p> <p>Management should develop a formal process for monitoring and recording long-term accrued interest, including determining at which point aged acquisitions should be removed from project costs and transferred to a corporate program.</p>	Done.	N/A	N/A
Corporate Services – Property Services Building Security	4.1 PSB management should create and present a business case as part of the 2019 budget process for the development of an in-house security management team capability to manage York Region’s security efforts.	Done.	N/A	N/A
	4.2 The 3 rd party monitoring of Region buildings is an ongoing program with approximately \$63,000 being spent annually. A request for tender or proposal should be issued and a service level agreement obtained for the vendor(s).	Done. The 3 rd party monitoring contract has been awarded to Fire Monitoring of Canada.	N/A	N/A

Audit Report	Recommendation	Management response	Original due date	Current due date
	<p>4.3</p> <p>A To help ensure key inventories are kept accurate and secure, PSB management should develop formal inventory processes for each key type.</p> <p>B PSB management should also consider the costs / benefits of deploying the KeyWatcher program to help house and control ‘regular’ keys at all or some of the Region’s office building.</p> <p>C Written processes for the creation, use and eventual destruction of security cards should be created.</p>	Done.	N/A	N/A
	<p>4.4</p> <p>PSB management should develop a report and run the report periodically, i.e. monthly or quarterly, to note offices where the alarm is not being armed on a regular basis. Inquiry as to why an office is not arming the alarm on a regular basis should be made to address any issues as to why the alarm cannot be set, or schedule additional training to reinforce the importance of arming at the end of the day.</p>	Done.	N/A	N/A
	<p>4.5</p> <p>PSB management should update the Security Policy to include at least:</p> <ul style="list-style-type: none"> • All offices; • Site specific instructions as hyperlinks to 	Done. All portal security content has been reviewed and updated.	N/A	N/A

Audit Report	Recommendation	Management response	Original due date	Current due date
	<p>documents to explain the various aspects of the security system;</p> <ul style="list-style-type: none"> • Contact information; and, • Any other information deemed necessary. 			
	<p>4.6 <u>9060 Jane St</u></p> <ul style="list-style-type: none"> • PSB management provides on-going training and reminders to staff to keep vigilant of non-employees making their way onto the upper floors without escorts. <p><u>220 High View – Mount Albert South ET, Wells 1 & 2</u></p> <ul style="list-style-type: none"> • PSB management work with Environmental Services to develop a guideline or design standard for fencing, and determine if fencing is in order at this site. <p><u>620 Bayview Pkwy</u></p> <ul style="list-style-type: none"> • PSB management should revisit the decision to not install CCTV at this facility. This facility should be as secure as other publically accessible Regional offices. <p><u>Other</u></p> <ul style="list-style-type: none"> • Property Services work with Environmental Services to create a conditional approach to alarm notifications giving weight as to the type of condition and the time of day. In some cases, it 	<p>Done.</p> <p>Done.</p> <p>Done.</p> <p>Done. Mobile response protocols have been implemented.</p>	<p>N/A</p> <p>N/A</p> <p>N/A</p> <p>N/A</p>	<p>N/A</p> <p>N/A</p> <p>N/A</p> <p>N/A</p>

Audit Report	Recommendation	Management response	Original due date	Current due date
	could be prudent for YRP to attend the site before an Environmental Services employee.			
	<p>4.7 PSB management should:</p> <ol style="list-style-type: none"> 1.Ensure that proper documentation is included with all invoice payment requests, i.e. commission report for new installations. 2.Ensure that all Notification of Signing Authority forms are reviewed for completeness and accuracy on an annual basis. 3.For Alfa Security Solutions maintenance and parts contracts, authority to purchase goods and services should not be extended to contractor employees. Work or purchase of parts must be approved by authorized Regional employees. This information should be formally shared with Alfa Security Solutions. 4.Ensure that Alfa Security Solutions provides the Region with the name of the person requesting the work and performing any maintenance work on the service report. 5.Ensure the required police screening is provided by the contractor as per the contract. 	Done.	N/A	N/A
	<p>4.8 PSB management should ensure that the vendor follows the contract terms and provide service reports and consolidated invoices.</p>	Done.	N/A	N/A

