The Regional Municipality of York

Audit Committee
January 9, 2019

Report of the Director, Audit Services

Audit Services Branch Report

1. Recommendation

1. Council receive this report for information.

2. Summary

This report provides an update on the activities of the Audit Services Branch since the last Audit Committee meeting.

The audit report for Transportation Services – Engie Services Inc. Contract Management Audit Report, Attachment 3 is private as it deals with a position to be applied to any negotiations to be carried on by the Region.

The follow up report, Attachment 4, Tables C and D are in private as the original reports to Audit Committee were in private as they dealt with the security of property of the Region.

3. Background

On October 11, 2000 the Audit Committee approved the development of the Audit Services function through the report of the Chief Administrative Officer. The Audit Committee Charter indicates the Audit Committee is to meet at least twice a year.

4. Analysis

Audit Plan Execution

The Audit Services Branch has been actively executing the approved 2015-2018 Four Year Audit Plan and other consulting engagements. A summary of the activities since the last Audit Committee meeting is outlined in Attachment 1.

Audit Reports Issued

The Audit Reports issues since the last Audit Committee meeting are:

- Corporate Services – Health & Safety on Property Services Capital Projects Audit Report (Attachment 2)
- Transportation Services - Engie Services Inc. Contract Management Audit Report, (Private Attachment 3)
- Outstanding Audit Recommendations Follow Up Report (Attachment 4)

Audit Services Branch supports Vision 2051

The Audit Services Branch, through both audit and consulting engagements, assists the Region in achieving operational excellence and fiscal responsibility, which are two of the action areas in Vision 2051 under Open & Responsive Governance. The audit and consulting assignments assist management in ensuring processes are efficient, effective and economical.

5. Financial

Audit Services Branch will manage its workload within the Audit Services budget.

6. Local Impact

The Audit Services Branch provides audit services to seven of the local municipalities through an Audit Services Memorandum of Understanding, on a cost recovery basis.

7. Conclusion

A follow up of outstanding audit recommendations for audit reports issued prior to September 30, 2018 indicates that management remains cognisant and active in implementing Audit Services recommendations.

Audit Services continues to work with Region management at all levels to provide them with an independent, objective assurance and consulting activity designed to add value and improve the Region's operations. Audit Services does this by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes through guidance provided by the *International Standards for the Professional Practice of Internal Auditing.*

For more information on this report, please contact Paul Duggan, Director, Audit Services at 1-877-464-9675 ext. 71205. Accessible formats or communication supports are available upon request.

Recommended by:

Paul Duggan
Director, Audit Services

December 17, 2018
Attachments (3)
Private Attachments (3)
eDocs # 9023887

York Region
Audit Services Branch Activities

Project Name	Status
1. Audit Risk Assessment and 2019 - 2022 Audit Plan	➢ Completed
2. Corporate Services – Health and Safety Capital Projects	➢ Completed
3. Transportation Services – Engie Services Inc. Contract Management Audit Report	➢ Completed
4. Outstanding Audit Recommendations Follow Up Audit Report	➢ Completed
5. Community & Health Services – Ontario Works Audit Report	➢ Reporting
6. Finance – Treasury Audit Report	➢ Reporting
7. Petty Cash Review	➢ In progress
8. Finance – Information Technology Services – Security Audit	➢ Planning
9. Application implementation reviews	➢ In progress
10. Forensic Investigations	➢ In progress
11. Continuous Control Monitoring Project	➢ Ongoing
12. Audit Services for the Audit Services Memorandum of Understanding for 7 of the local municipalities	➢ Ongoing

Corporate Services – Health & Safety on Property Services Capital Projects Audit Report

June 2018

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1.0   Management Summary

Audit Services has completed an audit of Corporate Services – Health & Safety on Property Services capital projects. The focus of our review was to determine whether adequate controls are in place and designed to help ensure contractors remain vigilante of related health and safety risks to minimize potential exposures. The review included:

- Assessing the level of importance assigned to health and safety in prequalification documents.
- Determining if the required health and safety related documents were collected for five closed capital projects as per the Human Resources - Contractor Constructor Safety Policy (Policy) and Contractor Constructor Program and Safety Guideline (Guideline).
- Reviewing capital delivery project attendance and the necessary training offered by Human Resources.
- Attendance at five active capital projects with the Contactor Safety Specialist to observe how the Region assists the contractor in remaining aware of potential health and safety issues.

