



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

As at March 31, 2024

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Executive Summary

Audit Services has completed a follow-up on the status of Management Action Plans (MAPs) as at March 31, 2024. 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 September 30, 2023, and reported to Audit Committee in January 2024.
- 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 illustrates the progress management has made over the previous five-year period in addressing audit observations in public audit reports:

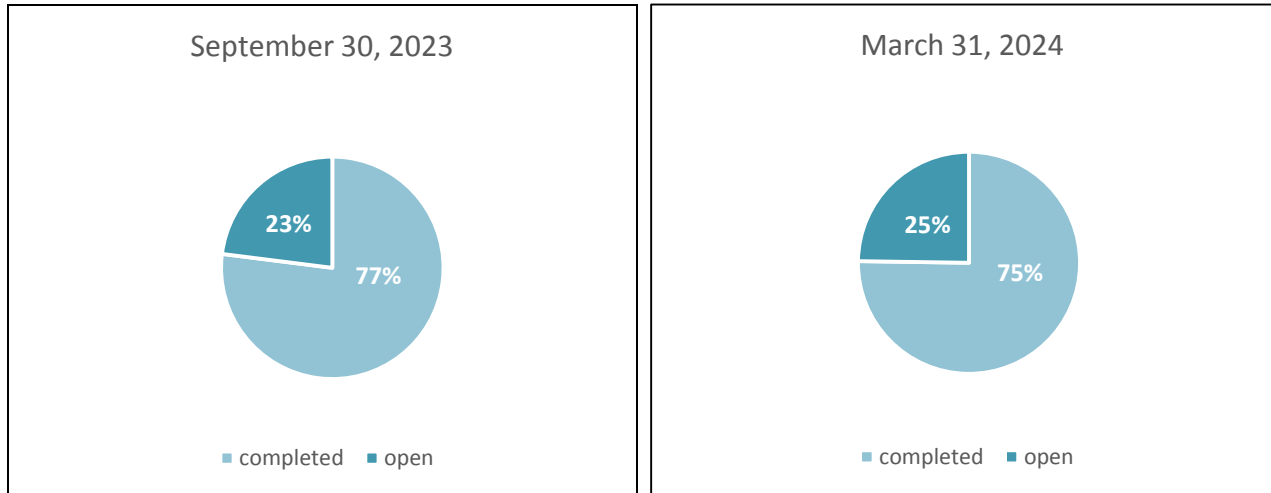
Table 1

AUDIT REPORT YEAR	TOTAL MAPS	MAPS COMPLETED (as at 03/31/24)	MAPS COMPLETED % (as at 03/31/24)
2019	32	31	97%
2020	24	24	100%
2021	10	10	100%
2022	15	9	60%
2023	24	5	21%
Total	105	79	75%

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 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



During this round, nine audit reports with a combined total of 33 open MAPs were followed up as of March 31, 2024. In total, 28 of the 54 original MAPs – or 52% – 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 52% 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 March 31, 2024, see Table B.

The Payment Card Industry Data Security Standards audit status of management action plans is reported separately in private in Table C pursuant to section 239(2)(a) of the *Municipal Act, 2001* as it concerns security of Regional Property. Similarly, the status of management action plan for observation 4.5 of the Payroll (Phase 1) audit is reported separately in private in Table C pursuant to section 239(2)(d) of the *Municipal Act, 2001* as it involves labour relations.

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

TABLE A – Summary of Status of Management Action Plans as at March 31, 2024

Audit Report	Date Reported to Audit Committee	Number of observations in Audit Report	Completed by 09/30/23	Completed for 03/31/24	Not yet complete as at 03/31/24	(%) Complete as at 03/31/24
CHS – Sexual Health Clinics	January 2020	5	4	0	1	80%
OCAO – Long-Term Disability Management & Oversight	January 2022	10	7	3	0	100%
CS – Handling of Private Information	January 2023	8	7	0	1	88%
PW – Water Services Billing	January 2023	4	0	1	3	25%
FIN – Development Charges	January 2023	3	1	0	2	33%
FIN – Payment Card Industry (PCI) Data Security Standards (private)	June 2023	11	1	1	9	18%
FIN - Payroll Audit (Phase 1) - Corporate Shared Financial Services	January 2024	5	0	2	3	40%
LCS - Court Services Revenue Management	January 2024	3	1	0	2	33%
PW - Operations & Services Waste Management and Forestry - Contaminated Recyclables	January 2024	5	0	0	5	0%
Grand Total		54	21	7	26	13%

Department Legend:

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

TABLE B – Status of Management Action Plans as at March 31, 2024

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.	Completed: External consultant procured, Public Health’s Internal Research Review Committee submission for qualitative data collection, consultation with neighbouring health unit, internal (CHS) partner focus groups and sexual health clinic client questionnaires.	Q4 2020	Q4 2024
	b) Ensure the information included in the needs assessment is current and relevant.	In progress:		
	c) Ensure all information contained in the needs assessment is directly tied to and supported by the survey results.	Qualitative data collection by consultant (focus groups and key informant interviews), data analysis of client questionnaires, additional external data collection of available sexual health services in other settings within York Region, and health equity impact assessment using draft CHS Equity Tool.		
	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	4.2 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
	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.	Completed – Q1 2024 The Employee Health Unit finalized creating the dedicated management resources on Long-term Disability: <ul style="list-style-type: none"> - Updated the Management Centre of Excellence internal portal webpage with guidance on sick leave and accommodation processes including a dedicated section on Long-term Disability content. - The creation of a Management Centre of Excellence internal portal page ensures the availability of refresher training resources. Through this portal, managers have access to self-serve resources that provide on-demand information on absence and LTD management, thereby ensuring they are equipped with the necessary knowledge to support staff effectively and meet their responsibilities. 	Q2 2022	N/A

		<ul style="list-style-type: none"> - A Management Guide has also been created to support managers through Long-term Disability applications for staff. - Additional training material on Long-term Disability has been added to the Health & Safety for Manager Training session. - A PEC Management update email was circulated in Feb 2024, highlighting the updated resources for managers. 		
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.	Previously completed.	N/A	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.	<p>Completed – Q1 2024</p> <ul style="list-style-type: none"> - The Employee Health Unit now has a Standard Operating Procedure that establishes the information management standards, in alignment with the Corporate Scanning Process. This will allow for the scanning of content from physical format to electronic format where the electronic format then becomes the authoritative 	Q4 2022	N/A

		record. The Standard Operating Procedure for this can be found in eDocs# 16122357. As a result, printing of EHU-related documentation has stopped.		
	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
	4.10 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>	Previously completed	N/A	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
	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

	<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>Completed – Q1 2024</p> <p>The PEC Overpayment Standard Operating Procedure now includes Long-term Disability overpayments resulting from Canada Pension Plan Disability awards. The new process addresses the timely repayment of outstanding funds to the Region and includes a referral to a third-party collection agency, if needed.</p> <p>Termination of Staff for non-repayment was explored with Legal Services and the recommendation was not to pursue this and to use the new repayment framework.</p>	Q2 2022	N/A
	<p>4.10.6 Management should review the current overpayments and work with Finance to resolve the status of uncollectible accounts.</p>	<p>Completed – Q1 2024</p> <p>All previous uncollectable accounts were reviewed under the new recovery process and resulted in the full recovery of many outstanding overpayments.</p>	Q2 2022	N/A
<p>CS – Handling of Private Information</p>	<p>4.6 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.</p> <p>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.</p>	<p>The updated Corporate Privacy course reflects the 2022 Corporate Privacy Policy and provides comprehensive coverage of the ten privacy principles that govern the Region’s approach to the protection of personal and personal health information. In addition, new sections on information management, IT security, privacy breaches, and resources ensure that the recommendations in this section are met by making employees aware of:</p> <ul style="list-style-type: none"> • their responsibility to confirm access permissions are up to date for any system that contains personal or confidential information. 	Q4 2023	Q2 2024

	<p>4.6.3 Management should consider implementing increased awareness materials into the training program regarding the risks and implications of the internal sharing of 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>	<ul style="list-style-type: none"> the importance of understanding the information they manage and how to ensure it is shared appropriately. This includes an overview of the policies that govern the protection and management of personal and confidential information, as well as resources that should be used when sharing information. <p>Given the significant updates to the Corporate Privacy Course, staff is considering making it mandatory for all staff, even those who took the previous version. The content of the updated Corporate Privacy course was finalized by the end of Q1 2024. Some administrative and technical complications have delayed the launch. However, the course will be available on the Region’s learning platform in Q2, 2024.</p>		
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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.	<p>Completed - Updated water and wastewater service rate bylaws (Nos. 2024-12 and 2024-13) were passed by Regional Council on March 21, 2024. Late payment interest has been removed from the bylaws to align with Collection of Accounts Policy. Updated bylaw extends timeline for payment to 30 days to better reflect local municipal processing times. Timely payment of water bills is required to be eligible for credits from an agreed upon dispute resolution process.</p> <p>Staff continue to work with local municipalities to develop a dispute resolution process to be integrated into service level agreements, with a second round of consultation workshops scheduled in May 2024. Draft service level agreement template to be shared with local municipalities in Q3 2024 for feedback.</p>	<p>Q1 2024</p> <p>Q4 2024</p>	<p>N/A</p> <p>Q4 2024</p>
	4.2 The Region establishes 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. This will help to ensure that: <ul style="list-style-type: none"> • All disputes are appropriately documented. • With periodic reviews, responsibilities can be revisited and reaffirmed. New responsibilities are clarified and agreed upon. 	<p>Staff continue to consult with local municipalities on scope and content of service level agreement through second round of consultation workshops scheduled in May 2024. Draft service level agreement template to be shared with local municipalities in Q3 2024 for feedback.</p> <p>Report seeking authority to negotiate and execute service level agreements with each local municipality to be sought from Regional Council in Q4 2024, pending need to align with local municipality council processes.</p>	<p>Q4 2024</p>	<p>Q1 2025</p>