Audit Report	Recommendation	Management response	Original due date	Current due date
	<p>4.9 PSB management should ensure that a formal centralized inventory that includes new and reclaimed Europlex parts be established and maintained. This would include:</p> <ul style="list-style-type: none"> • Identifying who removed the part and on which job the part was used. This can be subsequently verified to a work order or invoice. • Housing the inventory in a more secure fashion, i.e. locking lids. 	Done.	N/A	N/A
	<p>4.10 <u>Security Guard contract</u></p> <p>PSB management ensures that all interviews and screening process is completed to help ensure proper aptitude and demeanor in line with Region expectations prior to assignment.</p> <p><u>Honeywell contract</u></p> <p>PSB management should ensure that security clearances are performed.</p> <p><u>Alfa Security Solutions</u></p> <p>PSB management should ensure the proper police screening is performed.</p>	Done.	N/A	N/A

Audit Report	Recommendation	Management response	Original due date	Current due date
<p>Transportation Services – Fleet Services</p>	<p>4.1 Management should develop and communicate a comprehensive Operator’s Safety Manual. The Manual should address York Region requirements, defensive driving and equipment operation, vehicle collision and incident responsibilities, general operating procedures, and updated fueling procedures.</p> <p>Management should consider rescinding the outdated Use of Transportation Services and Environmental Services Fleet Vehicles Policy and clarify employee expectations regarding personal use of fleet vehicles in the Manual.</p> <p>A policy regarding the application of tires to fleet vehicles should be developed and communicated to staff.</p> <p>Additionally, the Manual should be communicated to contractors, who may use Region equipment and fueling stations during their operations.</p>	<p>The draft Corporate Fleet and Driver Safety Policy has been completed and approval process initiated.</p> <p>The updated policy is on track to be signed off by Q4.</p> <p>Fleet Operators Manual will be created to incorporate the above policies and procedures once approved.</p>	<p>Q4 2019</p>	<p>Q2 2020</p>
	<p>4.2 Management should implement a formal process to ensure all specifications developed for bid documents are administered through the Fleet Services to ensure compliance with the Purchasing Bylaw.</p>	<p>Done.</p>	<p>N/A</p>	<p>N/A</p>

Audit Report	Recommendation	Management response	Original due date	Current due date
	<p>The process should ensure compliance to the Region Records Retention Bylaw. Each file should include a cover page summarizing the product or service being tendered and a list of personnel involved in the development and evaluation of specifications. Also included in the file should be all documentation received from the requesting department and all correspondence regarding changes to specifications throughout the process.</p> <p>All specifications development files should be maintained at a centralized location within Fleet Services.</p>			
	<p>4.3 Management should re-communicate to staff their requirement to decommission fleet equipment when unsafe conditions are identified, until appropriate repairs are complete.</p> <p>Management should create a Driver Trainer position in the next budget process.</p>	Done.	N/A	N/A
	<p>4.4 Management should consider providing Fleet Services with access to vehicle GPS to assist in maintenance scheduling. Coordinating servicing based on usage and location assists in reducing unnecessary travel of the vehicle, labour hours, and the amount of time the vehicle is unavailable for</p>	Done.	N/A	N/A

Audit Report	Recommendation	Management response	Original due date	Current due date
	use due to servicing.			
	<p>4.5 A formal process should be developed requiring the semi-annual or perpetual review of inventory stock. The Fleet Manager should identify slow moving and obsolete inventory, which can be forwarded to the Director, Roads and Traffic Operations.</p> <p>The Director may discuss with Finance and any other appropriate departments before providing approval to the Fleet Manager to move ahead with the auction or disposal of inventory, in accordance with the Corporate Disposal of Surplus Assets Policy</p>	Done.	N/A	N/A
	<p>4.6 Policy should require Fleet Services to be involved in any purchase of fleet assets under their jurisdiction, regardless of department. This process would ensure that the Region does not purchase equipment it does not require, and Fleet Services is aware of all existing assets to properly schedule preventative maintenance.</p> <p>Additionally, Fleet Services should participate in the budgeting process for vehicles and equipment</p>	<p>The draft Fleet Utilization Policy has been completed and the approval process initiated.</p> <p>The updated policy is on track to be signed off by Q4.</p> <p>This policy contains provisions for authorization by fleet managers to right size the fleet as required.</p>	Q4 2019	Q2 2020

