York Region

Outstanding Audit Recommendations Follow up Audit Report

January 2019

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Section   **Page No.**

1.0   Management Summary

Audit Services has completed a follow up of outstanding audit recommendations at September 30, 2018. 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 2018.

2. Any new audit report recommendations presented at the June 2018 meeting of the York Region Audit Committee.

There were 66 audit recommendations originally issued through the 12 audit reports currently on our list for follow up. Management has implemented 62% 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 outstanding audit recommendations 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 2015 - 2018 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 2018, and all new recommendations issued in audit reports reported to Audit Committee in their last meeting in June 2018.

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 June 2018 meeting of the York Region Audit Committee will be followed up at the next Audit Committee meeting.

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 June 2018 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 30, 2018

Audit Report	Number of opportunities originally highlighted	Completed for 3/31/18	Completed for 9/30/18	Not yet complete	% Not yet complete	Date of Audit Report	Date Reported to Audit Committee
ES – Operation Maintenance and Monitoring	11	9	0	2	18%	Dec-15	Feb-16
FN – Accounts Payable & Procurement	6	5	0	1	17%	Apr-16	Jun-16
CHS – Housing Capital Repairs	5	4	0	1	20%	Jul-16	Oct-16
ES – MRF Contract Compliance	3	2	0	1	33%	Jul-16	Oct-16
FN – Procurement Card	2	1	0	1	50%	Feb-17	Jun-17
CS – Realty Services	5	2	1	2	40%	Aug-17	Jan-18
CS – Property Services Building Security	10	5	2	3	30%	Sept-16	Jan-18
TS – Fleet Services	7	0	3	4	57%	Dec-17	Jun- 18
FN - Payroll	3	2	1	0	0%	Feb-18	Jun-18

TS – Materials Quality Assurance Testing	5	1	1	3	60%	Feb-18	Jun-18
CHS – Housing York Inc. Rent Geared to Income	3	0	1	2	67%	Mar-18	Jun-18
CS – Compensation and HRMS	6	0	1	5	83%	Nov-17	Jun-18
Totals	66	31	10	25	38%		

TABLE B – Summary of Outstanding Audit Recommendations as at September 30, 2018

Audit Report	Recommendation	Management response	Original due date	Current due date
Environmental Services – Operations Maintenance & Monitoring	4.1 OMM work with IAM to resolve the noted asset inventory discrepancies.	The following work is in progress for completion by Q4 2019: • Digital Updates: Update MAXIMO to reflect the new Section 21 Guidelines which includes developing new Process Location Hierarchies for each water and wastewater facility. • Holland Landing SPS was developed as a Pilot in 2018 to review and confirm all proposed functionality within the MAXIMO platform and demonstrate the full adequacy of the Section 21 Guideline prior to facility-wide implementation. • Process Location Hierarchies need to be completed prior to commencing Physical Tagging. Physical Facility Updates: Fabricate and install new Physical Asset Tags in the field to match the updated digital MAXIMO Process Location Hierarchies and Asset List at each water facility.	Q4 2019	Q4 2019
	OMM continue updating the protocol used to identify assets needed to be entered into MAXIMO from an asset maintenance perspective.	Done.	N/A	N/A

Audit Report	Recommendation	Management response	Original due date	Current due date
	4.2 OMM continue with the implementation of an input screen to help in updating the MAXIMO inventory base whenever it changes.	Done.	N/A	N/A
	OMM should also perform a full inventory of all their MAXIMO assets to establish a baseline of actual assets within each facility.	The Holland Landing SPS assets have been updated with the new tagging standard and the physical tagging is scheduled for completion in Q1 2019. The migration plan has been completed. The following work is in progress for completion by Q4 2019: Digital Updates: Clean-up MAXIMO to reflect the new Section 21 Guidelines which includes revising Process Location Hierarchies, Asset Lists, Asset Classifications, and Attributes at each water and wastewater facility.	Q4 2019	Q4 2019
	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.	Done.	N/A	N/A
	4.3 Spare parts inventory program create detailed plans and process flows to help ensure that management controls over the inventory are sufficient.	Done.	N/A	N/A

Audit Report	Recommendation	Management response	Original due date	Current due date
	4.4 The backlog listing should be reviewed: 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
	4.5 OMM management should reconsider the value being provided by the tablets. The connectivity fee should be terminated immediately. The 36 tablet noted could be reassigned where they will be used or sold to recover any residual value.	Done.	N/A	N/A
	4.6 For some types of work orders, predominantly 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.	Done.	N/A	N/A