Our audit was conducted in accordance with the *International Standards for the Professional Practice of Internal Auditing.*

Based on the audit work performed, we conclude that overall there is a sufficient level of internal controls for the management of health and safety related risks in Property Services capital projects.

Opportunities to strengthen internal controls and processes have also been identified. These included:
- Ensuring all the necessary documents are collected as per the Contractor / Constructor Safety Guideline.
- Relevant personnel attend the Contractor Safety Construction Projects course offered by Human Resources as a refresher to the collection of documentation and their importance.
- Updating the Contractor / Constructor Safety Policy and Guideline.

Strengths noted during the audit included:
- Potential bidders for Property Services capital projects are prequalified to help ensure their experience and health & safety processes are adequate.
- Currently there is a project underway in Property Services to provide a more structured environment in eDOCS to store documents collected during project phases and to help ensure all relevant documents are available when required.
- The Human Resources Contractor Safety Auditor periodically visits Property Services capital project sites to help ensure projects are being delivered in a manner that keeps the health & safety of the public, contractor and Region employees in the forefront.

The observations in this report have been discussed with Property Services and Human Resources Services management, who have provided us with their comments and who have agreed to take the necessary action to implement the recommendations.

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.

Audit Services would like to thank Property Services and Human Resources Services staff and management for their co-operation and assistance provided during the audit.

2.0   Introduction

The Capital Delivery and Engineering unit of the Property Services Branch is responsible for the planning, design, development, construction and commissioning of all building facility projects being developed by the Region.

These projects include the construction of new facilities, renovations and rehabilitation of existing facilities, security systems design and implementation, and accessibility planning and implementation.

Staff in the Capital Delivery and Engineering unit is responsible for the project management of corporate initiatives as well as client based projects related to the space and accommodation requirements of all the Region's departments.

At the time of our audit, the total budgeted value of the 16 active capital projects in the process of being delivered by Property Services was approximately $131.9 million, which includes the Annex worth $98.3 million.

The Contractor / Constructor Policy was established to promote hazard awareness and outline York Region's expectations for occupational health and safety as it relates to contractors / constructors. The expectation of the Policy and the accompanying Guideline is that the health and safety of everyone will be respected. Contractors / constructors are expected to establish a safe and healthy workplace and comply with all applicable legislation while working on behalf of the Region.

The contractor / constructor has the ultimate responsibility for the health and safety of everyone on the job site, whether their own employees, subcontractors or Region employees. The role of the Contractor Safety Specialist is to assist, through the performance of field audits, in helping to ensure the contractor / constructor is achieving the expectation of respecting the health and safety of all parties. When situations arise where this expectation may not be met, the Contractor Safety Specialist formally advises the contractor / constructor for rectification.

Audit Services attended five active capital project sites to observe the Contractor Safety Specialist audit process. Sites were toured with the Site Supervisors and hazards notice on the tour were identified and discussed. Field Audit Reports were prepared by the Contractor Safety Specialist and emailed to project and contractor management. Most identified hazards were addressed by the next day. Within five business days all hazards had be adequately addressed.

To deliver a capital project the Property Services Branch prequalifies potential bidders by providing them with high level project specifications for the proposed work. Interested potential

bidders are then required to submit information relating to their experience in similar projects, individual personnel experience and health & safety documentation. Starting in January 2018 potential bidders are required to be Certificate of Recognition (COR™) registered. In January 2020, potential bidders will be required to be COR™ certified.

