



***Outstanding Audit  
Recommendations Follow-Up  
Audit Report***

***January 2021***

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## 1.0 Management Summary

Audit Services has completed a follow-up of outstanding audit recommendations as at September 30, 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 June 2020.
2. Any new audit report recommendations presented at the June 2020 meeting of the York Region Audit Committee.

Management was provided the option to defer the current update to the next audit follow-up given the ongoing health crisis. Of the 13 audit reports currently on the list for follow-up, three have been deferred to the next audit follow-up date, which will be completed in March 2021 for the June 2021 Audit Committee.

There were 76 audit recommendations originally issued through the 13 audit reports currently on our list for follow-up. In the ten audit reports for which management responses were not deferred, there were 62 audit recommendations originally issued. Management has implemented 77% 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 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

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 recommendations relating to their area. In some cases, the status is further validated directly by Audit Services through discussion 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 audit reports have been implemented.

The Audit Services Branch performed a follow-up of outstanding audit recommendations as at September 30, 2020. These recommendations included those noted as outstanding in our Outstanding Audit Recommendations Follow-Up Report dated June 2020, and all new recommendations issued in audit reports reported to Audit Committee in their last meeting in June 2020.

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 recommendations for their area. The Commissioner and Director responsible for the implementation of the recommendations are also requested to sign off on the updated document.
3. As requested by Audit Committee in November 2008, departments having an audit recommendation that remains outstanding more than one year past the original due date must provide Audit Committee with a separate memo as to why the recommendation has not been implemented. Management action plans that detail what is being done to implement the recommendation(s) are to be included.

Audit reports presented at the January 2021 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 2020 meeting of the York Region Audit Committee.

### **4.0 Detailed Observations and Recommendations**

#### **4.1 Statistics and Details of Outstanding Audit Recommendations Followed Up**

- Table A provides a summary of the number of management responses received and the number of audit recommendations that remain open as at September 30, 2020.

- Table B provides details of audit recommendations that were followed up for this review, as well as management responses as at September 30, 2020.

TABLE A – Summary of Outstanding Audit Recommendations Follow-Up as at September 30, 2020

Audit Report	Date Reported to Audit Committee	Number of recommendations in Audit Report	Completed for 3/31/20	Completed for 09/30/20	Not yet complete as at 09/30/20	(%) Complete as at 09/30/20
ENV – Operations Maintenance and Monitoring	Feb-16	11	10	1	-	100%
FN – Accounts Payable & Procurement	Jun-16	6	5	0	1	83%
TRN – Fleet Services	Jun- 18	7	5	0	2	71%
CS – Compensation and HRMS	Jun-18	6	3	0	3	50%
CS – Health & Safety on Property Services Capital Projects	Jan-19	6	5	0	1	83%
FN – Treasury Investment	Jun-19	4	2	2	-	100%
ENV – Warranty Admin	Jan-20	6	2	4	-	100%
TRN – Traffic Signal & Illumination Maintenance	Jan-20	5	1	1	3	40%
HYI – Contract Management	Jan-20	4	-	2	2	50%
ENV – Forestry	Jun-20	7	-	5	2	71%
<b>Total – responses received</b>		<b>62</b>	<b>33</b>	<b>15</b>	<b>14</b>	<b>77%</b>
CHS – Ontario Works [Note a]	Jun-19	5	2	1 [Note b]	2	60%
CHS – Sexual Health [Note a]	Jan -20	5	-	-	5	100%
CHS – Paramedic Fleet Services [Note a]	Jun-20	4	-	1	3	25%
<b>Total – responses deferred</b>		<b>14</b>	<b>2</b>	<b>2</b>	<b>10</b>	<b>29%</b>
<b>Grand Total</b>		<b>76</b>	<b>35</b>	<b>17</b>	<b>24</b>	<b>68%</b>

Note a: Management elected to defer update to the next follow-up date in March 2021 for Audit Committee presentation in June 2021.

Note b: Deferral option waived by Finance Department for its portion of the audit recommendation.

