



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

***June 2020***

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## 1.0 Management Summary

Audit Services has completed a follow up of outstanding audit recommendations at March 31, 2020. 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 January 2020.
2. Any new audit report recommendations presented at the January 2020 meeting of the York Region Audit Committee.

There were 73 audit recommendations originally issued through the 12 audit reports currently on our list for follow up. Management has implemented 59% 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.

**Note:** Management was provided the option to defer this update to the next audit follow up given the current health crisis. Of the 12 audit reports currently on the list for follow up, five have been deferred to the next audit follow up date, which will be completed in October 2020 for the January 2021 Audit Committee.

For the management responses that were not deferred, there were 47 audit recommendations originally issued through the seven audit reports currently on our list for follow up. Management has implemented 66% 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 were no ‘private’ audit reports 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 January 2020, and all new recommendations issued in audit reports reported to Audit Committee in their last meeting in January 2020.

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 semiannual 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 2020 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 January 2020 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.

**TABLE A – Summary of Outstanding Audit Recommendations Follow up as at March 31, 2020**

<b>Audit Report</b>	<b>Number of opportunities originally highlighted</b>	<b>Completed for 9/30/19</b>	<b>Completed for 3/31/20</b>	<b>Not yet complete</b>	<b>% Not yet complete</b>	<b>Date of Audit Report</b>	<b>Date Reported to Audit Committee</b>
ES – Operation Maintenance and Monitoring	11	10	0	1	9%	Dec-15	Feb-16
FN – Accounts Payable & Procurement	6	5	0	1	17%	Apr-16	Jun-16
TS – Fleet Services	7	5	0	2	29%	Dec-17	Jun- 18
<b>CS – Compensation and HRMS **</b>	6	3	0	3	50%	Nov-17	Jun-18
<b>CS – Health &amp; Safety on Property Services Capital Projects **</b>	6	5	0	1	17%	Jun-18	Jan-19
<b>CHS – Ontario Works **</b>	5	2	0	3	60%	Nov-18	Jun-19
<b>FN – Treasury Investment **</b>	4	2	0	2	50%	Oct-18	Jun-19
ENV – Materials Quality Assurance	8	6	2	0	0%	Feb-19	Jun-19
<b>CHS – Sexual Health **</b>	5	0	0	5	100%	May-19	Jan -20

ENV – Warranty Admin	6	0	2	4	67%	Jul-19	Jan-20
TS – Traffic Signal & Illumination Maintenance	5	0	1	4	80%	Jul-19	Jan-20
HYI – Contract Management	4	0	0	4	100%	Sept-19	Jan-20
Totals – for responded and deferred responses	73	38	5	30	41%		
Totals – for responded only, not including deferred	47	26	5	16	34%		

**\*\* Management has chosen to defer this update to the next Audit Services branch recommendations follow up date which will be in October 2020 for Audit Committee presentation in January 2021.**

**TABLE B – Summary of Outstanding Audit Recommendations as at March 31, 2020**

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.	Physical tagging has been delayed due to COVID -19 and physical distancing requirements. Key resources currently completing essential COVID -19 related tasks that have been assigned. All on site Asset Tagging will be completed by end of Q2 2020.	Q4 2019	Q2 2020
	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
	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.	Done.	Q4 2019	N/A



Audit Report	Recommendation	Management response	Original due date	Current due date
	<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>N/A</p>	<p>N/A</p>
	<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>	<p>Done.</p>	<p>N/A</p>	<p>N/A</p>
	<p>4.4 The backlog listing should be reviewed:</p> <ol style="list-style-type: none"> <li>1. To determine which codes are required and who may require them.</li> <li>2. Reiterate to all MAXIMO users the proper protocols for entering a Level code, with particular attention to Level 5 codes.</li> <li>3. Reiterate to all MAXIMO users the importance of descriptions to help schedule work order assignment to mechanics and electricians.</li> <li>4. Reiterate to all MAXIMO users the importance of timely resolution of the work –order in MAXIMO.</li> <li>5. Determine the required work necessary to complete this work order.</li> </ol>	<p>Done.</p>	<p>N/A</p>	<p>N/A</p>

