



February 23, 2023

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: **January 2023 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. The objective is to determine the extent to which audit recommendations have been implemented and whether any significant internal control weaknesses remain outstanding.

A. Work Performed

This report covers all recommendations that were due by January 31, 2023. We corresponded with key individuals responsible for implementing recommendations and reviewed supporting evidence for items reported as complete. A total of 122 open recommendations were followed-up on across the City.

B. Results

Of the 122 open audit recommendations, 30 audit recommendations were verified as complete. Of the 92 recommendations that remain open and due, none require the immediate attention of the Audit Committee as all are ranked medium or low risk.

There were 13 recommendations that have remained open since 2018 or earlier. These related to audits covering Non-Market Housing Operations, PNE Internal Controls, Development Cost Levies (DCL) Waiver, Cemetery Operations and Non-Profit Leases. Of these 13 long-standing items, we confirmed that four are now complete, or substantially complete. Of the nine remaining items, management has indicated that six are in progress and expected to be complete within one year, and three are actively underway as part of longer-term initiatives.

Long-standing Audit Recommendations (2018 or earlier)

Current Status	# of Recommendations
Complete	4
Open (Expected to Complete Within 1 Year)	6
Open (Part of Longer-Term Initiatives)	3
Total	13

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