



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

As at September 30, 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, 2023. 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 March 31, 2023 and reported to Audit Committee in June 2023.
- Requests for a One Year Past Due memo from management, where appropriate.¹

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. Table 1 below illustrates the progress management has made over the previous five year period in addressing audit findings in public audit reports:

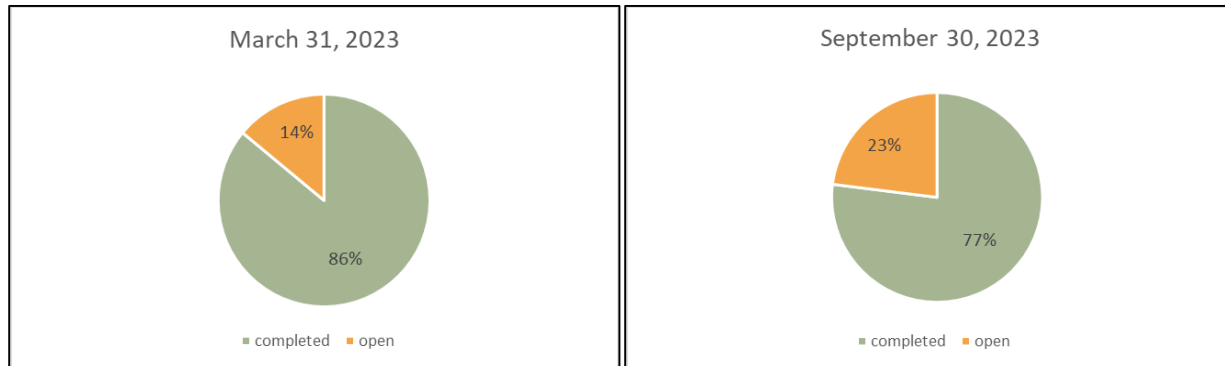
Table 1

AUDIT REPORT YEAR	TOTAL MAPS	MAPS COMPLETED (as at 09/30/23)	MAPS COMPLETED % (as at 09/30/23)
2019	32	31	97%
2020	24	24	100%
2021	10	7	70%
2022	15	8	53%
2023	11	1	9%
Total	92	71	77%

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.

Chart 1 below 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:

Chart 1



Six audit reports with a combined total of 26 open MAPs were followed up as of September 30, 2023. In total, 20 of the 41 original MAPs – or 49% – 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. The current figure of 49% is lower than usual due to the higher number of recent audits in the current status update, for which there are more open management action plans than closed.

For a summary of audit reports followed up, please see Table A. For updated status of MAPs as at September 30, 2023 see Table B.

The Payment Card Industry Data Security Standards audit status of management action plans is reported separately in Private Attachment 8 (Table C) pursuant to section 239(2)(a) of the *Municipal Act, 2001* as it concerns security of Regional Property.

Additional detail is available upon request from the Director, Audit Services.

TABLE A – Summary of Status of Management Action Plans as at September 30, 2023

Audit Report	Date Reported to Audit Committee	Number of recommendations in Audit Report	Completed by 03/31/23	Completed for 09/30/23	Not yet complete as at 09/30/23	(%) Complete as at 09/30/23
CHS – Sexual Health Clinics	January 2020	5	4	0	1	80%
OCAO – Long-Term Disability Management & Oversight	January 2022	10	5	2	3	70%
CS – Handling of Private Information	January 2023	8	5	2	1	88%
PW – Water Services Billing	January 2023	4	0	0	4	0%
FIN – Development Charges	January 2023	3	0	1	2	33%
FIN – Payment Card Industry (PCI) Data Security Standards (private)	June 2023	11	1	0	10	9%
Grand Total		41	15	5	21	49%

Department Legend:

CHS Community and Health Services
OCAO Office of the Chief Administrative Officer
CS Corporate Services
PW Public Works
FIN Finance

TABLE B – Status of Management Action Plans as at September 30, 2023

Audit Report	Recommendation	Management response	Original due date	Current due date
CHS – Sexual Health Clinics	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.	Request for quotation currently in progress to procure an external consultant to review the methodology and complete strategic data collection for the community needs assessment. Public Health’s Internal Research Review Committee has approved internal partner focus groups. Interview guides and evaluation tools for all data collection activities have been developed.	Q4 2020	Q4 2024
	b) Ensure the information included in the needs assessment is current and relevant.			
	c) Ensure all information contained in the needs assessment is directly tied to and supported by the survey results.			
	d) Consider the use of an external resource to prepare the needs assessment, or at a minimum review the assessment prepared internally.			