**TABLE B – Summary of Outstanding Audit Recommendations as at September 30, 2020**

<b>Audit Report</b>	<b>Recommendation</b>	<b>Management response</b>	<b>Original due date</b>	<b>Current due date</b>
Environmental Services – Operations Maintenance & Monitoring	4.1 OMM work with IAM to resolve the noted asset inventory discrepancies.	Complete. All on site Asset Tagging was completed as of Q2 2020.	Q4 2019	N/A
	OMM continue updating the protocol used to identify assets needed to be entered into MAXIMO from an asset maintenance perspective.	Complete.	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.  OMM should also perform a full inventory of all their MAXIMO assets to establish a baseline of actual assets within each facility.  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.	Complete.	N/A	N/A
	4.3 Spare parts inventory program create detailed plans and process flows to help ensure that	Complete.	N/A	N/A

<b>Audit Report</b>	<b>Recommendation</b>	<b>Management response</b>	<b>Original due date</b>	<b>Current due date</b>
	management controls over the inventory are sufficient.			
	<p>4.4</p> <p>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>	Complete.	N/A	N/A
	<p>4.5</p> <p>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>	Complete.	N/A	N/A
	4.6	Complete.	N/A	N/A



Audit Report	Recommendation	Management response	Original due date	Current due date
	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.			
	4.7 OMM management should continue constructing and finalizing an input page to be used by tradespersons in the field.	Complete.	N/A	N/A
	4.8 Consultants contracted to provide complete and accurate asset information should be held accountable for incomplete and erroneous asset information.  Explore the possibility to recoup the cost of having to review and correct any new asset information entered by consultants.	Complete.	N/A	N/A
	4.9 OMM management ensures that any future contracts issued for tender follows the Surety Bond Policy and associated procedures.	Complete.	N/A	N/A
	4.10	Complete.	N/A	N/A

Audit Report	Recommendation	Management response	Original due date	Current due date
	A current, blanket COI should be collected by Finance – Insurance & Risk for the contractor executing the diesel generator maintenance.			
	<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>	Complete.	N/A	N/A
Finance – A/P & Procurement	<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>	Complete.	N/A	N/A
	<p>4.2 Tender Bid Request Form is updated to clarify the requirement for advertising in the DCN.</p> <p>Consider implementation of an electronic procurement filing system to reduce likelihood of</p>	Complete.	N/A	N/A

Audit Report	Recommendation	Management response	Original due date	Current due date
	misplacing key documents, and, create a more consistent standard file set-up.			
	<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>	Complete.	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>	Complete.	N/A	N/A
	<p>4.5 Authorization of Payment of Goods and Services Policy is updated to clarify approval limits for Project Managers, include the segregation of duties between purchase commitment and payment approval.</p>	Complete.	N/A	N/A

<b>Audit Report</b>	<b>Recommendation</b>	<b>Management response</b>	<b>Original due date</b>	<b>Current due date</b>
	Purchasing Tool Kit be updated to clearly identify the requirement for a purchase order for purchases above a specified dollar limit.	Due to continuing pressures on the organization from the COVID-19 pandemic, we have recommended to the CAO that implementation be deferred to Q3 2021, so the new Bylaw will not take effect until Jul 1, 2021 at earliest. A new protocol – “Payment for Goods and Services by Purchase Order” will take effect at the same time that the Bylaw takes effect.	Q1 2020	Q3 2021
	<p>4.6</p> <p>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>	Complete.	N/A	N/A
Transportation Services – Fleet Services	<p>4.1</p> <p>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>	The Corporate Fleet and Driver Safety Policy incorporates provisions for the application of tires and replaces TRN and ENV Fleet Vehicles Policy. Policy has been socialized and is currently under submission for review and approval by the Commissioner and CAO. On target for Q1 2021 sign-off.	Q4 2019	Q1 2021

Audit Report	Recommendation	Management response	Original due date	Current due date
	<p>Management should consider rescinding the outdated Use of Transportation Services and Environmental Services Fleet Vehicles Policy and clarify employee expectations regarding personal use of fleet vehicles in the Manual.</p> <p>A policy regarding the application of tires to fleet vehicles should be developed and communicated to staff.</p> <p>Additionally, the Manual should be communicated to contractors, who may use Region equipment and fueling stations during their operations.</p>	<p>The Fleet Operators Safety Manual has been created as a living document and available through Fleet Services.</p> <p>Completed, application of tires to fleet vehicles included in new Corporate Fleet and Driver Safety Policy.</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>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</p>	Complete.	N/A	N/A