COR™ is a tool that is used by employers to assess their health and safety management system. It is currently being used across Canada and is a pre-qualification requirement for many contractors working on public and private sector projects.

Respondents who prequalified are then provided more details to the capital project and asked to bid to complete the work.

Before the work begins, the Policy and Guideline requires the submission of a number of health and safety related documents that are to be signed by the bidder and collected by Region. These documents cover health & safety concerns including assigned responsibilities, health & safety requirements, hazard assessments and workplace insurance.

Once a capital project has commenced, the Region's Contractor Safety Specialist will attend the pre-construction meeting and may also attend progress meetings. The Contractor Safety Specialist will also visit and audit worksites for health and safety related risks. At the conclusion of the visit, a Field Audit Report for Construction Projects is left with the contractor and Project Manager to address any noted observations.

The contractor is responsible for correcting observations to the requirements of the Ontario Health & Safety Act and other related legislation, and notifying the Region of the corrections.

3.0   Objectives and Scope

The objectives of this engagement were to:
- Determine what requirements exist for health & safety on Property Services capital projects.
- Determine what documentation is required to be produced by the Region and by the contractor, and are those documents produced and collected if necessary.
- Determine how the capital projects are monitored for health and safety.

The audit objectives were accomplished through:
1. Interviews with those individuals responsible for determining the health and safety requirements for Property Services capital projects.
2. A review of Property Services contract documents to determine if health and safety responsibilities are clearly indicated.
3. A review of health and safety documentation produced and / or collected.
4. Attendance at project sites to observe adherence to health and safety requirements.

4.0 Detailed Observations

4.1 Property Services continue implementing a workable solution to govern the filing of capital project documentation

Observation

The present eDocs filing strucure for capital project electronic files (which includes health & safety documentation collected from the contractor) is not based on a predetermind filing structure. Thus health & safety documentation may not be easily located. It is also possible that documentation could reside in other formats or areas, i.e. paper files, c: drives, g: drives or emails.

The Property Services Branch is currently working on a branch-wide project to develop an eDocs filing structure based on each operations requirements. The filing structure will also capture requirements for health & safety documentation filing for capital projects.

Recommendation

Property Services should continue identifying and implementing workable solutions to create a capital project filing structure for project documentation.

Management Response

Property Services:
Property Services will continue to develop project filing structure in 2019. Specifically for the H&S documents, the filing structure will be ready for testing by the end of Q2, 2019, with full implementation by the end of Q3 2019.

4.2 Health & safety documentation should be collected as per the Contractor Constructor Safety Policy and Guideline, and the Contractor Safety Specialist should be notified of capital projects as per the Policy and Guideline

Observation

Our review of five recently closed capital projects highlighted that the majority of the documents required as per the current Policy and Guideline are not being collected.

One of the capital projects reviewed related to an emergency purchase. As per discussion with personnel, the overriding focus for the emergency project becomes to accomplish the work required as soon as possible and minimize the disruption being caused. The collection of documentation is by-passed.

We also observed that the Contractor Safety Specialist may not always be notified for smaller projects in terms of budget and project time duration.

The Policy and the Guideline do not contain a dollar or time threshold to be used when deciding whether or not a notification should be sent to the Contractor Safety Specialist.

Not collecting the necessary health & safety documentation before a capital project starts could increase the potential for an accident to happen if hazards haven't been communicated. This could also impact the potential liability to the Region.

Recommendation

For non-emergency capital projects, management should reiterate the requirement to collect health & safety documentation.

For emergency purchases a process should be established that would allow for a quicker collection of the necessary health & safety documents as listed in the Policy and Guideline so as to help minimize the risk of accidents happening.

The Contractor Safety Specialist should be notified of projects as per the Policy and Guideline.

Management Response

Property Services:
Beginning in Q4 2018, the Manager of Capital Delivery and Engineering will reiterate in team meetings the requirement to collect Health & Safety documentation and to notify the Contractor Safety Specialist of construction kick off meetings, in accordance with the Policy and Guideline. By the end of Q3 2019, Property Services will create, test and implement a methodology that will allow quicker collection of necessary Health & Safety documents during emergency purchases.