Audit Report	Recommendation	Management response	Original due date	Current due date
	<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 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.</p>	Done.	N/A	N/A
	<p>4.7 OMM management should continue constructing and finalizing an input page to be used by tradespersons in the field.</p>	Done.	N/A	N/A
	<p>4.8 Consultants contracted to provide complete and accurate asset information should be held accountable for incomplete and erroneous asset information.</p> <p>Explore the possibility to recoup the cost of having to review and correct any new asset information entered by consultants.</p>	Done.	N/A	N/A

Audit Report	Recommendation	Management response	Original due date	Current due date
	<p>4.9 OMM management ensures that any future contracts issued for tender follows the Surety Bond Policy and associated procedures.</p>	Done.	N/A	N/A
	<p>4.10 A current, blanket COI should be collected by Finance – Insurance &amp; Risk for the contractor executing the diesel generator maintenance.</p>	Done.	N/A	N/A
	<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

Audit Report	Recommendation	Management response	Original due date	Current due date
	<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 designated authorities.</p> <p>Department heads perform annual review of the designated approval authorities and report results to Finance for updates.</p>	Done.	N/A	N/A
	<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

Audit Report	Recommendation	Management response	Original due date	Current due date
	<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>Because of COVID-19 emergency, we cannot forecast a date for when the new bylaw will going to affect; We commit to address this issue upon the rollout of the new by-law</p>	<p>N/A</p> <p>Q1 2019<sup>1</sup></p>	<p>N/A</p> <p>TBD</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>

<sup>1</sup> 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>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>All of these items have been incorporated into the new Corporate Fleet and Driver Safety policy (CFADS) with the only exception being the fueling procedures. This is a separate online training module called “Liquid Fuels Handling Safety”</p> <p>This draft policy is completed and in the review process and expected to be completed and signed off by Q4.</p>	<p>Q4 2019</p>	<p>Q4 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</p>	Done.	N/A	N/A

Audit Report	Recommendation	Management response	Original due date	Current due date
	unnecessary travel of the vehicle, labour hours, and the amount of time the vehicle is unavailable for 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 Fleet Optimization Policy is under review by senior management and on track to be signed off by Q4.</p> <p>The policy speaks to fleet participating in department budgets and rightsizing of fleet vehicles.</p>	Q4 2019	Q4 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
<p>Corporate Services – Compensation and HRMS <b>DEFERRAL</b></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><b>On target:</b> 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>With Audit’s support (obtained in Sept), 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</p>	Q2 2020	Q4 2020

Audit Report	Recommendation	Management response	Original due date	Current due date
		<p>assume the due dates of that larger deliverable.</p> <p>Draft complete by year-end 2019 with approval and roll out on target for year-end 2020.</p>		
	<p>4.2 Management should review the current Job Evaluation policy and procedures and update to reflect actual practice.</p> <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><b>Date adjusted with approval:</b> 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><b>Complete:</b> 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><b>On target:</b> Included as part of policy and guideline roll out documented in 4.1.</p>	<p>Q2 2019</p> <p>N/A</p> <p>Q4 2020</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</p>	<p>Done.</p>	<p>N/A</p>	<p>N/A</p>

Audit Report	Recommendation	Management response	Original due date	Current due date
	Record Sheet, are included in the evaluation files.			
	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.	Done.	Q2 2019	N/A
	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 function.  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.	Done.  Done.	N/A  N/A	N/A  N/A

Audit Report	Recommendation	Management response	Original due date	Current due date
	<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>Done.</p>	<p>Q4 2019</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"> <li>• 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.</li> <li>• A job evaluation maintenance review schedule.</li> <li>• Develop and implement a formal Retention &amp; Attraction Policy for “hot skills”, which includes regular reviews and updates when</li> </ul>	<p><b>On target:</b> Incorporated into non-union salary policy and guidelines completed Q4 2019 for approval and implementation in 2020.</p> <p><b>On target:</b> Can only implement once concurrent projects to reduce evaluation volumes are complete. Regular maintenance referenced in non-union Salary guidelines being approved and implemented in 2020.</p> <p><b>On target:</b> Market Pay practices incorporated into non-union salary policy and guidelines completed Q4 2019 for approval and</p>	<p>Q4 2020</p> <p>Q4 2019</p> <p>Q4 2020</p>	<p>Q4 2020</p> <p>Q4 2020</p> <p>Q4 2020</p>