Audit Report	Recommendation	Management response	Original due date	Current due date
	to assist in ensuring the accuracy of actual versus budgeted costs.			
	<p>4.7 Management should implement a formal process requiring use of the existing checklists for the commissioning and decommissioning of assets, including a training and orientation requirement as part of the commissioning process. The existing checklists should be reviewed to consolidate steps and require sign-off by responsible personnel. Additionally, supporting documentation (including vehicle assets approval information) requirements should be clearly defined and each file should be stored in a centralized location in accordance with the Records Retention Bylaw.</p>	Done.	N/A	N/A
Transportation Services – Materials Quality Assurance	<p>4.1 Transportation Services should request the contractor’s Quality Management Plan and Quality Control Plan before commencing capital projects. The plans should be reviewed and understood. Formal feedback should be provided to the contractor for clarifications as a result of the review.</p>	Done.	N/A	N/A

Audit Report	Recommendation	Management response	Original due date	Current due date
	<p>4.2 Review of testing documentation should be recorded to help ensure any problems worth noting are brought forward for resolution.</p> <p>To avoid paper and email files from being improperly stored or accidentally deleted, all quality assurance and quality control files should be saved to the appropriate folders on the Region's server on a timely basis.</p>	Done.	N/A	N/A
	<p>4.3 Transportation Services should develop an SOP guideline to assist in determining the level of materials quality testing for capital delivery projects. Budgets should be based on a plan of anticipated requirements based on the work.</p>	Done.	N/A	N/A
	<p>4.4 SPAR and SPAR Lite should be updated to provide more detailed guidance to staff as to the correct storage of quality testing documents in order to create more uniformity in project management document filing for retention purposes.</p> <p>Periodic management review of these files should also be performed to help ensure the documents are being collected and stored online on a timely basis.</p>	Done.	N/A	N/A

Audit Report	Recommendation	Management response	Original due date	Current due date
	<p>4.5 Transportation Services should continue to develop detailed pre-pour and pre-pave meeting agendas that will help ensure all parties understand their roles and expectations.</p>	Done.	N/A	N/A
Housing York Inc. – Rent Geared to Income	<p>4.1 Management should update and develop, where necessary, internal procedures to support the administration of the RGI program. Internal policies should support the regulatory requirements and clearly define local rules where applicable.</p>	Done.	N/A	N/A
	<p>4.2 Management should reinstate a quality control review process at the south office to help ensure accuracy in RGI calculations, and consistency between the two offices and RGI files.</p>	Done.	N/A	N/A
	<p>4.3 Management should review the current annual income verification documentation that is required by the Region and update/change where determined necessary.</p> <p>Management should implement a clearly defined follow up process for missing documentation. This should be included in the internal procedures, <i>see issue 4.1 Policies & Procedures.</i></p>	<p>Done.</p> <p>Done.</p>	<p>N/A</p> <p>N/A</p>	<p>N/A</p> <p>N/A</p>

Audit Report	Recommendation	Management response	Original due date	Current due date
	<p>Management should follow up on the missing documentation identified during the audit testing to ensure compliance with current requirements.</p> <p>Management should ensure the identified error in the rent calculation is corrected with rent adjusted/collected accordingly.</p>	<p>Done.</p> <p>Done.</p>	<p>N/A</p> <p>N/A</p>	<p>N/A</p> <p>N/A</p>
<p>Corporate Services – Compensation and HRMS</p>	<p>4.1 Management should review the existing compensation related policies and update or create where necessary.</p> <p>Management should also develop and formally document procedures for key processes to support the policies once completed.</p>	<p>On target: Completion of comprehensive non-union policy draft by year end 2019. Approval, communications and launch to take place over 2020. This includes guidelines and supporting materials.</p> <p>Determined job description and evaluation policies which had been planned to be standalone (see 4.2), are best rolled into the comprehensive non-union policy, and so will assume the due dates of that larger deliverable.</p> <p>Draft complete by year-end 2019 with approval and roll out on target for 2020.</p>	<p>Q2 2019</p>	<p>Q2 2020</p>
	<p>4.2 Management should review the current Job Evaluation policy and procedures and update to reflect actual practice.</p>	<p>As described in 4.1, this policy and procedure to be incorporated into the broader non-union compensation policy drafted by YE2019 for implementation 2020.</p>	<p>Q2 2019</p>	<p>Q2 2020</p>