4.3 Attendance at HS0076 Contractor Safety Construction Projects course would help to reaffirm health & safety documentation collection

Observation

A review of attendees for course number HS0076 - Contractor Safety Construction Projects indicated that five of the 17 members in the Property Services Capital Delivery group had not yet attended the course. All other members of this group attended the course almost 4 years ago.

The course is intended for employees involved in the Region's Construction Safety Auditing Process. It's target audience includes project managers, construction administrators, inspectors and coordinators. Part of its coverage includes documents to be collected prior to work commencing on a capital project.

<u>**Recommendation**</u>

Based on the collection of documents testing results, management should consider a refresher course (HS0076 - Contractor Safety Construction Projects) that may be useful to reaffirm the health & safety documentation needing to be collected and why the Region collects them.

<u>**Management Response**</u>

<u>Property Services:</u>
The course is now available on line. By the end of Q2 2019, all Property Services Branch staff that oversee construction activities will take the refresher course, HS0076 Contractor Safety – Construction Projects.

4.4   The Standard Operation Procedures (SOP) for the Construction Safety Audit Process should be updated

<u>**Observation**</u>

The SOP for the Construction Safety Audit Process, last revised February 2015, should be reviewed to re-evaluate cited processes to current practices.

Site Audits

A review of the SOP noted that it is not clear as to when site audits are to be performed and if those audits are by request only. As per the Contractor / Constructor Safety Toolkit on the Region's portal, site visits are unannounced.

Current practice is to attend project sites at least once when possible, without a request.

Pre-Construction / Kick-off Meetings and Project Progress Meetings

Attendance at Pre-Construction / Kick-off meetings by the Contractor Safety Specialist is to help ensure all required health and safety related documentation is signed and returned by the general contractor before the work commences, and, to increase awareness of site hazards. It also allows the Contractor Safety Specialist to ask questions about the scope of the work, duration and how they will perform the work safely.

We noted that the Contractor Safety Specialist may not attend all Pre-Construction / Kick-off meetings. Usual practice is to attend meetings when possible.

We also noted that for smaller contracts or contracts of a shorter duration, the Contractor Safety Specialist may not be notified of the project. A review of the SOP did not indicate that these smaller projects do not require notification to the Contractor Safety Specialist.

Attendance at Project Progress Meetings is to assist the Region's Project Management Team in reviewing and following up with Site Audit Reports with the general contractor.

General contractor responses from Site Audit Reports are usually dealt with via email with the Contractor Safety Specialist.

Follow-up

The cited follow-up process for Site Audits does not occur as described. As per the current process, the Project Management Team is responsible for any resolutions required from the contractor and keeps the Contractor Safety Specialist up-to-date. During our review of active and closed projects, the Contractor Safety Specialist is performing this role.

Recommendation

The SOP for the Construction Safety Audit Process should be updated to reflect current practises in place.

Management Response

Human Resources Services:

The SOP will be updated and finalized in Q1, 2019. Corresponding revisions to the Contractor /Constructor Guideline and Construction Safety Audit documents will be made. These revisions have already been incorporated into the newly developed online Contractor Safety for Construction Projects course, which will become available to employees in November 2018 and replace the former classroom course noted in the audit report (HS0076).

4.5   Management should consider implementing tablet based software into the Construction Safety Audit Process to provide formal Site Audit reporting and project risk assessments

Observation

The Construction Safety Audit Process is currently a paper based activity making the use of historical data collected during site audits a labour intensive activity. This data cannot be used proactively to quickly provide higher level information for management reporting and planning purposes. Observations made during the audit cannot be linked to general categories or to a type of work or a contractor, in order that a useful history can be developed to determine how many audits to schedule for a project.

