

# Audit Committee Report

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**DATE:** Thursday, September 30, 2021

**WARD(S):** ALL

**TITLE:** STATUS OF OUTSTANDING MANAGEMENT ACTION PLANS

**FROM:**

Kevin Shapiro, Director of Internal Audit

**ACTION:** FOR INFORMATION

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**Purpose**

To provide an update on the status of outstanding management action plans from previously presented audit reports.

**Report Highlights**

- Internal Audit follow-ups on outstanding audit recommendations to ensure that risks identified in audit engagements are appropriately mitigated by management.
- At the May 31<sup>st</sup> Audit Committee meeting, the Audit Committee expressed concern over the number of outstanding management actions and the amount of time it was taking for management to address them.
- The Audit Committee requested that the Director of Internal Audit, in consultation with the City Manager, bring an action plan to the Audit Committee in Q3, to address the outstanding management action items.
- Since the May 31<sup>st</sup> Audit Committee meeting, the Director of Internal Audit has had further communications with the City Manager, members of SLT-E with items still outstanding, and their Directors to discuss the status of their action plans and the need to expedite the actions.
- Management has fully implemented 7 outstanding action plans since the previous update, plus an additional 4 action plans from audit reports presented in 2021.
- The action plan due dates have been reviewed and, in some cases, amended further since the May 31<sup>st</sup>, 2021 update.

## **Recommendations**

1. That the Internal Audit Report on the Status of Outstanding Management Action Plans be received.

## **Background**

The 2020 Internal Audit Annual Report was presented by the Director of Internal Audit to the Audit Committee on May 31<sup>st</sup>. A section of the report included the annual update on the status of outstanding recommendations from previously approved audit reports. The scope of that update included 16 audit reports containing 104 recommendations approved by Council from March 2015 through December 2020. As of May 17, 2021, management had fully implemented 59 of those MAPs, or 57%. A total of 45 MAPs, or 43% were still in progress.

During the discussion of this item, the Audit Committee expressed concern over the number of outstanding management actions and the amount of time it was taking for management to address them. At the conclusion of the discussion, the Audit Committee requested that the Director of Internal Audit, in consultation with the City Manager, bring an action plan to the Audit Committee in Q3, 2021, to address the outstanding management action items.

## **Previous Reports/Authority**

[2020 Internal Audit Annual Report](#)

## **Analysis and Options**

Since the May 31<sup>st</sup> Audit Committee meeting, the Director of Internal Audit has had further communications with the City Manager, all members of SLT-E with outstanding items, and their Directors to discuss the status of their action plans and the need to expedite the actions. All agreed that the risk identified in the original audit reports still applied and the recommendations need to be actioned to ensure the risks were appropriately mitigated. Management has fully implemented 7 outstanding action plans since the previous update, plus 4 additional action plans from audit reports presented in 2021. For some of the remaining outstanding items, implementation completion dates have been further amended.

The scope of this update now includes the audit reports presented in 2021.

Attachment 1 summarizes the number of audits completed and recommendations issued by report. This includes 19 audit reports containing 120 recommendations approved by Council from March 2015 through May 2021. As of September 14, 2021, management has fully implemented 70 of those MAPs, or 58%. A total of 50 MAPs, or 42% are in progress.

**Financial Impact**

There are no direct economic impacts associated with this report.

**Broader Regional Impacts/Considerations**

Not applicable.

**Conclusion**

Internal Audit will continue to follow-up on management action plans to ensure that risks identified in audit engagements are appropriately mitigated by management.

**For more information**, please contact: Kevin Shapiro, Director of Internal Audit, ext. 8293

**Attachments**

1. Status of Outstanding Management Action Plans

**Prepared by**

Kevin Shapiro, Director of Internal Audit, ext. 8293

**Approved by**A handwritten signature in black ink, appearing to be 'K. Shapiro', with a long horizontal line extending to the right.

Kevin Shapiro, Director of Internal Audit