Audit Report	Recommendation	Management response	Original due date	Current due date
	<p>Management should also consider implementing a formal Job Evaluation Committee for non-union jobs and/or a formal appeals process to ensure the process remains as fair and transparent as possible.</p> <p>Once policies/procedures have been updated, management should ensure information is communicated with staff and available on the Region intranet.</p>	<p>Complete: Non-union appeals committee trained and oriented to the project. No jobs submitted for evaluation to date so expect first appeals action to be Jan 2020.</p> <p>On target: Included as part of policy and guideline roll out documented in 4.1.</p>	<p>N/A</p> <p>Q4 2020</p>	<p>N/A</p> <p>Q4 2020</p>
	<p>4.3 Management should consider developing and implementing a standard Job Evaluation checklist to ensure consistency in file documentation and that all supporting documents, including the JIF and Evaluation Record Sheet, are included in the evaluation files.</p>	<p>Done.</p>	<p>N/A</p>	<p>N/A</p>
	<p>4.4 Management should continue to investigate alternative options to Microsoft Excel for managing and tracking key compensation programs to better help streamline processes and reduce the room for errors inherent with using Excel.</p>	<p>Done.</p>	<p>N/A</p>	<p>N/A</p>
	<p>4.5 Access for compensation rate changes and adding new employees should be reviewed and removed where not required as part of the employee's job</p>	<p>Done.</p>	<p>N/A</p>	<p>N/A</p>

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	<p>function.</p> <p>Management should develop a policy and process for requesting and granting HRMS access and for reviewing access when there is an internal transfer. A form could be developed that links to defined user roles when requesting access. Transfers should include a check for existing access to determine if still required.</p> <p>Management should develop and implement defined user roles/groupings within HRMS that should be tied to job code/functions. The existing access within HRMS should be reviewed and converted once the roles are clearly defined and developed.</p>	<p>Completed.</p> <p>Done. No action being taken on this item pending HR system of record. Interim measures in place and working effectively. Role-based security to be incorporated into requirements for upgraded/replaced core HR system.</p>	<p>N/A</p> <p>N/A</p>	<p>N/A</p> <p>N/A</p>
	<p>4.6 Management should review the above survey results and could consider the following;</p> <ul style="list-style-type: none"> • Increasing the maximum increase per pay grade for acting assignments and internal promotions to better align with industry best practices. Alternatively, a policy could be developed where increases above the 3.5% increase per grade would be permitted at the hiring Director's discretion. • A job evaluation maintenance review 	<p>On target: Incorporated into non-union salary policy and guidelines completed Q4 2019 for approval and implementation in 2020.</p> <p>On target: Can only implement once concurrent</p>	<p>Q4 2020</p> <p>Q4 2019</p>	<p>Q4 2020</p> <p>Q4 2020</p>

Audit Report	Recommendation	Management response	Original due date	Current due date
	<p>schedule.</p> <ul style="list-style-type: none"> • Develop and implement a formal Retention & Attraction Policy for “hot skills”, which includes regular reviews and updates when required. • Review and update, if required, the current municipal comparator list to ensure it includes the most accurate and representative comparator municipalities. • As previously stated in issue 4.1 and 4.2; management should review and update all existing compensation related policies and procedures and implement a job evaluation committee and/or a formal appeals process for evaluation results. 	<p>projects to reduce evaluation volumes are complete. Regular maintenance referenced in non-union Salary guidelines being approved and implemented in 2020.</p> <p>On target: Market Pay practices incorporated into non-union salary policy and guidelines completed Q4 2019 for approval and implementation in 2020.</p> <p>Done.</p> <p>On target: See 4.1</p>	<p>Q4 2020</p> <p>N/A</p> <p>Q4 2020</p>	<p>Q4 2020</p> <p>N/A</p> <p>Q4 2020</p>
<p>Corporate Services – Health & Safety on Property Services Capital Projects</p>	<p>4.1 Property Services should continue identifying and implementing workable solutions to create a capital project filing structure for project documentation.</p>	<p><u>Property Services:</u> Complete. Full implementation of the enhanced filing structure was completed at the beginning of Q3 2019; all team leads have been trained.</p>	<p>N/A</p>	<p>N/A</p>