<b>Audit Report</b>	<b>Recommendation</b>	<b>Management response</b>	<b>Original due date</b>	<b>Current due date</b>
	<p>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>	Complete.	N/A	N/A
	<p>4.4 Management should consider providing Fleet Services with access to vehicle GPS to assist in maintenance scheduling. Coordinating servicing based on usage and location assists in reducing unnecessary travel of the vehicle, labour hours, and the amount of time the vehicle is unavailable for use due to servicing.</p>	Complete.	N/A	N/A
	<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</p>	Complete.	N/A	N/A

Audit Report	Recommendation	Management response	Original due date	Current due date
	<p>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>			
	<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 to assist in ensuring the accuracy of actual versus budgeted costs.</p>	<p>The Fleet Optimization Policy has been socialized and is currently under submission for review and approval by the Commissioner and CAO. On target for Q1 2021 sign-off.</p> <p>The Fleet Operators Safety Manual has been created as a living document and is available through Fleet Services.</p>	Q4 2019	Q1 2021
	<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.</p>	Complete.	N/A	N/A

Audit Report	Recommendation	Management response	Original due date	Current due date
	<p>The existing checklists should be reviewed to consolidate steps and require sign-off by responsible personnel.</p> <p>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>			
Corporate Services – Compensation and HRMS	<p>4.1 Management should review the existing compensation related policies and update or create where necessary.</p> <p>Management should also develop and formally document procedures for key processes to support the policies once completed.</p>	<p>On target for approvals and delayed for communications and launch due to COVID:</p> <ul style="list-style-type: none"> <li>• Policy and procedure documents draft completed, reviewed by Legal</li> <li>• Commissioner review on Nov 20, 2020</li> <li>• CAO review and approval expected in December</li> <li>• Expected launch in Q1 2021</li> </ul>	Q2 2020	Q1 2021
	<p>4.2 Management should review the current Job Evaluation policy and procedures and update to reflect actual practice.</p>	<p>On target for approvals and delayed for communications and launch due to COVID: As described in 4.1, this policy and procedure is incorporated into the broader non-union compensation policy. The purpose of the Non-Union Appeals Committee has been revisited for the interim as the job evaluation process is being revitalized -</p>	Q2 2019	Q1 2021



Audit Report	Recommendation	Management response	Original due date	Current due date
	<p>Management should also consider implementing a formal Job Evaluation Committee for non-union jobs and/or a formal appeals process to ensure the process remains as fair and transparent as possible.</p> <p>Once policies/procedures have been updated, management should ensure information is communicated with staff and available on the Region intranet.</p>	<p>currently the Committee is providing support as a Business Advisory Group and change champions for the revised job evaluation process.</p> <p>Complete.</p> <p>On target for approvals and delayed for communications and launch due to COVID: As described in 4.1, this policy and procedure is incorporated into the broader non-union compensation policy.</p>	<p>N/A</p> <p>Q4 2020</p>	<p>N/A</p> <p>Q1 2021</p>
	<p>4.3</p> <p>Management should consider developing and implementing a standard Job Evaluation checklist to ensure consistency in file documentation and that all supporting documents, including the JIF and Evaluation Record Sheet, are included in the evaluation files.</p>	<p>Complete.</p>	<p>N/A</p>	<p>N/A</p>
	<p>4.4</p> <p>Management should continue to investigate alternative options to Microsoft Excel for managing and tracking key compensation programs to better help streamline processes and</p>	<p>Complete.</p>	<p>Q2 2019</p>	<p>N/A</p>