Audit Report	Recommendation	Management response	Original due date	Current due date
OCAO – 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.	<p>Complete – After much discussion and assessment between Q1-Q3 2023, it was determined that we are unable to move forward with the proposed change. The following reasons were captured to support this decision:</p> <ul style="list-style-type: none"> - Sample Long-term Disability (LTD) benefit calculation testing demonstrated that Sun Life’s payment system cannot be configured to process payroll deductions. - The Region’s Payroll team is not resourced to process this manually on a monthly basis. - Further manual test calculations by Sun Life continued to demonstrate errors/variances in amounts, which is a sign that our Payroll team would need to double check each calculation for accuracy. - The volume and variance in LTD payments, LTD offsets, and rehabilitation (modified work) calculations would be too high for our Payroll team to review and monthly administration of this work would require days of dedicated review/audit that exceed the value of the risk avoided. - LTD payments from an insurance carrier have a different tax deduction (processed as a T4A at year end) and our employees would then receive a lower amount for their LTD benefit. - The inability of Sun Life’s systems to process payroll deductions means that different taxes would be applied to the benefit which would result in a change to employees’ current net benefit amount. 	Q1 2023	N/A

Audit Report	Recommendation	Management response	Original due date	Current due date
		<ul style="list-style-type: none"> - CRA has clarified/confirmed that if the employer is responsible for the benefit, amounts issued need to be reported as income, requiring the employer to issue a T4 and not a T4A, at the end of the year (T4A is the only Statement of Remuneration Paid that can be issued by Sun Life). - Of note, should York Region's LTD Policy Plan ever convert to an insured plan, then a change in benefit payments would be required and the change in payment process would be reviewed at that time. <p>Next Steps to mitigate risk:</p> <ul style="list-style-type: none"> - Review the current People, Equity and Culture (PEC) Overpayment Standard Operating Procedure (framework) for best practices. - Determine updates to the PEC Overpayment Standard Operating Procedure to specifically capture LTD overpayments because of CPP Disability Awards. - Establish a clear accountability framework for tracking/monitoring and escalation. - Meetings scheduled with Payroll, beginning October 27, 2023 to review and update our current practice. <p>Legal Services will be consulted to help identify changes or additions to the recovery process.</p>		
	4.1.2 Management should request quotes for payment processing service to be provided as part of the RFP submission.	Previously completed	N/A	N/A

Audit Report	Recommendation	Management response	Original due date	Current due date
	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.	Previously completed	N/A	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>	<p>On Track – In consultation with the Supervisor of Employee Communications and Engagement, work is underway to create a dedicated resource page for managers on all matters related to sick leave, accommodation, and employee safety. The estimated launch date is late December 2023.</p> <p>In addition, EHU has created additional resources for managers in 2023:</p> <ul style="list-style-type: none"> - A Management Support Guide for Long-term Disability (LTD), is now sent to managers when their employee is applying for LTD. - As part of the mandatory courses for all new managers, the Health & Safety for Manager Training Course (Course Code HS0089), now includes additional content on Long-term Disability benefits. - A self-serve (just-in-time) PowerPoint video will be created to highlight key content from the 1-day course. The video will be posted on the Management Centre of Excellence resource page and is being created as part of the work already underway with Employee Communications. <p>Next Steps: Once the dedicated Management Centre of Excellence resource page is finalized (Q4 2023), a Management Communication email will be sent out to highlight the new resource.</p>	Q2 2022	Q4 2023

Audit Report	Recommendation	Management response	Original due date	Current due date
	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.	Previously completed	N/A	N/A
	4.5.2 Management should develop clear electronic case management practices for the Parklane system.	Complete – The completed Employee Health Unit Standard Operating Procedure for documentation will be forwarded to Audit as supporting documentation for this action item.	Q4 2022	N/A
	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.	On track: <ul style="list-style-type: none"> - With completion of the Standard Operating Procedure (SOP) for documentation, the Employee Health Unit (EHU) can now proceed with next steps to meet requirements of York Region's Scanning Standard, which involves converting content from physical format to electronic format. - The next step involves EHU adding the Scanning Standard and audit log to their documentation practice. - The draft Scanning Standard and audit log is complete and will be reviewed by York Region's Information and Asset Management (IAM) Consulting Services Analyst in November 2023. - Once complete, EHU will begin phasing in the new paperless process and scanning log in December 2023. 	Q4 2022	Q4 2023

Audit Report	Recommendation	Management response	Original due date	Current due date
	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.	Previously completed	N/A	N/A
	4.7 4.7.1 Management should review the discrepancy between Parklane and Sun Life reporting and update accordingly.	Previously completed	N/A	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>	Complete – see 4.5.2	Q4 2022	N/A