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	<p>4.2 For non-emergency capital projects, management should reiterate the requirement to collect health & safety documentation. For emergency purchases a process should be established that would allow for a quicker collection of the necessary health & safety documents as listed in the Policy and Guideline so as to help minimize the risk of accidents happening. The Contractor Safety Specialist should be notified of projects as per the Policy and Guideline.</p>	<p><u>Property Services:</u> Complete. All staff in Capital Delivery and Engineering were advised of the requirements to collect H&S documentation and notify the Contractor Safety Specialist of construction kick off meetings. A system for faster collection of necessary H&S documents during emergency purchases was implemented, by creating a separate H&S structure. Property Services also created a H&S checklist for all projects noting: the documents required, where to access them and additional information to allow for quicker collection of documents for emergency purchases.</p>	N/A	N/A
	<p>4.3 Based on the collection of documents testing results, management should consider a refresher course (HS0076 - Contractor Safety Construction Projects) that may be useful to reaffirm the health & safety documentation needing to be collected and why the Region collects them.</p>	<p><u>Property Services:</u> Completed. All staff in Capital Delivery & Engineering had completed the refresher course, HS0076 Contractor Safety – Construction Projects, by end of Q2.</p>	N/A	N/A
	<p>4.4 The SOP for the Construction Safety Audit Process should be updated to reflect current practises in place.</p>	<p>Done.</p>	N/A	N/A

Audit Report	Recommendation	Management response	Original due date	Current due date
	<p>4.5 Management should consider the incorporation of tablet based software to capture the construction safety audits performed by the Region. This data can then be used for management reporting and planning purposes.</p>	<p><u>Human Resources Services:</u> Done. Software options were explored externally by contacting all members of the Ontario Municipal Health and Safety Representatives Association (OMHSRA) and by directly contacting seven municipalities of comparable size. Internal software options were also explored through contact with departments utilizing the construction audit function. No available software solutions for constructions safety were identified. The current <i>Site Safety Audit Report</i> will continue to be used at this time.</p>	N/A	N/A
	<p>4.6 The Policy and Guideline should be updated to reflect current corporate processes and document collection requirements. Once management approval has been obtained, the updated policy should be posted on the intranet with the necessary hyperlink to the updated guide. All affected staff should be made aware of the update. This will help to ensure corporate process and documentation requirements continue being met.</p>	<p><u>Human Resources Services:</u> Changes to the policy received approval on September 16, 2019. The policy is now titled <i>Contractor Safety for Construction Projects</i>. The <i>Health and Safety Guide for Construction Contractors</i> was also finalized replaced the previous guideline for contractors. Affected employees were made aware of the updated Policy and Guide upon approval of changes. The updated Policy and Guide are posted on the intranet. Through further review, it has been</p>	Q1 2019	Q1 2020

Audit Report	Recommendation	Management response	Original due date	Current due date
		recommended by the Program Manager, Council and Committee Services, that program content may not require a corporate policy document. Development of a <i>Contractor Safety for Construction Projects</i> guideline is being considered to replace the policy. No further changes are required to the <i>Health and Safety Guide for Construction Contractors</i> (2019).		
Community & Health Services – Ontario Works	<p>4.1</p> <ul style="list-style-type: none"> Management should ensure that all OW locations understand and comply with the Region’s Petty Cash Funds policy and related procedures, including performance of reconciliations on a quarterly basis at a minimum. The owner of the Region’s Petty Cash Funds policy should consolidate the Procedures for Petty Cash Funds and the Petty Cash Instruction Guide to create a single, comprehensive procedures document on which the owner, creation date, and last revised date are indicated. The consolidated procedures document should also clearly identify the Regional policy to which it relates. 	<p>Done.</p> <p>Through the Ontario Works Transformation, the responsibility for Petty Cash was moved to the Administrative Clerk Secretary in each office as of Feb 2019. This ensured that one person in each office has the responsibility for managing Petty Cash. The policy and procedures were reviewed with the ACS staff to ensure compliance.</p> <p>The Controllershship Office has started planning of the procedure review, and is on track for completion of the deliverables by Q3 2020.</p>	<p>N/A</p> <p>Q3 2020</p>	<p>N/A</p> <p>Q3 2020</p>

