



Office of the City Manager
Internal Audit Division

June 25, 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 and City Solicitor

CC: KPMG

From: Tony Hui – Chief of Internal Audit
Jennifer Chow – Senior Internal Auditor

Subject: **June 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 by June 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. As of June 18th, 2020, there were 71 recommendations that remain open (Appendix A). A summary is outlined below:

Open recommendations at beginning of period	73
<u>Add:</u> Recommendations due	25
Total open recommendations followed up on	98
<u>Less:</u> Recommendations closed	(27)
Open recommendations at the end of review period (June 2020)	<u>71</u>

Recommendations closed this period

- 18 recommendations were closed from the Tactical Training Centre (TTC) Inventory Review. REFM management indicated that resources to address the audit issues and recommendations are not available at this time and therefore accept the associated risks of the audit findings. There are an additional five recommendations for this review that remain open. REFM has indicated that a paper based inventory system and tighter access control storage has been implemented. These will be closed once supporting documentation is provided;
- Nine recommendations were completed by various departments including City Clerk's Office, Finance & Supply Chain Management, and Human Resources.

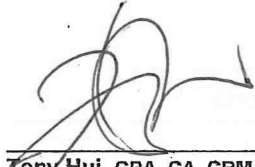
Recommendations that remain open

Of the 71 recommendations that are open and due, the following were initially targeted for completion by 2016. Management has indicated that these recommendations will be addressed in 2020 / 2021 as current efforts are focused on the COVID-19 response and recovery.

- Non-Market Housing: REFM will formalize Operating-Level Agreements for key departments to standardize service delivery;
- Cloud Computing: Technology Services will complete a Cloud Adoption Framework;

- PNE Internal Controls Audit: A business continuity and disaster recovery review will be completed in phases as budget permits;
- CCTV Compliance Audit: The CCTV Policy will be reviewed and updated to support City operations.

Details of the open audit recommendations are listed in the table below. Please contact me if there are any questions.



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