Audit Report	Recommendation	Management response	Original due date	Current due date
	<p>required.</p> <ul style="list-style-type: none"> <li>Review and update, if required, the current municipal comparator list to ensure it includes the most accurate and representative comparator municipalities.</li> <li>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.</li> </ul>	<p>implementation in 2020.</p> <p>Done.</p> <p><b>On target:</b> See 4.1</p>	<p>N/A</p> <p>Q4 2020</p>	<p>N/A</p> <p>Q4 2020</p>
<p>Corporate Services – Health &amp; Safety on Property Services Capital Projects <b>DEFERRAL</b></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>Done.</p>	<p>Q3 2019</p>	<p>N/A</p>
	<p>4.2 For non-emergency capital projects, management should reiterate the requirement to collect health &amp; safety documentation. For emergency purchases a process should be established that would allow for a quicker collection of the necessary health &amp; safety documents as listed in the Policy and Guideline so as to help minimize the risk of accidents</p>	<p>Done.</p>	<p>Q3 2019</p>	<p>N/A</p>

Audit Report	Recommendation	Management response	Original due date	Current due date
	<p>happening. The Contractor Safety Specialist should be notified of projects as per the Policy and Guideline.</p>			
	<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 &amp; safety documentation needing to be collected and why the Region collects them.</p>	<p>Done.</p>	<p>Q2 2019</p>	<p>N/A</p>
	<p>4.4 The SOP for the Construction Safety Audit Process should be updated to reflect current practises in place.</p>	<p>Done.</p>	<p>N/A</p>	<p>N/A</p>
	<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>Done.</p>	<p>Q3 2019</p>	<p>N/A</p>

Audit Report	Recommendation	Management response	Original due date	Current due date
	<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.</p> <p>Through further review, it has been 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 (2019)</i>.</p>	Q1 2019	Q1 2020
<p>Community &amp; Health Services – Ontario Works <b>DEFERRAL</b></p>	<p>4.1</p> <ul style="list-style-type: none"> <li>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.</li> </ul>	Done.	N/A	N/A

Audit Report	Recommendation	Management response	Original due date	Current due date
	<ul style="list-style-type: none"> <li>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.</li> </ul>	<p>The Controllershship Office has started planning of the procedure review, and is on track for completion of the deliverables by Q3 2020.</p>	Q3 2020	Q3 2020
	<p>4.2 Management should:</p> <ul style="list-style-type: none"> <li>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.</li> <li>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.</li> </ul>	<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



Audit Report	Recommendation	Management response	Original due date	Current due date
	<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 collection and retention requirements and:</p> <ul style="list-style-type: none"> <li>• ensure that case workers do not take and/or file copies of documents that are to be visually verified only;</li> <li>• ensure that required documents are not duplicated in client files.</li> </ul>	Done.	Q3 2019	N/A
	<p>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.</p>	Done.	Q4 2019	N/A

Audit Report	Recommendation	Management response	Original due date	Current due date
Finance – Treasury Investment <b>DEFERRAL</b>	<p>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.</p> <p>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.</p> <p>Management should also ensure that the Report includes a statement by the Commissioner of 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.</p>	Done.	N/A	N/A
	<p>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.</p>	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	Q2 2020	Q2 2020

Audit Report	Recommendation	Management response	Original due date	Current due date
		Policy is scheduled for the second quarter of 2020.		
	<p>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.</p>	<p>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.</p>	Q2 2020	Q2 2020
	<p>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.</p> <p>Management should ensure that all bank confirmations are attached to the associated transaction when maintaining documentation.</p>	Done.	N/A	N/A
Environmental Services – Materials Quality Assurance	<p>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>	Done.	Q2 2019	N/A

Audit Report	Recommendation	Management response	Original due date	Current due date
	<p>4.2 Management should consider amending the Consultant Requirements Manual to provide the opportunity for audits of materials testing, documentation and upload to Project Server on a timely basis during the construction phase.</p>	Done.	Q1 2020	N/A
	<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>	Done.	Q1 2020	N/A
	<p>4.4</p> <ol style="list-style-type: none"> <li data-bbox="394 906 1018 1157">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.</li> <li data-bbox="394 1198 1018 1409">2. The Consultants Requirements Manual should be updated to provide the Region's expectation of timely uploading of project documents. This would help to ensure that project documentation, which includes materials testing documents, is stored for</li> </ol>	<p>Done.</p> <p>Done.</p>	<p>Q1 2020</p> <p>Q1 2020</p>	<p>N/A</p> <p>N/A</p>