Audit Report	Recommendation	Management response	Original due date	Current due date
	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.	Done.	N/A	N/A
	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
	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
	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.	Done.	N/A	N/A

Audit Report	Recommendation	Management response	Original due date	Current due date
	Missing documentation should be investigated and collected to help ensure that all equipment is being maintained as per the standards followed.	Done.	N/A	N/A
Finance – A/P & Procurements	4.1 Consider implementing a stamp for departments to use for invoice approval / general ledger coding. Reiterate to staff the requirement for segregation of duties between purchase commitment and payment authority.	Done.	N/A	N/A
	4.2 Tender Bid Request Form is updated to clarify the requirement for advertising in the DCN. Consider implementation of an electronic procurement filing system to reduce likelihood of misplacing key documents, and, create a more consistent standard file set-up.	Done.	N/A	N/A
	4.3 A formal process be developed to ensure compliance with the policy of annual reviews of designated authorities. Department heads perform annual review of the designated approval authorities and report results to Finance for updates.	Done.	N/A	N/A

Audit Report	Recommendation	Management response	Original due date	Current due date
	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. NSA form should include the requirement for attendance to the purchasing training course and employee statement that the course was attended or scheduled attendance.	Done.	N/A	N/A
	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.	Done.	N/A	N/A
	Purchasing Tool Kit be updated to clearly identify the requirement for a purchase order for purchases above a specified dollar limit.	The draft Procurement Without a Purchase Order Guideline was reviewed by Audit and Legal Services and it was determined that further revisions were required. In addition, the new Commissioner of Finance has provided some feedback regarding the Guideline which has resulted in the need for additional revisions. A revised document will be finalized, converted to a 'policy' or 'procedure' and recirculated for review before the end of Q4 2018. Once the policy / procedure has been finalized,	Q3 2017	Q4 2018

Audit Report	Recommendation	Management response	Original due date	Current due date
		the Purchasing Toolkit will be updated to include a link to this document, and the Authorization for Payment of Goods and Services Policy will be revised to incorporate this policy / procedure as a reference document.		
	4.6 Perform a thorough review of the purchase orders identified as having errors and omissions and correct them in the system. 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.	Done.	N/A	N/A
CHS - Housing Capital Repairs	4.1 Management should: • Review contract requirements to ensure Schedule C and Schedule A are completed • Implement a process to ensure these and other contract requirements are completed	Done.	N/A	N/A
	4.2 Management should: • Ensure that interest is calculated, tracked and reported annually to housing providers	Done.	N/A	N/A

Audit Report	Recommendation	Management response	Original due date	Current due date
	• Move forward with the development and implementation of the integrated Housing Solutions software	HCI is being developed in combination with seven other municipalities. The project is progressing slower than anticipated	Q3 2018	Q1 2019
	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.	Done.	N/A	N/A
	4.4 Management should: • 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 MRF contract with Miller Waste Systems does not expire until 2020. On target for Q3 2020.	Q3 2020	Q3 2020
	4.2 To assist the Region in ensuring the facility is operating in compliance with the operating agreement: • 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	Done.	N/A	N/A

Audit Report	Recommendation	Management response	Original due date	Current due date
	performed as per the operating agreement and 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.	In-Progress and targeted to be completed by Q2 2019. The project team worked closely with the vendor, Information Technology Services, the Controllership Office and client departments to confirm requirements and undertake any configurations required to ensure that the solution (which includes both P-Card reconciliation and employee expense reimbursement functionalities) integrates effectively with the Region's Enterprise Resource Planning (ERP) system. The solution is being tested to ensure responsiveness to business requirements, as well as proper	Q4 2018	Q2 2019

Audit Report	Recommendation	Management response	Original due date	Current due date
		controls, security and ERP integration. The solution will be rolled out to a small group of early adopters, with full solution roll-out to the rest of the organization by Q2 2019.		
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, policies and procedures remain relevant and up to date.	Done.	N/A	N/A
	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.	Drafting the RFPQ has taken longer than anticipated due to the coordination that was needed between the Property Services Branch, Legal Services, and the Procurement Office, to determine the best approach. Staff will complete and release the RFPQ to the market in Q4 2018, and select a roster of appraisal firms in Q1 2019.	Q3 2018	Q1 2019
	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.	Done. The requirement to maintain records based on the new format was implemented in Q3 2018. Processes have been developed and implemented to ensure staff effectively maintains hard copy and electronic records.	N/A	N/A