Audit Report	Recommendation	Management Response	Original due date	Current due date
	<ul style="list-style-type: none"> As part of the service level agreement, planning and construction projects can be communicated in a timely manner to ascertain any effects on service level requirements. <p>When disputes arise, there is an intake process that requires a formal tabling of any issue(s) and avoids any unilateral action by either party. Once in process, the dispute can be adjudicated and arbitrated by an outside party.</p>	<p>Anticipate final negotiation and execution of all nine agreements to start in early 2025.</p> <p>Water Quality Service Level Agreement with Township of King regarding Schomberg Water System executed on December 14, 2023.</p>		
	<p>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.</p>	<p>Completed-</p> <p>Online billing portal is live. Access has been provided to staff at all nine local municipalities and Period 1 (Jan-Feb) water bills for 2024 were delivered through this new tool. Implementation of internal process improvements and review/analysis dashboards also completed. These initiatives have resulting in time savings of about 20% when producing routine bills, which have been reinvested to further enhance QA/QC of billing information.</p>	Q4 2024	N/A

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 has been updated to include the current Delegation Bylaw and a finalized guideline. The policy update is included with the Accounts Receivable Status report that is going to council for approval in May 2024</p>	<p>Q4 2023</p>	<p>Q2 2024</p>

Audit Report	Recommendation	Management response	Original due date	Current due date
FIN – Development Charges	<p>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.</p> <p>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.</p>	<p>No change from previous update. Awaiting the outcome of options available from the Finance Forward initiative.</p>	<p>Q4 2024</p>	<p>Q2 2026</p>
	<p>4.3 Management should formally document DC related procedures, roles, and responsibilities.</p>	<p>The development of this manual will provide direction on the assessment and treatment of the Region’s development charges in consultation with local staff. A draft of the manual is underway and bi-weekly meetings are held with locals to discuss specific case studies for inclusion into the manual. The project has been assigned to another staff member who will work to complete the manual.</p>	<p>Q3 2023</p>	<p>Q4 2024</p>

Audit Report	Recommendation	Management response	Original due date	Current due date
FIN - Payroll Audit (Phase 1) – Corporate Shared Financial Services	4.1.1 Management should ensure change access to payroll rate data and other sensitive information is regularly reviewed and updated in the payroll system and the HRMS to ensure proper segregation of duties exists and to limit access where required for staff to perform regular duties. Where restrictions exist that limit the department’s ability to fully segregate opposing duties, compensating oversight and approval controls should be implemented to help minimize the risk.	Completed. Access to employees changes related to banking have been reviewed and confirmed to be restricted to only those employees responsible for executing these types of requests.	Q4 2023	N/A
	4.2.1 Management should develop a formal process for permitted adjustments to payroll data, including the required approval level.	On track.	Q3 2024	Q3 2024
	4.2.2 Management should consider developing and implementing a standard template adjustment request form to be used for all requested changes to payroll data.	In consultation with ITS, proposed JIRA solution to capture change requests and implement approval workflows. Business requirements and workflows are dependent on process determined in item 4.2.1. JIRA system development freeze due to cloud migration occurring in Q3/Q4 2024, therefore estimated timeline for new change request form implementation would be Q2 2025 at earliest. In the meantime, Finance will continue to file all change requests in a designated electronic folder for easy reference of management approved change requests.	Q2 2025	Q2 2025

	<p>4.3.1 Management should ensure the Salary Administration Policy is updated to include the requirements for acting pay entitlement.</p>	<p>In progress.</p> <p>The updated Salary Administration Policy and Procedure Guide is currently undergoing Legal review.</p>	<p>Q2 2024</p>	<p>Q3 2024</p>
	<p>4.3.2 Total Rewards management should update the guidelines document to include the “greater than three weeks” acting pay process for non-union staff.</p>	<p>Following the review, Total Rewards will be submitting the changes to the CAO for review and approval.</p> <p>This Policy change will be coupled with a few other PEC policies for approval prior to implementation before end of Q2.</p>	<p>Q2 2024</p>	<p>Q2 2024</p>
	<p>4.4.1 Management should restrict access to change bank account information to only those Payroll and PEC employees who are responsible for executing these types of requests.</p>	<p>Completed.</p> <p>Access to employee changes related to banking have been reviewed and confirmed to be restricted to only those employees responsible for executing these types of requests.</p>	<p>Q4 2023</p>	<p>N/A</p>
	<p>4.4.2 Management should consider developing and implementing additional management oversight measures over changes to employee bank account information.</p>	<p>Completed.</p> <p>The HRMS SOP has been updated to require direct deposit changes to be completed by Payroll. SOP changes also include clarity around initial set up of employee banking and deletion upon termination.</p>	<p>Q2 2024</p>	<p>N/A</p>