Audit Report	Recommendation	Management response	Original due date	Current due date
	<p>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>Completed. Quality Control Program requirements were developed and included in specification 01400 – Quality Control. Communication was released to Capital Planning and Delivery staff April 22, 2020.</p> <p>Done. Training sessions were held November 22</p>	<p>Q1 2020</p> <p>Q1 2020</p>	<p>N/A</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>Completed. Specification 03300 Cast in Place Concrete was updated, and communication on the updated specification was released to Capital Planning and Delivery staff on April 22, 2020. Based on our review, we note that references to both CSA and OPSS were still required.</p>	<p>Q1 2020</p>	<p>N/A</p>



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CHS – Sexual Health <b>DEFERRAL</b>	4.1 Ensure that all quality control reviews are completed with evidence maintained.	All quality control reviews will be completed with evidence maintained.	Q4 2019	Q4 2019
	Develop a standardized peer review form and update policy to require retention of the forms.	A standardized peer review form will be developed with policy document will be updated to required staff to retain copies.	Q1 2020	Q1 2020
	Consider implementing a requirement to communicate peer review results with the Program Manager.	A requirement to communicate peer review results will be added to the sexual health clinic peer review policy document.	Q1 2020	Q1 2020
	4.2 Develop and implement and centralized tracking system for incident reporting	A centralized tracking system for incident reporting will be developed and implemented.	Q1 2020	Q1 2020
	4.3 Determine the frequency and need for the community needs assessment. Consider updating the needs assessment every 4 years in line with term of council.	The frequency to implement and community needs assessment will be determined and implemented. A new assessment will be developed with updated methodology.	Q4 2020	Q4 2020
	Ensure the information included in the needs assessment is current and relevant.	All information contained in needs assessment will be relevant and current.	Q4 2020	Q4 2020
	Ensure all information contained in the needs assessment is directly tied to and supported by the survey results.	All information contained in needs assessment will be directly tied to and supported by survey results.	Q4 2020	Q4 2020
	Consider the use of an external resource to	The use of external resources to review	Q4 2020	Q4 2020

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	prepare the needs assessment, or a minimum review the assessment prepared internally.	internally prepared needs assessment will be considered.		
	<p>4.4 Implement an appropriate segregation of duties for the sales, cash handling, and reporting functions.</p> <p>Ensure that all clients receive a payment receipt as proof of purchase, including those who pay with cash. Receipts should be produced in duplicate, with one copy to the client and one copy for the Region's records.</p> <p>Ensure that all reconciliations are provided to management for review and signoff prior to submission of month end transaction reports to Finance.</p> <p>Ensure that supporting documentation for cash sales is included in the month end submission to Finance.</p> <p>Ensure that the reconciled Hampson report is included with the month end reports to Finance.</p>	<p>Agreed. Appropriate segregation of duties for the sales, cash handling and reporting functions will be implemented. Implementation by Q1 2020.</p> <p>Agreed – All clients will receive a payment receipt as proof of purchase, including those who pay cash. Implementation Q4 2019.</p> <p>Agreed. All reconciliations will be provided to management for review and sign off prior to submission of month end transaction reports to finance. Implementation Q4 2019.</p> <p>Agreed - Supporting documentation for cash sales will be included in the month end submission to Finance.</p> <p>Agreed - Reconciled Hampson reports will be included with month end reports for Finance. Q4 2019.</p>	<p>Q4 2019</p> <p>Q4 2019</p> <p>Q4 2019</p> <p>Q4 2019</p> <p>Q4 2019</p>	<p>Q4 2019</p> <p>Q4 2019</p> <p>Q4 2019</p> <p>Q4 2019</p> <p>Q4 2019</p>