Audit Report	Recommendation	Management response	Original due date	Current due date
	Management should consider monitoring completion dates for each step of the acquisition process from negotiations to CAO and Council approval.			
	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: • Specific read-only and editing access rights based on job requirements • Comprehensive audit trail with all editing history available, • Formal policies and training communicated to all staff requiring use of the system.	Done.	N/A	N/A
	4.5 The accrued interest spreadsheet produced by the Realty Services Branch should be produced and communicated to all clients. 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	Ensuring system functionality with the VIVA projects was completed in Q4 2017. Uploading of Regional land transaction data has commenced and is expected to be completed by the end of Q4 2018. Meetings with client groups to review the accrual reports and verify reporting	Q2 2018	Q1 2019

Audit Report	Recommendation	Management response	Original due date	Current due date
	and transferred to a corporate program. Establishing a formal process ensures that all accrued interest on outstanding acquisitions is accurately recorded and monitored. This will be important as the Transportation Master Plan identifies an increased travel demand in York Region by about 60% by 2041. To support the increased demand, the Region has planned for capital projects, VIVA rapidways, and road widening, therefore, increasing the volume of acquisitions.	requirements will take place in Q1 2019. The Controllership Office has created an Expropriation Financial Recognition Guideline that addresses reporting requirements, interest calculations and accruals. Implementation of the Guideline is expected to coincide with the client group meetings noted above.		
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. The consultant has submitted a staffing model recommendation. Based on this, Management will be adding an additional resource to Corporate Security in 2019.	N/A	N/A
	4.2 The 3rd 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).	The Request For Pre-Qualifications (RFPQ) was issued and three submissions were received and evaluated. Only two companies passed the prequalification. During the RFPQ evaluation process, new requirements that were not previously anticipated (and therefore not detailed in the RFPQ) came to light. In addition, the evaluation team determined that having only two prequalified proponents is insufficient for a	Q2 2018	Q2 2019

Audit Report	Recommendation	Management response	Original due date	Current due date
		tender. A newly scoped Request for Proposals (RFP) will be issued in Q1, 2019 and a vendor will be selected by end of Q2 2019.		
	4.3 A To help ensure key inventories are kept accurate and secure, PSB management should develop formal inventory processes for each key type. 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. C Written processes for the creation, use and eventual destruction of security cards should be created.	Done.	N/A	N/A
	4.4 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.	Done.	N/A	N/A

Audit Report	Recommendation	Management response	Original due date	Current due date
	4.5 PSB management should update the Security Policy to include at least: • All offices; • Site specific instructions as hyperlinks to documents to explain the various aspects of the security system; • Contact information; and, • Any other information deemed necessary.	A draft Security Master Plan will be presented to the Director of Property Services in Q4 2018.	Q2 2018	Q4 2018
	4.6 <u>9060 Jane St</u> • 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.	Done. *Audit Services note: Additional information provided by management:* The vestibule construction was delayed due to workload. • The Contract was awarded November 2018 • Construction started in December 2018 • Construction will end Q1, 2019	N/A	N/A
	<u>220 High View – Mount Albert South ET, Wells 1 & 2</u> • 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.	Done. Property Service has confirmed that ENV, CPD has the Technical Design Standards that apply to Gates and Fences.	N/A	N/A

Audit Report	Recommendation	Management response	Original due date	Current due date
	620 Bayview Pkwy • 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. Other • 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 could be prudent for YRP to attend the site before an Environmental Services employee.	Done. Property Services and Environmental Services are currently working on developing Alarm Notifications and Response Protocols which will be completed in Q4 2018. To fully implement such notifications, it's likely that additional hardware will need to be installed. In that case, this implementation will be rolled into the implementation of item 4.2, "Monitoring Security Systems".	N/A Q3 2018	N/A Q4 2018
	4.7 PSB management should: 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.	Done. Done.	N/A N/A	N/A N/A

