



***Audit Services
Status of Management Action
Plans Report***

January 2023

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Executive Summary

Audit Services has completed a follow-up on the status of Management Action Plans (MAPs) as at September 30, 2022. 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, 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.

The follow-up included:

- All audit reports with one or more open MAPs as of our previous status report dated June 2022.
- Requests for a One Year Past Due memo from management, where appropriate.¹

Beginning in 2020, Audit Services offered management the option to defer their status updates, as we recognized the impact on the Region’s resources brought on by the pandemic. With the lifting of the Region’s state of emergency, Audit Services has removed the deferral option as of the June 2022 reporting period.

Based on the responses received, management remains committed to the implementation of internal controls and process improvements to mitigate the risks identified in our audits. The table below illustrates the progress management has made over the previous five year period in addressing audit findings in public audit reports:

AUDIT REPORT YEAR	TOTAL MAPS	MAPS COMPLETED (as at 09/30/22)	MAPS COMPLETED % (as at 09/30/22)
2017	26	26	100%
2018	36	36	100%
2019	32	30	94%
2020	24	24	100%
2021	10	3	30%
Total	128	119	93%

¹ As requested by Audit Committee in November 2008, departments having a MAP that remains outstanding more than one year past the original due date must provide Audit Committee with a separate memo as to why the action plan has not been completed.

The following illustration shows a comparison between our last update and our current update of the percentage of MAPS completed for audit reports issued over the previous five year period:



Four audit reports with a combined total of 27 open MAPs were followed up as of September 30, 2022. In total, 18 of the 27 original MAPs – or 67%– have been fully implemented to date. In the last term of Council, this has ranged between 60% and 90% and varies based on timing of reports being issued.

For a summary of audit reports followed up, please see Table A. For updated status of MAPs as at September 30, 2022 see Table B. Additional detail is available upon request from the Director, Audit Services.

TABLE A – Summary of Status of Management Action Plans as at September 30, 2022

Audit Report	Date Reported to Audit Committee	Number of recommendations in Audit Report	Completed by 03/31/22	Completed for 09/30/22	Not yet complete as at 09/30/22	(%) Complete as at 09/30/22
CHS – Sexual Health	January 2020	5	3	0	2	60%
CAO – Workplace Health, Safety and Wellness	January 2021	5	4	1	0	100%
CS – Cellular Audit	January 2021	7	3	4	0	100%
CAO – Long-Term Disability Management & Oversight	January 2022	10	0	3	7	30%
Grand Total		27	10	8	9	67%

TABLE B – Status of Management Action Plans as at September 30, 2022

Audit Report	Recommendation	Management response	Original due date	Current due date
CHS – Sexual Health	4.3 a) 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 new Community Needs Assessment plan was initiated in Q2 2022 and will be completed by the end of Q4 2022. Final report findings will be completed in Q1 2023. The plan to implement every 4 years remains in place.	Q4 2020	Q1 2023
	b) Ensure the information included in the needs assessment is current and relevant.	The Community Needs Assessment was developed with updated methodology to ensure that information included is current/relevant and will be completed by the end of Q4 2022. Completion of a final report of the Community Needs Assessment findings will be completed in Q1 2023.	Q4 2020	Q1 2023
	c) Ensure all information contained in the needs assessment is directly tied to and supported by the survey results.	Completion of the final Community Needs Assessment Report will be completed in Q1 2023 and will be directly tied to and supported by survey results.	Q4 2020	Q1 2023
	d) Consider the use of an external resource to prepare the needs assessment, or at a minimum review the assessment prepared internally.	The Strategic Engagement and Emergency Management (SEEM) team were engaged to consult on the methodology and planned engagement of community partners for the Community Needs Assessment. This was completed by June 29, 2022. A public health program evaluator has supported the development, and implementation plan of the needs assessment to be completed in Q4 2022.	Q4 2020	Q4 2022

Audit Report	Recommendation	Management response	Original due date	Current due date
	<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 for all staff has been tracked and reviewed throughout 2022 and all mandatory training for 2022 will be completed by the end of Q4 2022.</p>	<p>Q4 2019</p>	<p>Q4 2022</p>