Management could potentially also use this software to manage contractor health and safety performance for service-level contracts.

Recommendation

Management should consider the incorporation of tablet based software to capture the construction safety audits performed by the Region. This data can then be used for management reporting and planning purposes.

Management Response

Human Resources Services:

The Workplace Health, Safety, Wellness & Benefits division will investigate software options by Q3, 2019 to improve availability of construction safety audit reports, data and insights; and partner with Capital Division partners in Property Services, Transportation and Environment for their input before confirming a recommendation.

4.6   The Contractor / Constructor Safety Policy & Guideline should be updated

Observation

The Policy and Guideline were last updated January 2007 and November 2006 respectively. An outdated policy and guideline can result in corporate requirements not being met, documents not being collected and an incomplete project file.

The observation to update these documents was noted in a previous audit report dated April 2016 - Transportation Services - Health & Safety on Roads Capital Projects. Our recommendation at that time was:

> *Corporate Services - Human Resources management should continue its projects to update the Contractor / Constructor Safety Policy & Guide.*

Management responses at the time of our Outstanding Audit Recommendations Follow up dated January 2018 stated that this project was completed in Q3 2017:

> *Desired changes of enhanced Contractor Safety Program achieved through implementation of the Certificate of Recognition (CORTM) safety program, endorsed by the IHSA, as a requirement on future Regional construction projects with an estimated value in excess of $150,000.*

Recommendation

The Policy and Guideline should be updated to reflect current corporate processes and document collection requirements. Once management approval has been obtained, the updated policy should be posted on the intranet with the necessary hyperlink to the updated guide. All affected staff should be made aware of the update. This will help to ensure corporate process and documentation requirements continue being met.

Management Response

Human Resources Services:

The Policy and Guideline updates will be finalized in Q1, 2019. The intent of the program is to provide guidance to construction contractors on Regional projects with respect to health and safety. Educating our contractors on Regional processes and expectations is key to the prevention of incidents and mitigation of risk.

York Region's Approval Process for New Policies and Major Policy Changes will be adhered to in completing this recommendation.

Original Signed by:	*Original Signed by:*
Michael Shatil	**Sharon Kennedy**
Director, Property Service	**Executive, Director Human Resources Services**
Original Signed by:	*Original Signed by:*
Dino Basso	**Paul Duggan**
Commissioner, Corporate Services	**Director, Audit Services**

York Region

Outstanding Audit Recommendations Follow up Audit Report

January 2019

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Section   **Page No.**

1.0   Management Summary

Audit Services has completed a follow up of outstanding audit recommendations at September 30, 2018. 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 June 2018.

2.   Any new audit report recommendations presented at the June 2018 meeting of the York Region Audit Committee.

There were 66 audit recommendations originally issued through the 12 audit reports currently on our list for follow up. Management has implemented 62% of these recommendations. In the last term of Council this has ranged between 60% and 90%, and varies based on timing of reports being issued.

For this outstanding audit recommendations follow up, there was one 'private' audit report with outstanding audit recommendations requiring update.

For a detailed summary of audit reports followed up and recommendations issued, completed and outstanding, please refer to section 4.0. Additional detail is available upon request from the Director, Audit Services*.*

Our follow up was conducted in accordance with the Institute of Internal Auditors *International Standards for the Professional Practice of Internal Auditing Standard 2500 – Monitoring Progress*:

> *The chief audit executive must establish and maintain a system to monitor the disposition of results communicated to management.*
>
>> *2500.A1 – The chief audit executive must establish a follow-up process to monitor and ensure that management actions have been effectively implemented or that senior management has accepted the risk of not taking action.*

2.0   Introduction

As part of our 2015 - 2018 Audit Plan, which accommodates various types of audit projects, consulting engagements, and follow up requests from 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 Outstanding Audit Recommendations Follow up Report dated June 2018, and all new recommendations issued in audit reports reported to Audit Committee in their last meeting in June 2018.