Audit Report	Recommendation	Management response	Original due date	Current due date
	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.	Previously completed	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.	Previously completed	N/A	N/A
	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>	Previously completed	N/A	N/A

Audit Report	Recommendation	Management response	Original due date	Current due date
	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.	Previously completed	N/A	N/A
	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>	Complete – See response for 4.1.1	Q1 2023	N/A
	4.10.2 Management should increase oversight on CPP application status, especially for staff approaching age 65.	Previously completed	N/A	N/A

Audit Report	Recommendation	Management response	Original due date	Current due date
	4.10.3 Management should finalize the SOP for overpayment collections.	Previously completed	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.	Previously completed	N/A	N/A

Audit Report	Recommendation	Management response	Original due date	Current due date
	<p>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.</p>	<p>On Track – Given recent confirmation to have LTD payments remain with York Region Payroll, next steps will involve:</p> <ul style="list-style-type: none"> - Reviewing our current PEC Overpayment Standard Operating Procedure to determine what updates need to be made to specifically capture LTD overpayments (because of CPP Disability Awards) including a clear accountability framework for tracking/monitoring and escalation (with involvement of a third-party collection agency). Meetings scheduled with Payroll and Legal in October and November to review and update our current practice. - Legal consultation will involve a revised recovery framework for those currently on a repayment plan. Legal has supported that we/the Region can revisit the current repayment arrangements we have on file for employees. Each employee will be sent a letter with a summary of their total overpayment owing, what has been paid to date and a request to contact the Region to discuss a new arrangement. - This new arrangement will involve providing them the option to use any existing 100% banks (vacation and overpayment banks) and using these funds towards their overpayment (by way of lump sum repayment) in addition to confirming an increase in monthly repayment amounts. If this cannot be established, the option to refer to a collection agency or court order will be explored. 	Q2 2022	Q4 2023

Audit Report	Recommendation	Management response	Original due date	Current due date
	<p>4.10.6 Management should review the current overpayments and work with Finance to resolve the status of uncollectible accounts.</p>	<p>On Track:</p> <ul style="list-style-type: none"> - See response for 4.10.5 - Meetings scheduled with Payroll and Legal Services in October and November to review and update our current practice. - Legal consultation will involve a revised recovery framework for those currently on a repayment plan. - Each individual case will be assessed and follow-up letters confirming the new repayment options will be communicated. 	Q2 2022	Q4 2023

Audit Report	Recommendation	Management response	Original due date	Current due date
CS – Handling of Private Information	4.3.1 Management should also consider including server information when updating the Personal Information Bank to easily identify the location and access rights to specific personal information. This would create a more complete repository of information, as well as assist the Region in a quick response in the event of a cyber breach.	Complete - Consultation was undertaken with every Department, which led to the identification of an additional 56 personal information banks (PIBs). Server information has been collected identifying the location of the PIBs thereby enhancing the Region's ability to investigate potential breaches.	Q2 2023	N/A
	4.4.1 Management should implement a list of formal inquiries that must be documented for each acquisition through the CRIT process to provide a consistent standard to the privacy assessment for all acquisitions.	Complete - A pre-CRIT Checklist has been developed and posted to the Access and Privacy Portal Page . It is designed to provide clarity of the specific privacy related terminology as well as a series of questions to be considered when procuring new technology.	Q3 2023	N/A
	4.6.1 Due to the high-risk nature of handling of private information, Management should consider requiring a refresher course for employees on an annual basis reflecting the latest roles, responsibilities and best practices outlined in the Policy. 4.6.2 As noted in Observation 4.1, the Corporate Privacy Policy requires update; accordingly, existing employees may not receive training on the new policy under the current training regimen. 4.6.3 Management should consider implementing increased awareness materials into the training program regarding the risks and implications of the internal sharing of	Broken links and outdated information have been addressed in the current iteration of the Corporate Privacy Training course IM0040 hosted on the Region's learning technology platforms. Work is being undertaken in collaboration with Corporate IAM Training Specialist to refresh the IM0040 course to further incorporate the Audit recommendations. The new iteration will reflect the 2022 Corporate Privacy Policy, include increased awareness materials regarding the risks and implications of hybrid work and current solutions for digital security. The course is 60% complete and is set to launch at the end of Q4.	Q4 2023	Q4 2023

Audit Report	Recommendation	Management response	Original due date	Current due date
	<p>personal and sensitive information. Training materials should encourage employees to remove sensitive information to meet the minimum requirements when sharing information internally.</p> <p>4.6.4 To address the concerns of legacy access provided to systems implemented before the CRIT process, training materials for management should include a recommendation that Managers periodically review access rights to the systems in which they are responsible for.</p>			