Audit Report	Recommendation	Management response	Original due date	Current due date
	reduce the room for errors inherent with using Excel.			
	<p>4.5 Access for compensation rate changes and adding new employees should be reviewed and removed where not required as part of the employee's job function.</p> <p>Management should develop a policy and process for requesting and granting HRMS access and for reviewing access when there is an internal transfer. A form could be developed that links to defined user roles when requesting access. Transfers should include a check for existing access to determine if still required.</p> <p>Management should develop and implement defined user roles/groupings within HRMS that should be tied to job code/functions. The existing access within HRMS should be reviewed and converted once the roles are clearly defined and developed.</p>	Complete.	N/A	N/A
	<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</li> </ul>	On target for approvals and delayed for communications and launch due to COVID:	Q4 2020	Q1 2021

Audit Report	Recommendation	Management response	Original due date	Current due date
	<p>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.</p> <ul style="list-style-type: none"> <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 required.</li> <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>Incorporated into non-union salary policy and guidelines completed Q4 2020, approval for policy expected in 2020 with target launch and implementation in Q1 2021</p> <p>On target: Can only implement once concurrent projects to reduce evaluation volumes are complete.</p> <p>On target for approvals and delayed for communications and launch due to COVID: Market Pay practices incorporated into non-union salary policy and guidelines completed Q4 2020 for approval and implementation in 2021.</p> <p>Complete.</p> <p>See 4.1 and 4.2</p>	<p>Q4 2019</p> <p>Q4 2020</p> <p>N/A</p> <p>Q4 2020</p>	<p>Q1 2021</p> <p>Q1 2021</p> <p>N/A</p> <p>Q1 2021</p>

Audit Report	Recommendation	Management response	Original due date	Current due date
Corporate Services – Health & Safety on Property Services Capital Projects	4.1 Property Services should continue identifying and implementing workable solutions to create a capital project filing structure for project documentation.	Complete.	N/A	N/A
	4.2 For non-emergency capital projects, management should reiterate the requirement to collect health & safety documentation. For emergency purchases a process should be established that would allow for a quicker collection of the necessary health & safety documents as listed in the Policy and Guideline so as to help minimize the risk of accidents happening. The Contractor Safety Specialist should be notified of projects as per the Policy and Guideline.	Complete.	N/A	N/A
	4.3 Based on the collection of documents testing results, management should consider a refresher course (HS0076 - Contractor Safety Construction Projects) that may be useful to reaffirm the health & safety documentation needing to be collected and why the Region collects them.	Complete.	N/A	N/A

Audit Report	Recommendation	Management response	Original due date	Current due date
	<p>4.4 The SOP for the Construction Safety Audit Process should be updated to reflect current practises in place.</p>	<p>Complete.</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>Complete.</p>	<p>N/A</p>	<p>N/A</p>
	<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>Draft Health and Safety Guideline for Employees Involved in Construction Projects is complete. The review by key stakeholders is forthcoming but may be delayed due to COVID-19.</p> <p>Upon finalization, a request to rescind the Contractor Safety for Construction Projects policy will be submitted, whereby the new guideline will replace the policy.</p>	<p>Q1 2019</p>	<p>Q1 2022</p>

<b>Audit Report</b>	<b>Recommendation</b>	<b>Management response</b>	<b>Original due date</b>	<b>Current due date</b>
Community & Health Services – Ontario Works <b>DEFERRAL (CHS)</b>	<b>4.1</b> <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> <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>Complete.</p> <p>Response from FIN: Complete. A comprehensive Procedures for Petty Cash document has been created and shared on myPortal for Regional petty cash users and owners.</p> <p>Further, updates to the Petty Cash Funds policy (November 2016) were drafted to align with the new procedures. The policy will be posted on myPortal once CAO approval is received.</p>	<p>N/A</p> <p>Q3 2020</p>	<p>N/A</p> <p>N/A</p>
	<b>4.2</b> Management should: <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> </ul>	Deferred.	Q4 2019	Q4 2019

<b>Audit Report</b>	<b>Recommendation</b>	<b>Management response</b>	<b>Original due date</b>	<b>Current due date</b>
	<ul style="list-style-type: none"> <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>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>	Deferred.	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>	Complete.	N/A	N/A
	<p>4.5 Management should develop and implement measures such as enhanced training to ensure that</p>	Complete.	N/A	N/A