Audit Report	Recommendation	Management response	Original due date	Current due date
	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.	Done.	N/A	N/A
	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.	Done.	N/A	N/A
	5.Ensure the required police screening is provided by the contractor as per the contract.	Done.	N/A	N/A
	4.8 PSB management should ensure that the vendor follows the contract terms and provide service reports and consolidated invoices.	1. Done. 2. Done. 3. Done. After further consultation with Legal Services, the joint decision is to require the vendor to comply with the tender specifications, regarding invoicing/payment terms. 4. Done.	N/A N/A N/A N/A	N/A N/A N/A N/A
	4.9 PSB management should ensure that a formal	Done.	N/A	N/A

Audit Report	Recommendation	Management response	Original due date	Current due date
	centralized inventory that includes new and reclaimed Europlex parts be established and maintained. This would include: • 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.			
	4.10 Security Guard contract 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.	Done.	N/A	N/A
	Honeywell contract PSB management should ensure that security clearances are performed.	Done.	N/A	N/A
	Alfa Security Solutions PSB management should ensure the proper police screening is performed.	Done.	N/A	N/A

Audit Report	Recommendation	Management response	Original due date	Current due date
Transportation Services – Fleet Services	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.	Preliminary planning has been initiated completion by Q4 2019 is on target.	Q4 2019	Q4 2019
	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.	Preliminary planning has been initiated completion by Q4 2019 is on target.	Q4 2019	Q4 2019
	A policy regarding the application of tires to fleet vehicles should be developed and communicated to staff. Additionally, the Manual should be communicated to contractors, who may use Region equipment and fueling stations during their operations.	Preliminary planning has been initiated completion by Q4 2019 is on target.	Q4 2019	Q4 2019
	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.	In progress working out details with Fleet user groups along with partners in Finance and Supplies and Services. Completion Q1 2019	Q1 2019	Q1 2019

Audit Report	Recommendation	Management response	Original due date	Current due date
	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. All specifications development files should be maintained at a centralized location within Fleet Services. Maintaining documents relating to the purchase and disposal of assets provides evidence that specifications were developed in compliance with the Purchasing Bylaw's objective to ensure fairness, objectivity, accountability, and transparency in the procurement process.			
	4.3 Management should re-communicate to staff their requirement to decommission fleet equipment when unsafe conditions are identified, until appropriate repairs are complete.	Done.	N/A	N/A
	Management should create a Driver Trainer position in the next budget process.	Done. Position hire confirmed Nov. 2 2018 Employee start date Nov. 26 2018.	N/A	N/A

Audit Report	Recommendation	Management response	Original due date	Current due date
	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 use due to servicing.	Done.	N/A	N/A
	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. 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 A formal process increases the value the Region is able to recover for inventory that is no longer required.	Done.	N/A	N/A
	4.6 Policy should require Fleet Services to be involved in any purchase of fleet assets under their	Preliminary planning has been initiated completion by Q4 2019 is on target.	Q4 2019	Q4 2019

Audit Report	Recommendation	Management response	Original due date	Current due date
	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. Additionally, Fleet Services should participate in the budgeting process for vehicles and equipment to assist in ensuring the accuracy of actual verses budgeted costs.			
	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.	Process update has been initiated and off target due to software provider of M5 upgrade delays, pushing the completion date out to Q1 2019.	Q4 2018	Q1 2019
Finance - Payroll	4.1 Management should ensure that Payroll staff do not process the payroll for those departments in which they have an immediate family member. If existing	Done.	N/A	N/A

Audit Report	Recommendation	Management response	Original due date	Current due date
	resources do not allow for these responsibilities to be appropriately segregated, management should develop and implement an effective compensating control.			
	4.2 Management should: a) Ensure that the Payroll Business Continuity Plan is brought up to date, is approved by the appropriate senior management, includes all required appendices, is available in both paper and electronic form, and reviewed/updated on a regular basis.	Done. The business continuity plan has been updated and received Commissioner sign-off in Q2 2018. An electronic version of the business continuity plan has been created. The plan will be reviewed and updated, as required, on an annual basis.	N/A	N/A
	b) Explore opportunities to move at least one of the two Payroll-in-a-Box sets to a secure location outside of the Administrative Centre, and implement regular review procedures to ensure that all sets remain secured with restricted access and are kept current with update-to-date instructions and documents.	Done. A copy of Payroll-in-a-Box is currently held in a secure location at the Region's Tannery offices, and an electronic copy has also been created. Electronic copies of the business continuity plan and Payroll-in-a-Box have been stored in encrypted USB keys, one stored in the Region's bank safety deposit box and another being kept by the Manager of Payroll Services. These items will be reviewed and updated, as required, on an annual basis.	N/A	N/A
	4.3 Payroll management should take an active role in those process improvement initiatives undertaken by Human Resources (HR) that may ultimately	Done.	N/A	N/A