Audit Report	Recommendation	Management response	Original due date	Current due date
	<p>Ensure that management approval is evident on the month end reports submitted to Finance.</p> <p>Develop and implement a policy and corresponding procedures to ensure that instances of non-payment by clients are handled consistently across all clinics, including a mechanism to track and report all occurrences and periodic review by management.</p>	<p>Agreed. Management approval (signature) will be evident on the month end reports submitted to Finance. Q4 2019.</p> <p>Agreed – A policy and corresponding procedure will be developed to ensure that instances of non-payment by clients are handled consistently, including a mechanism to track and report all occurrences. Management will review occurrences monthly. Q1 2020.</p>	<p>Q4 2019</p> <p>Q1 2020</p>	<p>Q4 2019</p> <p>Q1 2020</p>
	<p>4.5 Strengthen oversight and enforcement measures to ensure that all mandatory training is completed and tracked annually as required.</p>	<p>Mandatory training requirements will be tracked and reviewed semi-annually with staff so that management can ensure compliance.</p>	<p>Q4 2019</p>	<p>Q4 2019</p>
<p>ENV – Warranty Admin</p>	<p>4.1 Management should ensure that during the next update to Project Server, Consultant email addresses are able to be set up to receive warranty related reminders and notifications set up by the project team.</p>	<p>The automatic generation of reminders related to the warranty period has been included in the upgrade to Project Online. These reminders include Consultants, as well as internal project teams. The new functionality has been tested and is ready for launch. Roll-out date for Project Online is Q3 2020; however, this is dependent on Corporate Information Technology’s ability to implement Office 365 by mid-August amongst the COVID-19 situation.</p>	<p>Q3 2020</p>	<p>Q3 2020</p>

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	<p>4.2 Management should develop a formal reporting template for use during the Final Warranty Inspection. This document should include a checklist of warrantable items that have been inspected that satisfies the requirements of the CRM.</p> <p>Additionally, this document should identify all personnel in attendance at the Final Warranty Inspection and include sign-off.</p>	<p>A tool to summarize inspection outcomes throughout the warranty period and a process to action and assign outcomes is under development. The tool is planned for release following Project Online implementation. Roll-out date for Project Online is Q3 2020; however, this is dependent on Corporate Information Technology's ability to implement Office 365 by mid-August amongst the COVID-19 situation.</p> <p>Updates to reflect use of the new tool will be incorporated into the next iteration of the CRM. Completion on track for Q4.</p>	<p>Q3 2020</p> <p>Q4 2020</p>	<p>Q3 2020</p> <p>CRM Updates - Q4 2020</p>
	<p>4.3 Management should consider updating the CRM to require a formal inspection of warrantable items during the warranty period at a defined frequency.</p>	<p>The RFP template has been updated to include a provisional item to coordinate and conduct interim inspections during the warranty period. Done.</p>	<p>Q1 2020</p>	<p>N/A</p>
	<p>4.4 For projects that were procured prior to the implementation of CRM and currently under warranty, or entering their warranty period, Management should consider using the Deficiencies under Warranty Reporting Form.</p>	<p>Digitization of the Deficiencies Under Warranty Reporting Form is still planned for inclusion in the Project Online upgrade. Roll-out date for Project Online is Q3 2020; however, this is dependent on Corporate Information</p>	<p>Q3 2020</p>	<p>Q3 2020</p>

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		Technology's ability to implement Office 365 by mid-August amongst the COVID-19 situation.		
	4.5 Management should ensure that the responsibility for recording warranty expiration date into MAXIMO is clearly defined in the CRM ensuring that work orders under warranty are identified.	Updates to be incorporated into next iteration of the CRM. Completion is on track for Q4 2020.	Q4 2020	Q4 2020
	4.6 Management should consider contractually defining an extended warranty period for critical pieces of process equipment.	Done.	N/A	N/A
Transportation – Traffic Signal & Illumination	4.1 The contractor should be required to call into the Region's Roads and Traffic Operations Centre to record arrival and departure times for high and low priority work.  Contractor notification, arrival and departure times to and from work sites should be reviewed as a vendor performance management tool. Management benchmarks for acceptable response times are stipulated in the contract.	CityWorks has now been implemented as the Region's Traffic Signal and Illumination Maintenance Contract work order and Traffic Signal Maintenance Report (TSMR) tracking system, replacing TOPS on January 1 <sup>st</sup> , 2020. The first phase of 4.1 is complete.	Q4 2020	Q4 2020