<b>Audit Report</b>	<b>Recommendation</b>	<b>Management response</b>	<b>Original due date</b>	<b>Current due date</b>
	data entry in SAMS is complete, timely, and consistent across all Ontario Works locations in York Region.			
Finance – Treasury Investment	<p>4.1</p> <p>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>	Complete.	N/A	N/A
	<p>4.2</p> <p>Management should update the Investment Policy to identify and clearly state the responsibilities of</p>	Complete. The recommended changes were included in an update to the Region's Investment Policy that was subsequently	Q2 2020	N/A



Audit Report	Recommendation	Management response	Original due date	Current due date
	obtaining adequate insurance coverage based on the current organizational structure.	approved by Council at its meeting on October 23, 2020.		
	4.3 Management should update the Investment Policy to reflect the requirement to use only IIROC (or equivalent) approved dealers to perform investment transactions, or perform a pre-qualification process of financial institutions.	Complete. The recommended changes were included in an update to the Region's Investment Policy That was subsequently approved by Council at its meeting on October 23, 2020.	Q2 2020	N/A
	4.4 Management should require the written name of the approver underneath the signature, making it easy to identify the individual who approved the transaction.  Management should ensure that all bank confirmations are attached to the associated transaction when maintaining documentation.	Complete.	N/A	N/A
CHS – Sexual Health <b>DEFERRAL</b>	4.1 Ensure that all quality control reviews are completed with evidence maintained.  Develop a standardized peer review form and update policy to require retention of the forms.  Consider implementing a requirement to communicate peer review results with the Program Manager.	Deferred.  Deferred.  Deferred.	Q4 2019  Q1 2020  Q1 2020	

Audit Report	Recommendation	Management response	Original due date	Current due date
	4.2 Develop and implement and centralized tracking system for incident reporting.	Deferred.	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.	Deferred.	Q4 2020	
	Ensure the information included in the needs assessment is current and relevant.	Deferred.	Q4 2020	
	Ensure all information contained in the needs assessment is directly tied to and supported by the survey results.	Deferred.	Q4 2020	
	Consider the use of an external resource to prepare the needs assessment, or at a minimum review the assessment prepared internally.	Deferred.	Q4 2020	
	4.4 Implement an appropriate segregation of duties for the sales, cash handling, and reporting functions.	Deferred.	Q4 2019	
	Ensure that all clients receive a payment receipt as proof of purchase, including those who pay with cash. Receipts should be produced in duplicate,	Deferred.	Q4 2019	

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	with one copy to the client and one copy for the Region's records.			
	Ensure that all reconciliations are provided to management for review and signoff prior to submission of month end transaction reports to Finance.	Deferred.	Q4 2019	
	Ensure that supporting documentation for cash sales is included in the month end submission to Finance.	Deferred.	Q4 2019	
	Ensure that the reconciled Hampson report is included with the month end reports to Finance.	Deferred.	Q4 2019	
	Ensure that management approval is evident on the month end reports submitted to Finance.	Deferred.	Q4 2019	
	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.	Deferred.	Q1 2020	
	4.5 Strengthen oversight and enforcement measures to ensure that all mandatory training is completed and tracked annually as required.	Deferred.	Q4 2019	

Audit Report	Recommendation	Management response	Original due date	Current due date
ENV – Warranty Admin	<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>Complete. 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. This new functionality was launched with Project Online in September 2020.</p>	Q3 2020	N/A
	<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>Complete. The Warranty Inspection Template has been established to summarize inspection outcomes by specification division and includes inspection attendees. The Warranty Tracking Tool in Project Online has been established to action and assign outcomes.</p>	Q4 2020	N/A
	<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>Complete.</p>	N/A	N/A

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	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.	Complete. Digitization of the Deficiencies Under Warranty Reporting Form was included in the Project Online upgrade.	Q3 2020	N/A
	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.	Complete. OMM's Work Management System Coordinators are responsible for recording warranty expiration information in Maximo. The process has been documented in the latest release of the CRM.	Q4 2020	N/A
	4.6 Management should consider contractually defining an extended warranty period for critical pieces of process equipment.	Complete.	N/A	N/A
Transportation – Traffic Signals & Illuminations Maintenance	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.	A dedicated telephone line for Contractor reporting of arrival and departure times to the Roads and Traffic Operations Centre is underway. Completion of the installation is on target and will be operational prior to year-end.	Q4 2020	Q4 2020