Audit Report	Recommendation	Management response	Original due date	Current due date
	<p>4.2 Management should:</p> <ul style="list-style-type: none"> • Ensure that Participation Agreement reviews are up to date for all active Ontario Works clients, in accordance with Provincial directives. In those instances where the legislation permits a review over the phone, ensure that the details of the review are clearly recorded in the client file and in the appropriate field(s) in SAMS. • Implement a Participation Agreement review scheduling system across all Ontario Works office locations. Investigate the opportunity to use the Vaughan location's system as a model for a uniform solution across all locations. 	<p>This work remains on target for completion by the end of Q4 2019.</p> <p>This remains a high priority for the Ontario Works program. All staff have received training on Participation Agreement and the importance of completing them consistently. Supervisors are reviewing the completion of Participation agreements.</p>	Q4 2019	Q4 2019
	<p>4.3 Management should update the current Lost or Stolen Entitlement Policy to address recovery of overpayments to clients, reimbursement to third parties where stopped cheques were cashed, and timing of replacement cheques. The updated policy should be communicated to all relevant staff to ensure consistent application among the Region's OW office locations.</p>	<p>The province has increased the minimum amount of payment to 10%. The policy is in compliance with OW Directives.</p> <p>This item is on target for completion by the end of Q4 2019.</p>	Q4 2019	Q4 2019
	<p>4.4 Management should provide OW case workers with training related to legislated document</p>	<p>This item has been completed.</p>	N/A	N/A

Audit Report	Recommendation	Management response	Original due date	Current due date
	collection and retention requirements and: <ul style="list-style-type: none"> • ensure that case workers do not take and/or file copies of documents that are to be visually verified only; • ensure that required documents are not duplicated in client files. 			
	4.5 Management should develop and implement measures such as enhanced training to ensure that data entry in SAMS is complete, timely, and consistent across all Ontario Works locations in York Region.	This item is complete.	N/A	N/A
Finance – Treasury Investment	4.1 Management should review the value of the Investment Policy requirement to include estimated ratios. If deemed appropriate, management should ensure that the Annual Investment Report includes an estimated ratio of the total long-term and short-term securities compared to the total investments, and the description of any year-over-year changes. If management determines that the requirement to include estimated ratios in the Annual Investment Report is no longer necessary, the Investment Policy should be updated to reflect that decision. Management should also ensure that the Report includes a statement by the Commissioner of	Done.	N/A	N/A

Audit Report	Recommendation	Management response	Original due date	Current due date
	Finance and Treasurer as to whether or not all investments were made in accordance with the investment policies and goals adopted by the Corporation, as required by the Investment Policy.			
	4.2 Management should update the Investment Policy to identify and clearly state the responsibilities of obtaining adequate insurance coverage based on the current organizational structure.	Agreed. The Investment Policy will be amended to reflect the appropriate personnel responsible for obtaining adequate insurance coverage as set out in the current organizational structure. The next update to the Investment Policy is scheduled for the second quarter of 2020.	Q2 2020	Q2 2020
	4.3 Management should update the Investment Policy to reflect the requirement to use only IIROC (or equivalent) approved dealers to perform investment transactions, or perform a pre-qualification process of financial institutions.	Agreed. As part of the next update to the Investment Policy, scheduled for the second quarter of 2020, this section will be amended to state that dealers may be prequalified through their membership in good standing with IIROC (or equivalent) or through another defined prequalification methodology.	Q2 2020	Q2 2020
	4.4 Management should require the written name of the approver underneath the signature, making it easy to identify the individual who approved the transaction. Management should ensure that all bank	Done.	N/A	N/A

Audit Report	Recommendation	Management response	Original due date	Current due date
	confirmations are attached to the associated transaction when maintaining documentation.			
Environmental Services – Materials Quality Assurance	4.1 Quality Management Plans and Quality Assurance Audits should be collected and evidenced for review by the Region and uploaded to Project Server.	<p>Completed.</p> <p>Communication was sent to CPD staff June 7, 2019.</p> <p>Existing QMPs and QAAs were uploaded to Project Server.</p> <p>Training sessions were held November 22 and December 6, 2019.</p> <p>Acceptance of the QMP by the Region Project Manager will be tracked in the Quality Management Summary Log. A new template was created and referenced in the Consultant Requirements Manual v.2.1 (released November 2019).</p> <p>Updated Project Closeout Audit Checklist has been posted on the CPD Toolkit.</p>	N/A N/A N/A N/A	N/A N/A N/A N/A
	4.2 Management should consider amending the Consultant Requirements Manual to provide the	Completed. Updates were included in the Consultant	N/A	N/A

