



February 20, 2025

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

CC: External Auditor  
Auditor General

From: Carmen Fuellbrandt – Chief of Internal Audit

Subject: **January 2025 Follow Up of Internal 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. The objective is to determine the extent to which audit recommendation action items have been implemented and whether any significant internal control weaknesses remain outstanding.

#### **A. Work Performed**

Status updates were requested for a total of 85 action items across the City, relating to open audit recommendations that were due on or before December 31, 2024.

For action items that were reported by management as having been completed, Internal Audit requested and reviewed supporting documentation as deemed appropriate to verify completeness and assessed whether the action taken fully addressed the initial issue or control gap identified.

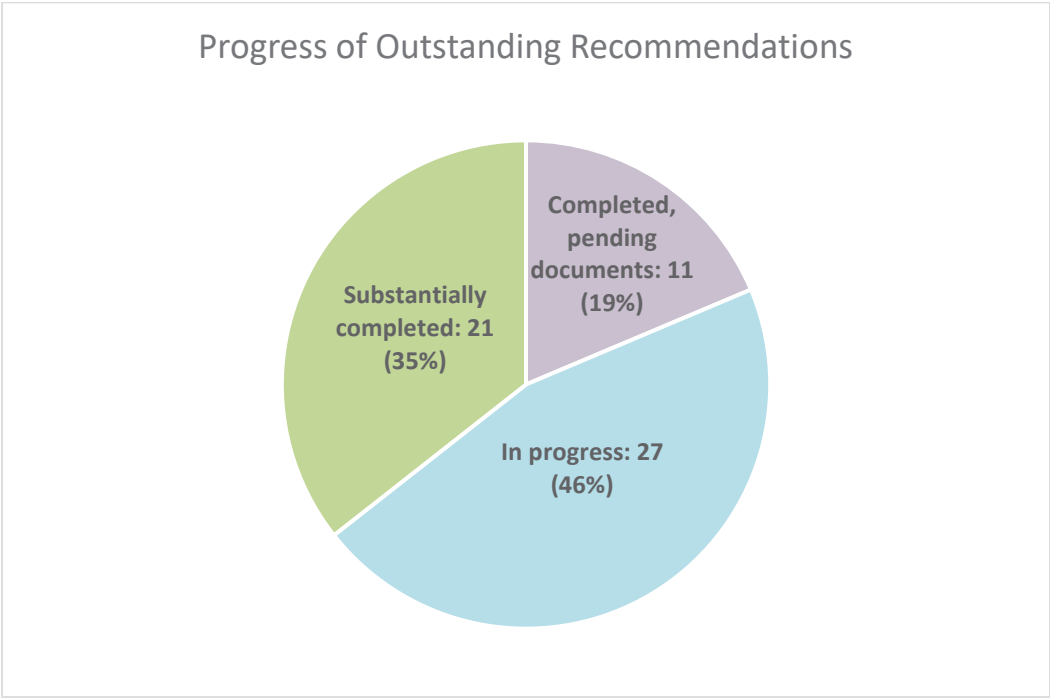
#### **B. Results**

Of the 85 open audit recommendations, 26 action items were verified as having been completed. Additionally, of the 59 items that remain open and due, none require the immediate attention of the Audit Committee as all are ranked medium or low risk.

#### Details of current status of audit recommendations

Appendix A outlines all open audit recommendations, including management's comments regarding progress made to date.

Of the 59 outstanding recommendations, 11 (19%) were reported by management as complete, but supporting documents are required to confirm their completion, 21 (35%) have been substantially completed (completion is expected within the next 6 months), and 27 (46%) are in progress.




Audit recommendations closed with alternate actions taken by management

There were five recommendations where management has either addressed the original audit issue through alternate actions or did not take further action and have accepted the associated risk. These relate to the 2021 COVID Compliance Audit, 2023 Britannia Community Centre Audit, and the 2024 Accounts Receivable Billings Audit.

Internal Audit has reviewed the explanations provided by management and determined that the alternate actions are reasonable and address the issue identified in the original audit report. For two recommendations, management has decided to not take further action and has accepted the associated risk. We consider these to be low risk and have closed them with no further follow up planned. Appendix B contains further details around these recommendations.

Please feel free to contact me if there are any questions.

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