Audit Report	Recommendation	Management response	Original due date	Current due date
	Management should investigate management reporting for this function under CityWorks.			
	<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>Management should also investigate automating the scheduling of this testing in CityWorks.</p>	<p>Complete. CityWorks reporting function implemented and operational.</p> <p>Complete.</p> <p>Complete. Work Orders have been completed.</p> <p>Complete. Management have investigated automated scheduling of planned work orders for inspection and testing in Cityworks. Cityworks does have the capability to schedule work orders, however, further integration with the Region's new asset database (TSO viewer) is needed. Management will further explore the feasibility of integrating this feature in 2021.</p>	<p>Q3 2020</p> <p>N/A</p> <p>Q4 2020</p> <p>Q4 2020</p>	<p>N/A</p> <p>N/A</p> <p>N/A</p> <p>N/A</p>

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	<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 &amp; Privacy Office, consider 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>	Complete.	N/A	N/A
	<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>	Quantities of spare parts to be retained identified to Contractor. Disposal of excess parts on target for year-end.	Q4 2020	Q4 2020
	<p>4.5 Management should investigate the use of electronic devices (tablets, smartphones) to</p>	On track for completion by Q4 2022.	Q4 2022	Q4 2022

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	automate and replace the current manual steps required in TOPS. To help ensure all data collected is complete and accurate, drop down 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.	Delayed to Q1 2021 due to COVID-19.	Q3 2020	Q1 2021
	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.	Complete.	Q4 2020	N/A
	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.	Complete.	N/A	N/A



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	<p>Management should formally track the elevator contracts to ensure all warranty service periods are managed for compliance and coverage.</p> <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>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>Completion expected early, by the end of Q4 2020</p>	<p>Q4 2021</p>	<p>Q4 2021</p>
<p>Environmental Services - Forestry</p>	<p>4.1 Management should create and finalize the Standard Operating Procedures document.</p>	<p>On track – Work is underway to update existing and create new standard operating procedures as required. External expertise has</p>	<p>Q4 2021</p>	<p>Q4 2021</p>

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	<p>Management should review the existing policies and procedures that exist but have not been updated or approved as far back as 2010, as well as other various standards and guidelines, and consider their inclusion in the Standard Operating Procedures document.</p> <p>Due to the inexperience and turnover of student employees, we recommend reviewing the Juvenile Tree Maintenance Field Guide for approval and sign-off to be communicated with students.</p>	<p>been retained to assist with updating and creating select procedures.</p>		
	<p>4.2 Management should consider performing regular audits using the GPS analysis on the Contractor to help ensure that the Contractor is spending sufficient time on route to properly perform watering. Management should include any audit results as a standing item with the Contractor at monthly meetings to formally document any performance issues.</p> <p>Management should review and update the existing watering forms to include more detail regarding the work performed by the Contractor. The Region should ensure that these forms are collected from the Contractor and maintained.</p>	<p>Complete. All contractor watering is being audited on a regular basis using GPS analysis and field inspections. Results are being documented and communicated with contractors as part of regular contract update meetings. Contract meeting agenda template has now been updated to include this item.</p> <p>Complete. Watering audit forms have been reviewed for all contracts and updated where required to include additional detailed information.</p>	<p>Q4 2020</p>	<p>N/A</p>

