



***Outstanding Audit
Recommendations Follow Up
Audit Report***

May 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 March 31, 2007.

There were 151 audit recommendations originally issued through the 12 audit reports currently on our list for follow up. Prior to this review, 103 audit recommendations, or 68% had been implemented. From the remaining 48 recommendations, 20 have been implemented. At March 31, 2007, 28 recommendations, or 19% of the original 151 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.

Audit Services receives departmental responses to our queries into the status of audit recommendations once they have been reviewed and authorized by the applicable Commissioners and Directors. From these responses, we are able to determine the status of the audit recommendations. However, for this review, Audit Services was not able to obtain department responses in a timely manner. As a result, some of the statistics presented represent Audit Services' understanding of the status of the recommendations based on meetings held during the course of our review.

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 March 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, and the last management response(s) relating to the recommendation(s).
2. Requests 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 March 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 March 31, 2007.

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:

**Outstanding Audit Recommendations Follow Up Report
May 2007**

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
Review of Disaster Recovery Planning	Commissioner Finance and Treasurer Director IT Services	19	18	1	0	0.0%	Oct-00	Jun-00
Network Security Assessment	Commissioner Finance and Treasurer Director IT Services	34	30	0	4	11.8%	Dec-00	Jun-01
Disaster Recovery Plan Test	Commissioner Finance and Treasurer Director IT Services Director Financial Services & Deputy Treasurer	4	3	1	0	0.0%	Feb-05	Mar-05
IT Computer Lease Tracking	Commissioner Finance and Treasurer Director IT Services	6	3	3	0	0.0%	May-06	Jun-06
Treasury Operations	Commissioner Finance and Treasurer Director Treasury Director Financial Services & Deputy Treasurer	12	10	2	0	0.0%	Aug-05	Mar-06
Procurement & Accounts Payable	Commissioner Finance and Treasurer Director Financial Services Director Supplies & Services	8	0	1	7	87.5%	Nov-06	Nov-06
Revenue Streams	Commissioner Finance and Treasurer Commissioner Transportation & Works	18	12	2	4	22.2%	Apr-06	Jun-06
Fleet Audit - Corporate Level	Commissioner Finance and Treasurer Commissioner Transportation & Works Commissioner of Health Services Administration	8	1	4	3	37.5%	Apr-05	Jun-05
Property Services Branch - Compliance	Commissioner Corporate Services Director Property Services Branch	16	11	1	4	25.0%	Mar-04	Jun-04
Property Services Branch - Lease Tracking	Commissioner Corporate Services Director Property Services Branch	11	7	2	2	18.2%	Sep-05	Mar-06
Fleet Audit - EMS	Commissioner Finance and Treasurer Commissioner of Health Services Administration	9	8	1	0	0.0%	Apr-05	Jun-05
YRT - VIVA Fare Media Cash & Inventory Controls	Commissioner Transportation & Works General Manager Transit Director Business Support Services	6	0	2	4	66.7%	Jan-07	Feb-07
Results for March 31, 2007		151	103	20	28	19%		