

The Regional Municipality of York

Audit Committee

June 9, 2021

Report of the Director, Audit Services

Proposed Revisions to the Outstanding Audit Recommendations Follow-Up Report

1. Recommendations

Regional Council approve the proposed revisions to the format of the Outstanding Audit Recommendations Follow-Up Report.

2. Summary

Audit Services is proposing revisions to the existing report format to provide Audit Committee with relevant information in a more efficient and user-friendly manner. An example of the proposed report format is included in Attachment 1.

3. Background

On a semi-annual basis Audit Services updates the Region's Audit Committee and the Chief Administrative Officer (CAO) on the status of management action plans to address audit recommendations. 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.

Our follow-up is conducted in accordance with the Institute of Internal Auditors *International Standards for the Professional Practice of Internal Auditing* Standard 2500 – Monitoring Progress, which requires that the chief audit executive establish and maintain a system to monitor the disposition of results communicated to management and ensure that management actions have been effectively implemented or that senior management has accepted the risk of not taking action.

Based on industry best practices, the evolution of our follow-up process, and recognizing the increasing pressures on Audit Committee and senior management, Audit Services has undertaken a process improvement initiative to enhance our reporting on the status of management action plans.

4. Analysis

As part of our process improvement initiative, Audit Services identified a number of opportunities to improve the format in which we communicate the status of management action plans in a more efficient, meaningful and user-friendly manner.

The following table summarizes the proposed changes and the benefits that they provide:

Element	Current State	Proposed Revision	Benefits
Report Title	Outstanding Audit Recommendations Follow-Up Report	Change report title to Status of Management Action Plans	Shifts focus onto risk mitigation and process improvement measures
Report Content	Includes previously completed audit recommendations	Include only open management action plans	Significantly reduces length of the report Focus is on current outstanding management action plans and unmitigated risks.
Report Content	Statistics provided for audit reports with open management action plans only	Include additional statistics to illustrate management's progress in implementing action plans	Provides Audit Committee with more context around management's efforts

Audit Services has prepared a modified version of the current follow-up report to illustrate the impact of these proposed changes (Attachment 1).

5. Financial

Audit Services Branch will manage its workload within the Audit Services budget.

6. Local Impact

There is no impact to the local municipalities.

7. Conclusion

The proposed revisions to the existing Outstanding Audit Recommendations Follow-Up Report better support the Strategic Plan priority of Good Government to deliver trusted and efficient services by providing relevant and timely information to Audit Committee.

For more information on this report, please contact Michelle Morris, Director, Audit Services at 1-877-464-9675 ext. 71205. Accessible formats or communication supports are available upon request.

Recommended by: **Michelle Morris**
Director, Audit Services

May 10, 2021
Attachments (1)
Private Attachments (0)
eDocs # 12992268