

August 15, 2024

To: Audit Committee:
Paul Mochrie – City Manager
Karen Levitt – Deputy City Manager
Julia Aspinall – Director, Financial Services
Francie Connell – Director, Legal Services and City Solicitor

CC: External Auditor
Auditor General

From: Carmen Fuellbrandt – Chief of Internal Audit

Subject: **July 2024 Follow Up of Internal 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 132 action items across the City, relating to open audit recommendations that were due on or before June 30, 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, 58 action items were verified as having been completed. Of the 74 items that remain open and due, none require the immediate attention of the Audit Committee as all are ranked medium or low risk.

Audits with all recommended action items fully completed

We have confirmed that all related recommendations are now complete for the Business Continuity Management Audit, Safety Compliance Audit, Non-Profit Leases Audit and Employee Benefits Audit.

Long-standing audit recommendations (2019 or earlier)

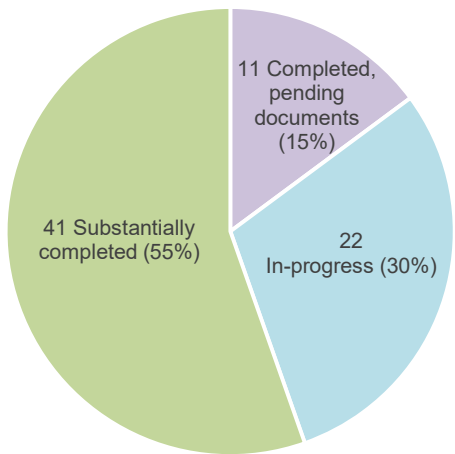
There are four recommendations that have remained open since 2019 or earlier. These relate to audits covering PNE Internal Controls, Development Cost Levies (DCL) Waiver, Non-Market Housing Operations, and Health and Safety Compliance. Of the four remaining items, management has indicated that two are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

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 74 outstanding recommendations, 11 were reported by management as complete, but supporting documents are required to confirm their completion, 41 have been substantially completed (completion is expected within the next 12 months), and 22 are in progress.

Progress of Outstanding Recommendations



Appendix B lists three recommendations that were closed with alternate actions taken by management, along with explanations provided for the changes. This may be due to organization changes, project changes, or shifts in management goals since the time of the issuance of the original audit. We consider these items to now be closed.

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

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