Audit Report	Recommendation	Management Response	Original due date	Current due date
PW – Water Services Billing	4.1 The Region applies late payment interest charges as allowed by the water services bylaws to recover opportunity costs associated with the late payments.	4.1.1 Staff, in collaboration with Corporate Finance, suggest that Section 4 of the Bylaw regarding late payment interest to be removed to align with the Collection of Accounts Policy, which excludes local municipalities from paying interests, and to maintain positive relationships with local municipalities. Dispute resolution regarding late payments and payments withheld by local municipalities will be integrated into the Service Level Agreement (SLA) workshops scheduled for November 2023.	Q1 2024	Q2 2024
		Staff will work on updating the Bylaw (for March 2024) to replace the 15-day timeframe with 30-day. Additionally, staff will cooperate with Legal to define roles and responsibilities in the SLA with local municipalities concerning billing and payments during invoice disputes; asking for continuous payments while credits can be applied to future bills once disputes are resolved.		
		4.1.2 See 4.1.1	Q4 2023	Q1 2024

Audit Report	Recommendation	Management Response	Original due date	Current due date
		<p>4.1.3 Staff proceeded with work to develop a standardized Water Service Level Agreement (SLA) and retained a professional facilitator to facilitate discussions with representatives from each local municipality.</p> <p>Workshops with local municipalities are expected to start in November 2023. Internal discussions with multiple groups and representatives from Legal department have started and a draft agreement will be circulated for comments by Q1 2024.</p>	Q4 2023	Q4 2023
		4.1.4 See 4.1.1	Q1 2024	Q1 2024
	4.2 The Region establish a service level agreement and dispute resolution process with all local municipalities to better formalize roles and responsibilities of the Region and the local municipalities in water distribution and wastewater collection as part of integrated service delivery.	A framework to draft a standardized SLA to outline terms and conditions related to performance measures, water quality, operations and maintenance, data sharing, capital asset planning billing and dispute resolutions, is being drafted. A facilitation plan and workshops with each local municipality to discuss the terms related to the above-mentioned components are underway. Service Level Agreement with Township of King went to Council November 2023 on private agenda.	Q4 2024	Q4 2024
	4.3 Management consider the upcoming digital enhancements to set goals for reducing the time and resources needed to create water services billings to local municipalities.	The Online Billing Portal was rolled out to the local municipalities as a pilot for testing and to gather feedback between October 2022 and June 2023. By end of year, all nine local municipalities' billing staff will have access to the online billing platform which is expected to replace manual reporting.	Q4 2024	Q4 2024

Audit Report	Recommendation	Management Response	Original due date	Current due date
	<p>4.4 To help ensure accurate and up-to-date information is provided to users of the policy, Finance should:</p> <ul style="list-style-type: none"> a) Review and update the Policy where updates are required. b) Update the link to the most current Delegation Bylaw. c) Finalize the Guidelines, taking into consideration any changes made to the Policy. 	<p>The Collection of Accounts Policy is being reviewed and will be updated to ensure alignment with the bylaw and any upcoming/proposed updates to it.</p>	Q4 2023	Q2 2024

Audit Report	Recommendation	Management response	Original due date	Current due date
FIN – Development Charges	4.1 Management should consider implementing an audit verification process to ensure DCs collected are complete and accurate. In the absence of a centralized software system, management could implement a periodic review of DC payments.	The template for submitting the development charges information required by the Region was prepared and reviewed with local municipal staff during Q3. It will be formally implemented for submissions starting January 1, 2024. Completed - Periodic paper reviews of DC payments have been implemented for selected local municipalities. It is also anticipated that some on-site reviews may be implemented in the future depending on staff availability.	Q2 2023	N/A
	4.2 Management should consider investing in an applicable automated centralized software that could track DC related data and provide real time reporting to both the locals and Region. Opportunities to coordinate with the locals on an integrated software system should be considered to increase efficiencies and provide better management oversight on completeness of DC's calculated.	No change from previous update. Awaiting the outcome of options available from the Finance Forward initiative.	Q4 2024	Q4 2024
	4.3 Management should formally document DC related procedures, roles, and responsibilities.	The final draft of the manual has been delayed. The project has been assigned to another staff member given staffing issues and completion is now anticipated for Q2 2024.	Q3 2023	Q2 2024

TABLE C – Status of Management Action Plans as at September 30, 2023

Audit Report	Recommendation	Management response	Original due date	Current due date
FIN – Payment Card Industry Data Security Standards (private)	See private Attachment			

eDocs# 15880598