



Office of the City Manager
Internal Audit Division

February 25th, 2020

To: Audit Committee:
Sadhu Johnston - City Manager
Paul Mochrie - Deputy City Manager
Patrice Impey - General Manager, Finance, Risk & Supply Chain Management
Francie Connell - Director, Legal Services

From: Tony Hui - Chief of Internal Audit
Jenny Lau - Senior Internal Auditor

Subject: **January 2020 6-Month Follow Up of Audit Recommendations**

As part of the annual Internal Audit plan, a follow-up of open audit recommendations is conducted semi-annually for all audit reports issued. This report covers all recommendations that are due on or before January 2020. The objective is to determine the extent to which audit recommendations have been implemented and whether any significant internal control weaknesses remain outstanding.

We corresponded with key individuals responsible for implementing recommendations and reviewed supporting evidence. 154 recommendations were followed up on across the City, and 65 of the recommendations have been completed. As of February 25th, 2020, there were 89 open recommendations (Appendix A). A summary is shown below:

Open recommendations at beginning of period	90
<u>Add:</u> Recommendations now due	64
Total open recommendations followed up on	154
<u>Less:</u> Recommendations completed	(65)
Open recommendations at the end of review period (Jan 2020)	<u>89</u>

Of the 89 open recommendations, four were initially targeted for completion by 2015/2016. Management has indicated that these recommendations will be completed in 2020, and progress has been made on mitigating associated risks. Work is underway for:

- REFM to complete Operating-Level Agreements for Non-Market Housing buildings
- Technology Services to finalize the draft Cloud Adoption Framework

Further details of the four open audit recommendations are listed in the table below.

Please contact me at extension 86393 if there are any questions.

Tony Hui, CPA, CA, CRMA
Chief of Internal Audit

Jenny Lau, CIA, CISA
Senior Internal Auditor

Audit recommendations initially targeted for completion by 2015/2016:

RECOMMENDATION	UPDATE	ACTION ITEM
2012 Non-Market Housing Operations Audit (Appendix A: Audit 110)		
F.1.1 Develop a service-level agreement to ensure maintenance service expectations are documented for the Non-Market Housing Operations buildings.	Operating Level Agreements are in development between REFM and key client groups which will serve as the template for other OLAs.	REFM to complete the OLA and develop a review/monitoring process for Non-Market Housing in 2020.
F.1.2 Develop a process to regularly review and monitor service levels established in the Facilities Design & Management/Non-market Housing Operations service-level agreement.		
2014 Cloud Computing Audit (Appendix A: Audit 128)		
F.1.1 The CIO should establish a cloud framework and strategy.	A draft Cloud Adoption Framework document is in draft stages and will continued to be refined over the next 6 months. Existing cloud adoption practices continue to be effective as projects and initiatives request to adopt cloud based services.	Technology Services continues to work with vendors and partners to secure our existing and planned cloud services.
F.2.1 The CIO should develop a package for communication to City employees to educate them on cloud solutions and include step-by-step instructions and responsibilities.		