<b>Audit Report</b>	<b>Recommendation</b>	<b>Management response</b>	<b>Original due date</b>	<b>Current due date</b>
	Management should also formally document and track the soil moisture inspections performed and their results.	Complete. Results of soil moisture audits have been documented with these revised watering audit forms.		
	4.3 Management should ensure that Contractors are fulfilling their contractual requirement to provide electronic notifications of work to the Region within one working day notice and a minimum of 16 hours prior to commencing work each day (or other, depending on the contract).	Complete. Requirements for electronic notification have been reviewed for contracts scheduled for tender in 2020/2021 and where appropriate revised to reflect the nature of the work. Compliance with contractual requirements continues to be monitored for existing contracts and contractors are complying with the requirements.	Q4 2020	N/A
	4.4 Management should document and maintain evidence that the Contractor was provided all mandatory training as required by the contract. For all contracts with training requirements, the Region should collect and maintain the corresponding training records regularly as evidence that training was provided.  Management should also ensure that train-the-trainer courses are provided to the Contractor as required by the contract, and that the Contractor ensures their staff training is up to date as per Region standards.	Complete. Contract training course sign-in sheet template has been created and will be implemented on all contracts containing training requirements going forward. Contractors completing training in house are required to submit proof of training by submitting a completed sign-in sheet to the Region. These requirements have been communicated to all Forestry staff responsible for administration of contracts.	Q1 2021	N/A

<b>Audit Report</b>	<b>Recommendation</b>	<b>Management response</b>	<b>Original due date</b>	<b>Current due date</b>
	<p>4.5 Management should implement formal deficiency tracking across all contracts. Deficiency tracking includes logging all deficiency items, their status, and the length of time for satisfactory resolution. This document should also ensure that we are capturing all the necessary information for contractor performance evaluation, if any, required by the corresponding contract.</p> <p>Management should consider the existing deficiency tracking document maintained for the mature tree maintenance contract as a template for tracking deficiencies across other contracts.</p>	<p>On track – A review of all existing contract deficiency tracking within the division has been completed. Minimum requirements for deficiency tracking across all contracts are being developed in the form of a standard operating procedure.</p>	Q2 2021	Q2 2021
	<p>4.6 Management should collect and review the crew qualifications for the mature tree maintenance Contractor.</p> <p>Management should also ensure that for all contracts, as part of the contractor audit process, documentation confirming qualifications is obtained regularly and reviewed against contract requirements to ensure the contractor and all their crew is qualified to perform work on behalf of the Region.</p>	<p>Complete. A review of all existing division contracts was completed to identify any missing documentation. All documentation confirming qualifications has been collected. Contractor meeting agenda templates have been revised to include this item and the revised templates have been communicated to all Forestry staff responsible for administration of contracts.</p>	Q4 2020	N/A

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	<p>4.7 Management should include a periodic review of contractor disposal logs and designated dumping site information in the contractor audit process for contracts which involve tree maintenance and disposal.</p> <p>This review should ensure that the contractor disposes of material from trees in regulated areas and quarantined zones in accordance with Canadian Food Inspection Agency (CFIA) regulations.</p>	<p>Complete. For contracts involving tree maintenance and disposal, the disposal of wood material has been reviewed and confirmed in compliance with Canadian Food Inspection Agency regulations.</p>	<p>Q2 2021</p>	<p>N/A</p>
<p>Community and Health Services – Paramedic Services Fleet Management <b>DEFERRED</b></p>	<p>4.1 Redesign the Preventative Maintenance sheet template to better align with the original equipment manufacturer’s routine maintenance schedule descriptions.</p> <p>Ensure that all Preventative Maintenance sheets are dated by the vendor when completed.</p>	<p>Complete.</p>	<p>N/A</p>	<p>N/A</p>
	<p>4.2 Investigate opportunities to integrate the M5 and QRS systems to eliminate the need for manual transfer of data.</p>	<p>Deferred.</p>	<p>Note 1</p>	
	<p>4.3 Consider engaging an external consultant, or dedicating internal resources, to perform a needs assessment and determine which priorities must</p>	<p>Deferred.</p>	<p>Note 1</p>	

Audit Report	Recommendation	Management response	Original due date	Current due date
	be met with respect to facilities, staffing, and vehicle inventory to accommodate legislated requirements and ensure continued compliance with Provincial mandates in a cost-effective manner.			
	4.4 The Risk Management branch should take the appropriate steps necessary to ensure that all current vendor contracts have valid certificates of insurance in the Region's COI database.	Deferred.	Q2 2022	

Note 1: As noted in the Paramedic Services Fleet Management audit report, due to the coronavirus pandemic and the related impact on Community and Health Services (CHS) resources, Audit Services and CHS agreed to discuss implementation timelines at a later date. Once established, these timelines will be communicated to Audit Committee.