LCS - Court Services Revenue Management Audit	4.1 Management should consider developing, implementing and communicating a protocol to ensure that remote employees understand and follow credit card data security measures under normal circumstances and in the event that the virtual payment terminal is unavailable.	Management has allocated resources in Q3 of 2024 to develop and update the virtual payment terminal manual with protocol on credit card data security measures and service interruption for remote employees.	Q3 2024	Q3 2024
	4.3 Management should consider reviewing existing policy and procedure documents for relevance and clarity on a periodic basis, with the date of the last review and update clearly indicated on each document.	Management remains committed to taking the necessary steps to update the Court Services Business Operations Branch Financial Procedures document and build a mechanism for ongoing review and updates.	Q2 2025	Q2 2025
PW - Operations & Services Waste Management and Forestry-Contaminated Recyclables Audit	4.1.1 Management should calculate an acceptable level of contamination and work with the local municipalities to determine the potential recovery of processing costs or revenue losses being borne by the Region.	<p>In progress – Staff reviewed waste audit data and contamination results with local municipal staff in April and May and discussed as an area of focus promotion and education to reduce contamination in blue box and green bin programs.</p> <p>Local municipalities were not agreeable to pay a portion of processing costs due to contamination. Concern was expressed several items currently considered contamination (i.e., plastic film, bags etc.) will be accepted once the program transitions to full</p>	Q4 2025	Q4 2025

		<p>producer responsibility as of January 1, 2026, and communicating this to residents would be problematic.</p> <p>Municipal sector largely focused on transition plans leading up to full transition on Jan 1, 2026. No further opportunities for advocacy of other designated packaging in green bin at this time.</p>		
	<p>4.2.1 Management should consider entering into an agreement with the local municipalities that considers, at a minimum, the sharing of the additional processing costs from excessive contamination.</p>	<p>In progress – Local municipal staff are open to development of an MOU and forming a subcommittee to develop a consistent list of acceptable items for programs.</p> <p>Staff to develop a waste audit PowerBI dashboard providing local municipal partners access to the most current data available. This data includes top contaminants and diversion opportunities for the local municipalities to focus their communication efforts to reduce excessive contamination. This dashboard is being reviewed by local municipal staff, with an official launch date of end of Q2.</p>	<p>Q4 2024</p>	<p>Q4 2024</p>

	<p>4.3.1 Management should consider partnering with the local municipalities to amalgamate the various sources of recyclables information into ‘one source of truth’ to reduce the possibility of information discrepancies.</p>	<p>In progress – Local municipal staff are supportive of developing “one source of truth document” to list acceptable items consistently for programs across all regional and local municipal communications.</p> <p>Staff to develop a waste management guide, which includes guidelines on sorting for each stream and depot information. This guide will be reviewed by the subcommittee and be distributed to the local municipalities to use for their own education programs.</p>	Q4 2024	Q4 2024
	<p>4.3.2 If the Producers are to provide their own website, management should consider removing recyclable material information from the Region’s website when service delivery is transferred to the Producers or provide a link to the Producer’s website for information.</p>	<p>In progress – Subcommittee referenced above will discuss the potential to remove recycling information from the Region’s website and direct users to the Producers’ website.</p>	Q4 2025	Q4 2025
	<p>4.4.1 Management should consider additional and ongoing public education relating to the importance of proper sorting of recyclable materials.</p>	<p>In progress – Subcommittee referenced above will evaluate promotion and education efforts from Producers (i.e., Circular Materials). Additional Regional communication efforts to supplement will be considered if Producer efforts are insufficient.</p>	Q4 2025	Q4 2025

	4.5.1 Management continue monitoring developments and impacts to the Region.	In progress - Staff will continue to monitor and assess developments leading up to transition and determine post transition performance monitoring by Q4 2025.	Q4 2025	Q4 2025
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TABLE C – Status of Management Action Plans as at March 31, 2024 (PRIVATE)

Audit Report	Recommendation	Management response	Original due date	Current due date
FIN - PCI Data Security Standards (private)	See private attachment			
FIN - Payroll Audit (Phase 1) – Corporate Shared Financial Services	4.5 – see private attachment			