Audit Report	Recommendation	Management response	Original due date	Current due date
	impact Payroll's operations and objectives and work with HR to improve the flow of information in a timely manner. Payroll's contribution to these efforts may help to improve interdepartmental communications, allow both Payroll and HR to better understand the impact of their operations on one another, mitigate the risk of continued overpayments and assist with the achievement of overall organizational objectives.			
Transportation Services – Materials Quality Assurance	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.	Done. Work was completed in October 2018.	N/A	N/A
	4.2 Review of testing documentation should be recorded to help ensure any problems worth noting are brought forward for resolution.	Underway, will be completed by end of Q4 2018.	Q4 2018	Q2 2019
	To avoid paper and email files from being improperly stored or accidently deleted, all quality assurance and quality control files should be saved to the appropriate folders on the Region's server on	Both recommendations are now included in the scope of the new electronic Contract Management System, which is currently in	Q2 2019	Q2 2019

Audit Report	Recommendation	Management response	Original due date	Current due date
	a timely basis.	development. The new system will be tested late this year and rolled out for all construction projects in 2019.		
	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.	Underway. This work will be completed by November 30, 2018.	Q4 2018	Q4 2018
	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. 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.	Underway. This work will be completed before November 30, 2018. Note: As the CPD/BPT groups builds the new construction management software solution, PMO to revise SPAR and SPAR Lite methodologies. Done.	Q4 2018 N/A	Q4 2018 N/A
	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.	Done.	N/A	N/A
Housing York Inc. – Rent Geared to Income	4.1 Management should update and develop, where necessary, internal procedures to support the	Included in the 2019 work plan.	Q4 2019	Q4 2019

Audit Report	Recommendation	Management response	Original due date	Current due date
	administration of the RGI program. Internal policies should support the regulatory requirements and clearly define local rules where applicable.			
	4.2 Management should re instate 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.	Done. Management has reviewed quality control procedures and in addition to periodic quality control sampling of the entire portfolio, oversight responsibility to validate all rent subsidy calculations has been assigned to the Property Managers.	N/A	N/A
	4.3 Management should review the current annual income verification documentation that is required by the Region and update/change where determined necessary.	Included in the 2019 work plan.	Q4 2019	Q4 2019
	Management should implement a clearly defined follow up process for missing documentation. This should be included in the internal procedures, *see issue 4.1 Policies & Procedures.*	Included in the 2019 work plan.	Q4 2019	Q4 2019
	Management should follow up on the missing documentation identified during the audit testing to ensure compliance with current requirements.	In progress.	Q2 2019	Q2 2019
	Management should ensure the identified error in the rent calculation is corrected with rent	Done.	N/A	N/A

Audit Report	Recommendation	Management response	Original due date	Current due date
	adjusted/collected accordingly.			
Corporate Services – Compensation and HRMS	4.1 Management should review the existing compensation related policies and update or create where necessary. Management should also develop and formally document procedures for key processes to support the policies once completed.	Done. Review of Compensation policies, processes and programs completed through an external consultant. Complete – Two existing policies were brought under Administrative from Council approval. On target – Job Descriptions and Titles, Job Evaluation policies, guidelines have been drafted and are being reviewed; communications planning has been started. In progress – Job Description and Titles, Job Evaluation policies expected to be submitted for approval and supporting communication plan regarding revised policy/program is on target for launch. Expecting to be on target – Non-Union Salary Administration policy to be drafted for approval along with work on guidelines and supporting communication plan. Expecting to be on target - Non-Union Salary Administration policy and program will be submitted for approval and assuming successful sign-off, communications plan and revised	N/A Q4 2018 Q2 2019 Q4 2019 Q2 2020	N/A Q4 2018 Q2 2019 Q4 2019 Q2 2020

