Outstanding Audit Recommendations Follow Up Audit Report

December 2007

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1.0 Management Summary

Audit Services has completed a follow up of outstanding audit recommendations. These recommendations are comprised of:

1. Audit recommendations that were noted as 'not yet completed' in our previous outstanding audit recommendations follow up audit report dated October 2006.
2. Any new audit report recommendations issued up to and including December 31, 2007.

There were 117 audit recommendations originally issued through the ten audit reports currently on our list for follow up. Prior to this review, 73 audit recommendations, or 63% had been implemented. From the remaining 44 recommendations, 16 have been implemented. At December 31, 2007, 28 recommendations, or 24% of the original 117 recommendations issued, have not yet been implemented.

For a detailed summary of audit reports followed up and recommendations issued, completed and outstanding, please refer to section 5.0. Additional detail is available upon request from the Director, Audit Services**.**

2.0 Introduction

As part of our 2007 Audit Plan, which accommodates various types of audit projects, consulting engagements, and follow up requests from the Audit Committee and Management, the Audit Services Branch performed a follow-up of outstanding audit recommendations. These recommendations included those noted as outstanding in our October 2006 audit recommendations follow up audit report, and all new recommendations issued in audit reports up to and including December 31, 2007.

The Audit Plan, approved by York Region's (the Region's) Audit Committee, is developed annually by the Audit Services Branch using a Risk Assessment Methodology that helps to define the different risks associated with the various processes here at the Region. It is one tool that Audit Services uses in assessing where best to allocate audit resources.

On a periodic basis, Audit Services updates the Regional Audit Committee and the Chief Administrative Officer (CAO) on the status of issued audit recommendations. To provide this update, Audit Services contacts Commissioners and Directors to confirm the status of the issued recommendation(s) relating to their area. In some cases, the status is further validated directly by Audit Services through discussions and / or detailed testing. This is an integral part of our audit process that allows us to confirm that the opportunities for improvement outlined in the audit report(s) have been implemented.

Department heads were e-mailed requests containing:

1. A summary of outstanding audit recommendation(s) for their area.
2. A request to provide a status update and a confirmation of the original due date for implementation of the recommendation, or a new anticipated implementation date if necessary.

Management Action Plans that detailed what was being done to implement the recommendation(s), was also requested.

Finally, an Executive Sign-off Form, to be signed by the Commissioner and Director responsible for the implementation of the recommendation(s), was also sent.

Audit reports issued after December 31, 2007 will be followed up in the future.

3.0 Objectives and Scope

The objective for this engagement was:

- To provide feedback to the York Region Audit Committee and CAO, as to the disposition of issued audit recommendations.

The audit scope to accomplish this objective was:

- All outstanding audit recommendations issued prior to December 31, 2007.

4.0 Detailed Observations and Recommendations

4.1 Detail Summary Statistics for Outstanding Audit Recommendations Followed Up

Observation

Table A summarizes the outstanding audit recommendations followed up for this review.

Original signed

Paul Duggan

Director Audit Services

Summary of Outstanding Audit Recommendations Follow up

Audit Report	Responsible Management	Number of opportunities originally highlighted	Previously completed	Completed for this review	Not yet complete	% Not yet complete	Date of Audit Report	Date Reported to Audit Committee
Network Security Assessment	Finance - IT	34	30	2	2	5.9%	Dec-00	Jun-01
Procurement & Accounts Payable 1	Finance - Financial Services and Supplies & Services	8	1	4	3	37.5%	Nov-06	Nov-06
Procurement & Accounts Payable 2	Finance - Financial Services and Supplies & Services	7	0	3	4	57.1%	Oct-07	Nov-07
Revenue Streams	Finance - Business Planning & Budgets CAO Office	18	14	0	4	22.2%	Apr-06	Jun-06
Finance - Payroll	Finance - Payroll Corporate Services - Human Resources	6	0	1	5	83.3%	Oct-07	Nov-07
Fleet Audit - Corporate Level	Finance - Policy, Risk & Treasury	8	5	1	2	25.0%	Apr-05	Jun-05
Property Services Branch - Compliance	Corporate Services - Property Services	16	12	3	1	6.3%	Mar-04	Jun-04
Property Services Branch - Lease Tracking	Corporate Services - Property Services	11	9	0	2	18.2%	Sep-05	Mar-06
YRT - VIVA Fare Media Cash & Inventory Controls	Transportation - YRT	6	2	2	2	33.3%	Jan-07	Feb-07
YRT - Contract Governance	Transportation - YRT	3	0	0	3	100.0%	Sep-07	Nov-07
	Totals	117	73	16	28	24%		