Audit Report	Recommendation	Management response	Original due date	Current due date
	<p>opportunity for audits of materials testing, documentation and upload to Project Server on a timely basis during the construction phase.</p>	<p>Requirements Manual v2.1 (released November 2019).</p> <p>Updated Construction Site Meeting Agenda Template has been posted on the CPD Toolkit.</p> <p>Communication was included in the training sessions held on November 22 and December 6, 2019; Communication to CPD staff was released in November, 2019.</p>	<p>N/A</p> <p>N/A</p>	<p>N/A</p> <p>N/A</p>
	<p>4.3 Management should consider developing a template for a Daily Site Inspector's Report to be used by Engineering Consultants at our project sites. This would allow the Region to identify the information and documentation that must be captured.</p>	<p>Completed. Updates were included in the Consultant Requirements Manual v2.1 (released November 2019).</p>	<p>N/A</p>	<p>N/A</p>
	<p>4.4</p> <ol style="list-style-type: none"> 1. The Region should require Engineering Consultants providing services during construction to collect copies of material delivery tickets and Contractor QC testing documents. This would help to ensure all the necessary QC activity is being performed and exceptions followed up. 2. The Consultants Requirements Manual should be updated to provide the Region's expectation 	<p>Completed. Training sessions were held November 22 and December 6, 2019.</p> <p>Completed. Update was included in the Consultant</p>	<p>N/A</p> <p>N/A</p>	<p>N/A</p> <p>N/A</p>

Audit Report	Recommendation	Management response	Original due date	Current due date
	<p>of timely uploading of project documents. This would help to ensure that project documentation, which includes materials testing documents, is stored for current and future reference.</p> <p>3. QC plans from the Contractor, which address the specific project, should be collected and evidenced as reviewed to help ensure any risks affecting materials are addressed. This plan is a requirement of the Contractor contract and would address, among other QC activities, records keeping and testing documentation collection.</p> <p>4. Preplacement plans, which address items such as timing, weather, concrete specifications, resources, should be collected to help ensure materials placement quantities, specifications and risks are understood by all parties. This is also a requirement of the Cast-in-Place Concrete Specification.</p>	<p>Requirements manual v2.1 (released November 2019).</p> <p>Development of Quality Control Program requirements and specification is in progress to address this recommendation by the due date.</p> <p>Completed. Training sessions were held November 22 and December 6, 2019.</p>	<p>Q1 2020</p> <p>N/A</p>	<p>Q1 2020</p> <p>N/A</p>
	<p>4.5 Management should determine which standards are most appropriate and update contract wording with the assistance of Legal Services.</p>	<p>Review of the specifications is in progress to address this recommendation by the due date.</p>	<p>Q1 2020</p>	<p>Q1 2020</p>
	<p>4.6</p>			

Audit Report	Recommendation	Management response	Original due date	Current due date
	<p>The necessity of a ‘mill’s test’ should be reevaluated by management. The Region specification calling for the ‘mills test’ should then be amended to reflect whether or not the test is required.</p>	<p>Done.</p>	<p>N/A</p>	<p>N/A</p>
	<p>4.7 The requirement for the testing laboratory to be CCIL or have another acceptable accreditation should be included as part of the request for quote issued by the Engineering Consultant.</p>	<p>Completed. Updated RFP template has been posted on the CPD Toolkit and Purchasing Toolkit</p>	<p>N/A</p>	<p>N/A</p>
	<p>4.8 1. The OPS hyperlinks should be replaced with one hyperlink to the OPS website. The most recent and older versions of specifications can be both accessed from the home website. This will also save time and effort in trying to keep the hyperlinks up-to-date. 2. CSA and ASTM standards should be removed from the portal, unless purchased for network distribution. Standards should also be kept up-to-date as they impact the quality and quantity of materials testing required.</p>	<p>Completed. Completed. Standards Reference Library on the CPD Toolkit was updated. Communication was released in November, 2019 to advise staff of the changes.</p>	<p>N/A N/A</p>	<p>N/A N/A</p>