



Office of the City Manager  
Internal Audit Division

September 15, 2022

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: External Auditor  
 Auditor General

From: Carmen Fuellbrandt – Chief of Internal Audit

Subject: **August 2022 Follow Up of Audit Recommendations**

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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 were due by July 31, 2022. The objective was 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 for items reported as complete. 107 recommendations were followed-up on across the City, and 24 of them have been completed. As of September 15, 2022, there were 83 recommendations that remain open (Appendix A):

Open recommendations at beginning of period	85
<u>Add:</u> Recommendations due	<u>22</u>
Total open recommendations followed up on	107
<u>Less:</u> Recommendations closed	<u>(24)</u>
Open recommendations at the end of review period (Sept 2022)	<u><u>83</u></u>

Of the 83 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.

Seven of the 83 open recommendations have been outstanding since 2017 or earlier. The related audits are: Non-Market Housing Operations, PNE Internal Controls, DCL Waiver, and Cemetery Operations. Management has indicated that work is either planned or actively underway as part of a larger strategic initiative involving multiple departments. The majority of these items are targeted for completion in 2023.

Details of all open audit recommendations are appended below. Please contact me if there are any questions.

Carmen Fuellbrandt, CPA, CMA, CIA  
Chief of Internal Audit