Audit Report	Recommendation	Management response	Original due date	Current due date
<p>CAO – Workplace Health, Safety and Wellness</p>	<p>4.1 Management should update the process for incident reporting and tracking to ensure the completion date of corrective actions is entered into the Parklane software.</p>	<p>Complete – The vendor dedicated a project team to our custom request and was able to successfully implement the required changes. The update will allow for corrective actions to be assigned to the appropriate individuals when completing the report and ensure that they are tracked to completion. The system sends an email prompt to the assigned individual (detailing the action required and expected date of completion) so that they can enter the actions taken into Parklane through the direct link provided.</p> <p>Health and Safety will continue to review incident reports with the JHSC and conduct safety audits within high-risk areas to further support this process.</p> <p>No further action required.</p>	<p>Q3 2021</p>	<p>N/A</p>

Audit Report	Recommendation	Management response	Original due date	Current due date
CS - Cellular	<p>4.1 Management should review the identified policies to ensure they remain relevant and accurate.</p> <p>Due to the inherent environment of rapid change regarding technology, management should consider providing a timeframe requirement for review within the policies themselves, to ensure they regularly remain up to date, applicable and accurate.</p>	<p>Complete – An updated Acceptable Use and Management of Technology policy was approved by the CAO on May 6, 2022 with subsequent minor changes approved on October 6, 2022.</p> <p>An updated Use of Social Media Policy was approved by the CAO on January 27, 2021.</p> <p>An updated Privacy Policy was approved by the CAO on September 21, 2022.</p> <p>The Voicemail Policy was rescinded by the CAO on September 21, 2022.</p>	Q4 2020	N/A
	<p>4.3 Management should consider that Regional employees issued a cellular device are required to sign-off on receipt and understand the contents of the Smartphone and Cell Phone Quick Reference Guide that outlines the plan details, roles and responsibilities and other related policies and procedures to the cellular device. The contents of the guide should also reflect the employee’s responsibility for their own personal information.</p>	<p>Complete – A digital Consent to Terms of Use form has been developed and will go-live at the end of 2022. Staff are required to sign-off the digital Consent Form when receiving a cellular device.</p>	Q4 2021	N/A

Audit Report	Recommendation	Management response	Original due date	Current due date
	<p>4.5 Management should implement a formal off-boarding process to ensure that IT is notified when a cellular device is no longer in use by an employee.</p> <p>As part of this process, management should consider providing the off-boarding Manager with a checklist for decommissioning cellular devices. Part of this checklist should be the requirement to contact IT to ensure devices can be assessed for damage and sensitive information is securely wiped prior to disposal or reassignment.</p>	<p>Complete – The Technology Off Boarding Service Request has been updated to capture cellular device details. Upon receiving an offboarding request, IT staff will make required changes to the Region’s cellular account and device management information.</p>	<p>Q1 2021</p>	<p>N/A</p>
	<p>4.6 Management should consider a process in which individual departments review active cellphone accounts in their area and determine whether to cancel or continue the phone circuit for that device on a more frequent basis, rather than only during the required review at the 3-year refresh.</p>	<p>Complete – A dashboard displaying all active cellphone accounts has been developed and will go-live at the end of 2022. Individual departments will be able to review active accounts and request changes at any time.</p>	<p>Q1 2021</p>	<p>N/A</p>

Audit Report	Recommendation	Management response	Original due date	Current due date
CAO – Long-Term Disability Management & Oversight	4.1 4.1.1 Management should consider transferring the payment processing to the benefits administrator in the new contract.	<ul style="list-style-type: none"> - RFP competition for Benefits closed in April 2022 and the contract award is being processed. It was confirmed during the evaluation process that processing of LTD payments would be required and all vendors confirmed capability to execute this. - Benefit provider will begin new contract in January 2023 with a transition to begin in June/July 2022. A review of LTD payments will be completed once contract is awarded. 	Q1 2023	Q1 2023
	4.1.2 Management should request quotes for payment processing service to be provided as part of the RFP submission.	See response for 4.1.1	Q1 2023	Q1 2023
	4.2 4.2.1 Human Resources should strongly consider developing and implementing a formal guideline for management that is sent at the time staff start a leave, that provides clear direction on their role and responsibilities for supporting staff on LTD.	Complete – As of June 2022: every LTD package that goes out now has an LTD info Sheet for managers. In addition, additional information on LTD and manager responsibilities has been included in the mandatory Health & Safety for Managers training and has also been included in the PDF Manager Resource Booklet.	Q2 2022	N/A

