Outstanding Audit Recommendations Follow Up Audit Report

January 2004

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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 September 2003.
2. Any new audit report recommendations issued up to and including December 31, 2003.

There were 139 audit recommendations originally issued through the 13 audit reports currently on our list for follow up. Prior to the December 2003 review, 86 audit recommendations, or 62% had been implemented. From the remaining 53 recommendations, 26 have been implemented. As of December 2003, 31 recommendations, or 19% of the original 139 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.

The responses Audit Services received to determine the status of audit recommendations have been reviewed and authorized by the applicable Commissioners and Directors. All outstanding recommendations have updated commitments from management for revised implementation dates.

Should the reader have any questions or require a more detailed understanding of the risk assessment and sampling decisions made during this audit, please contact the Director, Audit Services.

We wish to thank the Commissioners, Directors, and their staff for their co-operation and assistance in providing Audit Services with timely responses.

2.0 Introduction

As part of our 2004 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 September 2003 audit recommendations follow up audit report, and all new recommendations issued in audit reports up and including December 31, 2003.

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, and the last management response(s) relating to the recommendation(s).
2. A request to provide a status update and anticipated implementation date for the recommendation(s).

Management was asked to review the outstanding recommendation(s) and provide Audit Services with a confirmation as to the stated due date, or a revised due date. 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, 2003 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 January 1, 2004.

4.0 Methodology

The approach taken for this phase of the review included:

- Requesting a status update for issued and outstanding audit recommendations from Commissioners and Directors.
- Reviewing status update responses to determine which audit recommendations remain outstanding and which have been implemented.
- For recommendations not yet implemented, to review the response relating to the work-in-process to determine if progress has been made.
- Discussion with management to clarify and questions arising from their responses.

5.0 Detailed Observations and Recommendations

5.1 Summary Statistics Detail re: Outstanding Audit Recommendations Followed Up

Observation

Below is a table that summarizes the outstanding audit recommendations followed up for this review:

Audit Report	Number of opportunities originally highlighted	Previously completed (1)	Completed for this review	Not yet complete (2)	% Not yet complete	Date of Audit Report	Date Reported to Audit Committee	Responsible Management (3)
Review of Regional Emergency Plans	5	2	2	1	20.0%	December-00	March-01	Executive Director, Strategic Initiatives and Administration Director Emergency Measures
Review of Disaster Recovery Planning	19	14	0	5	26.3%	October-00	June-00	Commissioner Finance Executive Assistant to the Director IT Services
Network Security Assessment	34	23	0	11	32.4%	December-00	June-01	Commissioner Finance Executive Assistant to the Director IT Services
PeopleSoft Financials Upgrade V.7.01	13	4	7	2	15.4%	February-02	March-02	Commissioner Finance Executive Assistant to the Director IT Services
Project Management Review	4	0	2	2	50.0%	February-02	March-02	Commissioner Finance Executive Assistant to the Director IT Services
PeopleSoft HRMS Upgrade - Testing Controls Review	4	0	3	1	25.0%	February-02	March-02	Commissioner Finance Executive Assistant to the Director IT Services
Review of Court Administration Branch	14	13	1	0	0.0%	March-01	June-01	Commissioner Corporate Services Director Court Administration Branch

Audit Report	Number of opportunities originally highlighted	Previously completed (1)	Completed for this review	Not yet complete (2)	% Not yet complete	Date of Audit Report	Date Reported to Audit Committee	Responsible Management (3)
POA Court - South Service Centre	10	9	0	1	10.0%	June-02	March-03	Commissioner Corporate Services Director Court Administration Branch
Audit of year-end reconciliations for the Wage Subsidy Program	8	4	4	0	0.0%	July-02	November-02	Commissioner Community Services & Housing Director Family & Children's Services
Emergency Medical Services - Compliance Audit Report	14	12	0	2	14.3%	May-02	June-02	Commissioner & Medical Officer of Health General Manager Emergency Medical Services
Procurement Review - Financial Services and Supplies & Services	3	2	1	0	0.0%	May-03	June-03	Commissioner Finance Director Financial Services & Deputy Treasurer Director Supplies & Services
Ontario Coin Services - York Region Transit (4)	2	0	0	2	100.0%	July-03	October-03	Commissioner Transportation & Works General Manager York Region Transit
Homemaker & Nursing Services Program Compliance Audit (4)	6	3	3	0	0.0%	September-03	October-03	Commissioner Community Services & Housing Director Family & Children's Services

Audit Report	Number of opportunities originally highlighted	Previously completed (1)	Completed for this review	Not yet complete (2)	% Not yet complete	Date of Audit Report	Date Reported to Audit Committee	Responsible Management (3)
Review of the Family and Community Health Division Compliance Audit (4)	3	0	3	0	0.0%	October-03	October-03	Commissioner & Medical Officer of Health Director C&FH & Chief Nursing Officer
Results for Dec 2003 review	139	86	26	27	19.4%			
Results for Oct 2003 review	137	82	10	45	32.8%			
Results for Mar 2003 review	151	84	17	50	33.1%			

Notes:
(1) Audit recommendations completed by Region management since last follow up - September 2003.
(2) Audit recommendations not yet completed by Region management as of December 2003.
(3) As per audit report.
(4) Recently added audit reports.