

February 14, 2024

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 2024 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 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 117 action items across the City, relating to open audit recommendations that were due on or before January 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 also assessed whether the action taken fully addressed the initial issue or control gap identified.

B. Results

Of the open audit recommendations, 20 recommendations were verified as complete. Of the 97 items that remain open and due, none require the immediate attention of the Audit Committee as all are ranked medium or low risk.

We also noted that all related recommendations are now complete for the Nat Bailey Stadium Review and the 2022 Cash Handling audit.

Long-standing Audit Recommendations (2019 or earlier)

There were eight recommendations that have remained open since 2019 or earlier. These related to audits covering PNE Internal Controls, Development Cost Levies (DCL) Waiver, Non-Profit Leases, Non-Market Housing Operations and Health and Safety Compliance. Of the seven remaining items, management has indicated that four are in progress and expected to be complete within one year, and three are actively underway as part of longer-term initiatives.

Details of all open audit recommendations, including management's comments regarding progress made to date, are appended below.

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