Audit Report	Recommendation	Management response	Original due date	Current due date
	<p>4.2.2 Management should consider creating and implementing a recurring Health and Safety refresher training module to ensure managers are reminded of their responsibilities and equipped with the necessary knowledge to support staff on LTD.</p>	<ul style="list-style-type: none"> - Previous update/plan was put on hold as a review of current corporate training was done in Sept 2022 and it was determined that more content cannot be added for management. - Currently, we are working with Corporate Communications to plan for an Accommodation and Leave page for managers under the Management Centre of Excellence, where manager resources will be posted for reference. 	Q2 2022	Q2 2023
	<p>4.3 4.3.1 Management should review and update the existing SOPs and develop additional procedures where beneficial.</p>	Complete – the SOPs for claims administration was created along with finalizing the other SOPs for the Disability Claims Coordinators.	Q3 2022	N/A
	<p>4.4 4.4.1 Management should develop and implement a standard reporting framework and quality control process that covers claim management administration and compliance requirements.</p>	Complete – This is now being done on a quarterly basis prior to meeting with Sun Life as part of our quarterly meetings.	Q4 2022	N/A
	<p>4.4.2 Management should consider using the Parklane system’s reporting functionality and explore additional modules of benefit.</p>	Complete	N/A	N/A

Audit Report	Recommendation	Management response	Original due date	Current due date
	<p>4.5 4.5.1 Management should review and update the current administration process for tracking and managing claim files and eliminate the need for duplication of systems and information.</p>	<p>Complete – DCC SOP was completed by June 2022 A time can be scheduled with Audit to review the eDocs folder and all the SOP content</p>	<p>Q4 2022</p>	<p>N/A</p>
	<p>4.5.2 Management should develop clear electronic case management practices for the Parklane system.</p>	<p>A review of SOP case management practices continues as we move towards going paperless This work will continue into Q1 2023</p>	<p>Q4 2022</p>	<p>Q2 2023</p>
	<p>4.5.3 Management should consider going paperless with claim files electronically maintained in Parklane. In the interim, alternative options should be explored to eliminate the need for paper files to be stored at employees’ personal residences.</p>	<ul style="list-style-type: none"> - The implementation of a paperless operation and SOPs continues to be a project, nearing its end. - There were delays given other attention to COVID Public Health responses, but work will continue into Q1-Q2 2020 	<p>Q4 2022</p>	<p>Q2 2023</p>
	<p>4.5.4 In the interim, Management should review and update the Excel master tracking spreadsheet to ensure that it reflects current claim status and payment information.</p>	<p>Complete</p>	<p>N/A</p>	<p>N/A</p>

Audit Report	Recommendation	Management response	Original due date	Current due date
	<p>4.6 4.6.1 The Region should review and consider incorporating into the new benefits administration contract the following:</p>			
	a) Specific performance measures relating to the timeliness and effectiveness of claim management.	The special instructions and service level agreements on claims management will be reviewed following implementation of the NEW benefits contract.	Q4 2022	Q1 2023
	b) Requirements for the benefit administrator to verify physicians' license status during the initial claim assessment and annual verification for active claims.	Complete – This has been addressed through the contract negotiations with Sun Life on benefit fraud actions.	Q4 2022	N/A
	c) Specific audit clause to allow Region Audit Services to conduct audits of the benefit administrator's claim management operations.	Complete – This has been addressed through the contract negotiations with Sun Life on benefit fraud actions.	Q4 2022	N/A
	d) Consider alternative fee cost structures that are not directly tied to the number of LTD claims.	While we agree there is a risk, the Region's fee structure cannot change as a result of being an ASO (Administrative Services Only) LTD contract. This means we hold the reserves and pay for the administration of each individual claim. This risk would be eliminated if the Region ever turned into an Insured Services Only contract. (original response in Audit Report)	N/A	
	e) Include a provision detailing the role and responsibilities of the benefit provider for completing and reporting on fraud investigations.	Complete – This has been addressed through the contract negotiations with Sun Life on benefit fraud actions.	Q4 2022	N/A

Audit Report	Recommendation	Management response	Original due date	Current due date
	f) Consider implementing a reporting framework for long duration claims, including confirmation of annual medical and member updates, and adjustments in CPP benefit rate information.	Complete	N/A	N/A
	4.7 4.7.1 Management should review the discrepancy between Parklane and Sun Life reporting and update accordingly.	Complete – This claims audit process using Sun Life data and Parklane is performed as part of the review of each quarterly report.	Q4 2022	N/A
	4.7.2 Management should develop clear electronic case management practices including requirements for case management notes/comments and review date completion. <i>(covered in 4.5.2)</i>	<i>Covered in 4.5.2</i>	Q4 2022	Q2 2023
	4.7.3 In the interim, management should review and update the Excel master tracking spreadsheet to ensure that it reflects current claim status and payment information.	Complete	N/A	N/A
	4.8 4.8.1 Management should request that Sun Life complete notes for all claim file action items and incorporate this requirement into the new contract.	Complete	N/A	N/A