Audit Report	Recommendation	Management response	Original due date	Current due date
		program supports and guidelines launched by end on Q2-2020. This includes pay for performance and acting assignments referenced in the findings.		
	4.2 Management should review the current Job Evaluation policy and procedures and update to reflect actual practice. 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. Once policies/procedures have been updated, management should ensure information is communicated with staff and available on the Region intranet.	On target – Work in process to have Job Description and Titles, Job Evaluation policies drafted for Q4 2018 and approvals sought in Q1 2019. Supporting communication plan regarding revised policy/program is on target for completion by end of Q2- 2019. Non-union appeals committee or alternate method (vs evaluation committee) presented to SMT on Nov 13th and to be considered in policy design and guidelines.	Q2 2019	Q2 2019
		Done. Recommendations from the program review outline in 4.1 requiring Union input or approval have been identified.	N/A	N/A
		Not started - Collective bargaining is the primary method through which changes to Job Evaluation for Union could be raised and negotiated, but there is no guaranteed outcome. The current CUPE agreements expire in 2020 and the recommendations from the program review which require Union input/approval will be brought forward during 2020 Negotiations.	Q4 2020	Q4 2020

Audit Report	Recommendation	Management response	Original due date	Current due date
	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.	Done. Work has been completed regarding checklists that document activities following the evaluation and these have been included in the official record specifically the Job Evaluation Record Sheet and the Job Information Form and / or trail documenting changes to existing Job Description.	N/A	N/A
	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.	JEMS (Job Evaluation Management System) has been tested and implemented. Currently, JEMS is running parallel to Excel Spreadsheet and if successful, will cease using Excel for new evaluations by Q1/2019 end. In progress – RFP for HR Tech Roadmap underway and anticipating release early Q1/2019. Roadmap Project to follow still anticipating project completion by Q2 2019. Excel will remain primary tool for compensation programs pending recommendations from roadmap and subsequent decisions on direction.	Q1 2019 Q2 2019	Q1 2019 Q2 2019
	4.5 Access for compensation rate changes and adding new employees should be reviewed and removed where not required as part of the employees job function.	Done. Review access to Rate Changes and New Employee pages and address Internal Transfers, completed before Audit Report issuance.	N/A	N/A

Audit Report	Recommendation	Management response	Original due date	Current due date
	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.	On target for Q4-2018. The development of an online access request for and corresponding workflow intended to create traceability for security requests (new and changes) is in testing stages and on target for end Q4-2018.	Q4 2018	Q4 2018
	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.	On target for Q4 2019. Undetermined: Decision about implementing role-based security incorporated into upgrade/replace plans as identified and agreed in the HR Technology Roadmap. Implementation of a role-based security within PeopleSoft may become redundant if a replacement is chosen as part of the roadmap execution effort that will follow the HR Technology Roadmap development initiative.	Q4 2019	Q4 2019
		Interim measures on target for Q4 2018.	Q4 2018	Q4 2018
	4.6 Management should review the above survey results and could consider the following; • 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	In progress – Work is on progress regarding 4.6 and is on target for completion on schedule. Compensation has conducted a review of the compensation policies mentioned in 4.1 and	Q4 2020	Q4 2020

Audit Report	Recommendation	Management response	Original due date	Current due date
	developed where increases above of the 3.5% increase per grade would be permitted at the hiring Director's discretion	recommendations will be considered in the expanded Non-Union Compensation Administration policy proposed in 4.1 as a 2019 initiative with 2020 approval and implementation.		
	• A job evaluation maintenance review schedule.	Changes in hot skills approach would have union implications. Collective bargaining is the primary means by which changes can be negotiated, and the current CUPE agreement expires in 2020. Negotiating this may not be successful.	Q4 2020	Q4 2020
	• Develop and implement a formal Retention & Attraction Policy for "hot skills", which includes regular reviews and updates when required.	Work is on process as this is part of the Job Descriptions/Titles and Job Evaluation review and policy revision identified in 4.1 as a 2018/2019 initiative.	Q4 2019	Q4 2019
	• Review and update, if required, the current municipal comparator list to ensure it includes the most accurate and representative comparator municipalities.	Recommendations from the program review outlined in 4.1 have been reviewed and any which require Union input or approval will be brought forward during the Collective bargaining negotiations- The current CUPE agreements expire in 2020 and the recommendations from the program review which require Union input/approval will be brought forward during 2020 Negotiations.	Q4 2020	Q4 2020
	• 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	Done. Mercer conducted a benchmark survey in 2017	N/A	N/A

Audit Report	Recommendation	Management response	Original due date	Current due date
	committee and/or a formal appeals process for evaluation results.	as required by Council and confirmed our pay position is appropriate against our comparators. Response documented in 4.1 management response and this update.	Q4 2020	Q4 2020