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	Management should investigate management reporting for this function under CityWorks.	Management is exploring opportunities for tracking Contractor arrival and departure times, the second phase is underway and we anticipate completion by Q4 2020.		
	<p>4.2 A formal reconciliation of CMC, INS, FBI and Luminaire Patrols should be performed at the end of every maintenance period.</p> <p>Management should ensure that all FBI records are collected and clarify the acceptable repair codes for each of these routine inspections with the contractor.</p> <p>Management should ensure that all RPC testing occurs as required by the Region's Traffic Signal and Illumination Maintenance Contract best practices.</p>	<p>CityWorks has now been implemented and it is anticipated this will be complete by Q3 2020</p> <p>Completed.</p> <p>Work Orders for rail pre-emptive tests required by the Region's Traffic Signal and Illumination Maintenance Contract for 2020 have been issued in CityWorks, it is anticipated to be completed by Q4 2020</p>	<p>Q3 2020</p> <p>Q1 2020</p> <p>Q4 2020</p>	<p>Q3 2020</p> <p>N/A</p> <p>Q4 2020</p>
	4.3 TSO management should determine if the collection of private driver information by the contractor is necessary. If so, management should, through discussion with the Corporate Services - Access & Privacy Office, consider	Done.	N/A	N/A

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	<p>supplying the contractor with a notice from the Region re the authority of the Region to collect the information.</p> <p>If not necessary, management should formally communicate to the contractor to refrain from collecting personal information from drivers of non-commercial vehicles.</p> <p>Collection of driver information from a commercial vehicle would still be valid.</p>			
	<p>4.4 TSO Management should determine a reasonable number of spare parts to keep, considering that the older model controller cabinets are being replaced every year and there is a decreasing number of older cabinets in service. Once that number is determined, management should ensure the contractor disposes of any excess parts.</p>	<p>Disposal options are currently being explored and it is anticipated to be complete by Q4 2020</p>	<p>Q4 2020</p>	<p>Q4 2020</p>
	<p>4.5 Management should investigate the use of electronic devices (tablets, smartphones) to automate and replace the current manual steps required in TOPS. To help ensure all data collected is complete and accurate, drop down</p>	<p>Management will investigate the use of electronic devices under CityWorks, if feasible, to automate TSMR information with a goal to implement in Traffic Signal and Illumination Maintenance Contract by end of 2022.</p>	<p>Q4 2022</p>	<p>Q4 2022</p>

Audit Report	Recommendation	Management response	Original due date	Current due date
	menus also can be incorporated to match problem codes to repair codes.			
HYI – Contract Management	4.1 Management should develop and formalize policies and procedures within the HYI contract management area. Roles and responsibilities should be clearly defined and communicated to all staff.	In progress. On track for Q3 2020 completion	Q3 2020	Q3 2020
	4.2 Management should formalize a plan to ensure all active contractors have current insurance on file and implement a policy for on-going tracking/managing of upcoming expiries.	In progress and on track for Q4 2020 project completion Q2 deliverable on track for June 30, 2020 completion	Q4 2020	Q4 2020
	4.3 Management should consider using the maintenance tracking functionality of their current Yardi system to better manage building maintenance and contractor service delivery commitments. At a minimum, management should ensure the current tracking sheet is reviewed and updated where necessary to allow for better tracking of compliance requirements.  Management should formally track the elevator contracts to ensure all warranty service periods are managed for compliance and coverage.	In progress. On track for Q4 2020.  Complete	Q4 2020  Q2 2020	Q4 2020  N/A

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	<p>Management should follow up on the missing fire safety sign offs and remind staff of their responsibilities for completing all fire safety checks. Additional training and/or review of fire code requirements should also be considered.</p> <p>Management should ensure all contracts are on site and accessible for reference to ensure service delivery commitments, etc. are properly tracked and managed.</p>	<p>In progress. On track for Q4 2020 completion.</p> <p>Q1 Fire safety training completed on schedule.</p> <p>In progress. On track for Q4 2020 completion.</p>	<p>Q4 2020</p> <p>Q4 2020</p>	<p>Q4 2020</p> <p>Q4 2020</p>
	<p>4.4 Management should implement the integrated purchase order module for contracts along with the work orders to centralize the purchasing function and better manage contract status and on-going commitments. A centralized purchase order system would allow for better tracking of commitments, clear communication of work to be completed and cost, and ease of processing invoices for payment.</p>	<p>In progress. On track for Q4 2021.</p>	<p>Q4 2021</p>	<p>Q4 2021</p>