Audit Report	Recommendation	Management response	Original due date	Current due date
	4.8.2 Management should incorporate into the new contract specific performance measures relating to the timeliness and effectiveness of claim management. <i>(covered in 4.6.1).</i>	This has been addressed thought the contract negotiations with Sun Life and will be further details when the Sun Life Implementation Team is assigned to EHU. At that time the service level agreement and special instructions will be reviewed.	Q4 2022	Q4 2022
	4.8.3 Management should follow up with Sun Life on the two noted outstanding CPP applications and implement measures to ensure pending CPP applications are closely monitored.	Complete	N/A	N/A

Audit Report	Recommendation	Management response	Original due date	Current due date
	<p>4.9 4.9.1 Management should consider and review the financial impact of not clawing back LTD for CPP annual increase. The Region should make an informed decision on the policy moving forward and ensure it is clearly reflected in the next benefit administrator contract.</p>	<p>Disagree. Region’s Benefit Advisor has confirmed that this practice is not wrong - this is an industry standard on how the CPP deduction works. We would be trying to claw back LTD payments when the CPP increases are the employee’s only way of receiving a cost-of-living adjustment to payments. This is already taken into consideration under the contract's offsets provision: "under any government plan, law or agency for the same or a subsequent disability, excluding all benefits or payments on behalf of a dependent, employment insurance benefits and automatic cost of living increases that occur after benefits begin". (original response in Audit Report)</p> <p><i>Audit Services note: Management has chosen to accept this risk and not implement an action plan.</i></p>	N/A	
	<p>4.9.2 Management should follow up with Sun Life on the long duration annual update process and request timelier follow-up for reminder notifications on outstanding forms.</p>	Complete	N/A	N/A
	<p>4.9.3 Management should request the benefit administrator to include a specific timeline on both the Plan Member Update form and the Attending Physician’s Update form.</p>	Complete	N/A	N/A

Audit Report	Recommendation	Management response	Original due date	Current due date
	<p>4.9.4 Management should consider requesting that the benefit administrator automate the long duration annual follow-up dates.</p>	<p>Completed – This has been addressed with Sun Life and they did confirm that a timeline for this process exists. This continues to be monitored for compliance with the SL Manager when sending the quarterly updates on claim activity.</p>	Q2 2022	N/A
	<p>4.9.5 Management should request Sun Life to set the long duration annual follow-up dates for every 12 months in line with contract requirements.</p>	<p>Completed – This has been addressed with Sun Life and they did confirm that a timeline for this process exists. This continues to be monitored for compliance with the SL Manager when sending the quarterly updates on claim activity</p>	Q2 2022	N/A
	<p>4.10 4.10.1 Management should strongly consider transferring the payment processing to the benefit administrator to help minimize overpayments. <i>Refer to Observation 4.1 – Payment Process.</i></p>	<p>This will be in place for Jan 2023, as this is when the new contract begins.</p>	Q1 2023	Q1 2023
	<p>4.10.2 Management should increase oversight on CPP application status, especially for staff approaching age 65.</p>	<p>Complete – This has been addressed with Sun Life and they have added a column for age on the CPP/Long Duration spreadsheet for all to have line of sight to the long duration status claims.</p>	Q2 2022	N/A

Audit Report	Recommendation	Management response	Original due date	Current due date
	4.10.3 Management should finalize the SOP for overpayment collections.	Complete	N/A	N/A
	4.10.4 Management should consider using, as defined in the SOP, collection agencies on vendor of record at the Region within Court Services.	Complete	N/A	N/A
	4.10.5 Management should develop a formal policy on recovery of identified overpayments and work with Legal Services to explore opportunities to terminate employees for nonpayment.	Formal overpayment policy was shared with last Audit update. A discussion with Legal and Audit will take place in Q4 2022.	Q2 2022	Q4 2022
	4.10.6 Management should review the current overpayments and work with Finance to resolve the status of uncollectible accounts.	This is an ongoing activity and cases are being reviewed on a case-by-case basis.	Q2 2022	Q1 2023

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