Outstanding Audit Recommendations Follow Up Audit Report

October 2005

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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 March 2005.
2. Any new audit report recommendations issued up to and including May 31, 2005.

There were 132 audit recommendations originally issued through the eleven audit reports currently on our list for follow up. Prior to this review, 84 audit recommendations, or 64% had been implemented. From the remaining 48 recommendations, 21 have been implemented. At October 2005, 27 recommendations, or 21% of the original 132 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. 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 2005 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 March 2005 audit recommendations follow up audit report, and all new recommendations issued in audit reports up to and including May 31, 2005.

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 May 31, 2005 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 June 1, 2005.

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	Responsible Management	# of opportunities highlighted (1)	Previously completed (2)	Completed for this review (3)	Not yet complete	% Not yet complete	Date of Audit Report	Date Reported to Audit Committee
Review of Disaster Recovery Planning	Finance	19	16	0	3	15.8%	Oct-00	Jun-00
Network Security Assessment (5)	Finance	34	25	4	5	17.6%	Dec-00	Jun-01
PeopleSoft Time & Labour Module	Finance	13	11	2	0	0.0%	Nov-04	Nov-04
Disaster Recovery Plan Test (4)	Finance	4	2	0	2	50.0%	Feb-05	Mar-05
Property Services Branch - Compliance Audit Report	Corporate Services	16	10	1	5	31.3%	Mar-04	Jun-04
OCCMS - Functional Testing & Web Security Assessment	Community Services & Housing	15	9	4	2	13.3%	Nov-04	Nov-04
SDMT Audit Report (4)	Finance and Community Services & Housing	4	2	2	0	0.0%	Feb-05	Mar-05
HYI - Rent Collection (4)	Community Services & Housing and Housing York Inc.	3	1	2	0	0.0%	Apr-05	Jun-05
Fleet Audit – Corporate (4)	Finance and Transportation & Works and Health Services	8	1	1	6	75.0%	Apr-05	Jun-05
Fleet Audit – EMS (4)	Health Services and Finance	9	2	5	2	22.2%	Apr-05	Jun-05
Fleet Audit – YRT (4)	Transportation & Works and Finance	7	5	1	1	14.3%	Apr-05	Jun-05
	Results of October 2005 follow up	132	84	21	27	20.5%		

Notes:
(1) As per audit report.
(2) Audit recommendations completed by Region management before this follow-up review.
(3) Audit recommendations completed for this review, as noted by Region management.
(4) Recently added audit report(s).
(5) Three audit recommendations were retired. Audit Services is presently performing a new audit in this area and due to the technical nature of the original recommendations they were deemed as no longer relevant in the current environment. The remaining five recommendations are process related and remain relevant.