

**CITY OF VAUGHAN**

**EXTRACT FROM COUNCIL MEETING MINUTES OF NOVEMBER 15, 2016**

Item 2, Report No. 11, of the Finance, Administration and Audit Committee, which was adopted without amendment by the Council of the City of Vaughan on November 15, 2016.

**2                    INTERNAL AUDIT REPORT – STATUS OF MANAGEMENT ACTION PLANS**

**The Finance, Administration and Audit Committee recommends approval of the recommendation contained in the following report of the Director of Internal Audit, dated October 31, 2016:**

**Recommendation**

The Director of Internal Audit recommends:

1. That the Internal Audit Report on the Status of Management Action Plans be received.

**Contribution to Sustainability**

Internal Audit activities and reports contribute to the sustainability of the City by providing advice and assurance that controls supporting the delivery of services and programs are effective. Longer term sustainability needs the support of good, efficient risk mitigation strategies. Internal Audit can provide support for that sustainability by providing independent advice and assurance.

**Economic Impact**

There are no direct economic impacts associated with this report.

**Communications Plan**

Not applicable.

**Purpose**

To present to the Finance, Administration and Audit Committee the Internal Audit Report on the Status of Management Action Plans.

**Background - Analysis and Options**

Follow up of Internal Audit recommendations through Management Action Plans (MAPs) is performed to ensure that management actions have been effectively implemented and appropriate controls and processes have been put in place to mitigate risks identified during the audit.

For every recommendation, management provides Internal Audit with the name of the individual who is accountable and responsible for implementing the MAPs and an estimated completion date. Internal Audit assesses the estimated completion date for reasonableness and timeliness of the action, based on the assessed risk.

The individual who is accountable for implementing the MAPs provides Internal Audit with a written update on their progress shortly before the implementation deadline approaches. The update includes whether each MAP has been completely implemented, is still in progress, or is not yet started. If a MAP has been completely implemented, Internal Audit will verify that the action has been implemented and that it addresses the risk outlined in the report.

Management provides a detailed explanation if an action plan is still in progress or not yet started and provides a new estimated completion date. Internal Audit assesses the new estimated completion date for reasonableness and timeliness, based on the assessed risk.

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Council requested that Internal Audit provide an annual report on the status of completed and outstanding management action plans to address audit report recommendations.

The scope of this report includes eight audit reports containing 44 recommendations presented to the Finance, Administration and Audit Committee (FA&A) from October 2012 through December 2015. As of October 11, 2016 management has fully implemented 18 of those MAPs, or 41%. A total of 25 MAPs, or 57% are in progress, and 1 MAP has been deferred.

Internal Audit continues to communicate with management and monitor progress toward full implementation on an ongoing basis. In some instances, action plans are still in progress due to the September 2015 organizational realignment and reprioritization of initiatives to align with the Term of Council Service Excellence Strategy Map. Staff are committed to following up on the Management Action Plans identified by the Internal Audit department. In-progress recommendations will be included in the 2017 departmental business plans so that they are tracked, resourced and prioritized along with operational activities and capital projects.

**Relationship to Term of Council Service Excellence Strategy Map (2014-2018)**

This report supports the Term of Council Priority: Continue to Advance a Culture of Excellence in Governance, and the Service Excellence Initiative: Demonstrating Value for Money.

**Regional Implications**

Not applicable.

**Conclusion**

The Internal Audit report on the Status of Management Action Plans is attached as Attachment 1. The report provides updated information on the implementation status of recommendations made in audit reports which were publicly reported through Finance, Administration and Audit Committee. A table summarizing the number of audits completed and recommendations issued by report is included as Attachment 2.

Internal Audit will continue to monitor the status of Management Action Plans and look for further opportunities to improve our follow up process. We will continue to report the results of our follow up to the Finance, Administration and Audit Committee on an annual basis.

**Attachments**

1. Internal Audit Report – Status of Management Action Plans
2. Internal Audit Summary of Audits and Status of Recommendations

**Report prepared by:**

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Director, Internal Audit

(A copy of the attachments referred to in the foregoing have been forwarded to each Member of Council and a copy thereof is also on file in the office of the City Clerk.)