



Office of the City Manager
Internal Audit Division

August 10, 2021

To: Audit Committee:
Paul Mochrie – City Manager
Karen Levitt – Deputy City Manager
Patrice Impey – General Manager, Finance, Risk & Supply Chain Management
Francie Connell – Director, Legal Services and City Solicitor

CC: KPMG External Auditor

From: Tony Hui – Chief of Internal Audit
Carrolyn Lok – Senior Internal Auditor

Subject: **July 2021 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 July 2021. 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 of the items' completion. 88 recommendations were followed-up on across the City, and 17 of them have been completed. As of August 6, 2021, there were 71 recommendations that remain open (Appendix A):

Open recommendations at beginning of period	56
<u>Add:</u> Recommendations due	32
Total open recommendations followed up on	88
<u>Less:</u> Recommendations closed	(17)
Open recommendations at the end of review period (July 2020)	<u>71</u>

Of the 71 recommendations that are open and due, none require the immediate attention of the Audit Committee as all are ranked medium or low risk. In general, the outstanding action items relate to developing or enhancing policies and procedures, establishing monitoring and oversight processes, and conducting strategic reviews or longer-term planning processes.

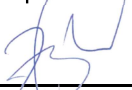
The longest-standing recommendations are two Non-Market Housing Operations Audit recommendations initially targeted for completion by 2013. This includes:

- 1) Maintenance Service Level Agreement at NMO buildings should be established and
- 2) Service levels should be regularly reviewed.

Operating level agreements are in development and a project team has been established. Management has committed to complete this by 2021.

There are also five recommendations that were due in 2016 and will be completed 2022.

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



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