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 semi-annual basis, Audit Services updates the Region's 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) has (have) been implemented.

Department heads were emailed requests containing:

1. 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.

2. A summary of outstanding audit recommendation(s) for their area. The Commissioner and Director responsible for the implementation of the recommendation(s) are also requested to sign off on the updated document.

3. As requested by Audit Committee in November 2008, departments having an audit recommendation outstanding that has an original due date older than one year provide Audit Committee with a separate report as to why the recommendation has not been implemented. Management action plans that detail what is being done to implement the recommendation(s) are to be included.

Audit reports presented at the June 2018 meeting of the York Region Audit Committee will be followed up at the next Audit Committee meeting.

3.0   Objectives and Scope

The objective for this engagement was:

- To provide feedback to the Region's 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 and including those presented at the June 2018 meeting of the York Region Audit Committee.

4.0   Detailed Observations and Recommendations

4.1   Detailed Summary Responses and Statistics for Outstanding Audit Recommendations Followed Up

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

- Table B is a detailed summary of outstanding audit recommendations which were followed up for this review.

- PRIVATE: Table C summarizes the private outstanding audit recommendations followed up for this review.

- PRIVATE: Table D is a detailed summary of private outstanding audit recommendations which were followed up for this review.

TABLE A – Summary of Outstanding Audit Recommendations Follow up as at September 30, 2018

Audit Report	Number of opportunities originally highlighted	Completed for 3/31/18	Completed for 9/30/18	Not yet complete	% Not yet complete	Date of Audit Report	Date Reported to Audit Committee
ES – Operation Maintenance and Monitoring	11	9	0	2	18%	Dec-15	Feb-16
FN – Accounts Payable & Procurement	6	5	0	1	17%	Apr-16	Jun-16
CHS – Housing Capital Repairs	5	4	0	1	20%	Jul-16	Oct-16
ES – MRF Contract Compliance	3	2	0	1	33%	Jul-16	Oct-16
FN – Procurement Card	2	1	0	1	50%	Feb-17	Jun-17
CS – Realty Services	5	2	1	2	40%	Aug-17	Jan-18
CS – Property Services Building Security	10	5	2	3	30%	Sept-16	Jan-18
TS – Fleet Services	7	0	3	4	57%	Dec-17	Jun- 18
FN - Payroll	3	2	1	0	0%	Feb-18	Jun-18

TS – Materials Quality Assurance Testing	5	1	1	3	60%	Feb-18	Jun-18
CHS – Housing York Inc. Rent Geared to Income	3	0	1	2	67%	Mar-18	Jun-18
CS – Compensation and HRMS	6	0	1	5	83%	Nov-17	Jun-18
Totals	66	31	10	25	38%		

TABLE B – Summary of Outstanding Audit Recommendations as at September 30, 2018

Audit Report	Recommendation	Management response	Original due date	Current due date
Environmental Services – Operations Maintenance & Monitoring	4.1 OMM work with IAM to resolve the noted asset inventory discrepancies.	The following work is in progress for completion by Q4 2019: • Digital Updates: Update MAXIMO to reflect the new Section 21 Guidelines which includes developing new Process Location Hierarchies for each water and wastewater facility. • Holland Landing SPS was developed as a Pilot in 2018 to review and confirm all proposed functionality within the MAXIMO platform and demonstrate the full adequacy of the Section 21 Guideline prior to facility-wide implementation. • Process Location Hierarchies need to be completed prior to commencing Physical Tagging. Physical Facility Updates: Fabricate and install new Physical Asset Tags in the field to match the updated digital MAXIMO Process Location Hierarchies and Asset List at each water facility.	Q4 2019	Q4 2019
	OMM continue updating the protocol used to identify assets needed to be entered into MAXIMO from an asset maintenance perspective.	Done.	N/A	N/A

Audit Report	Recommendation	Management response	Original due date	Current due date
	4.2 OMM continue with the implementation of an input screen to help in updating the MAXIMO inventory base whenever it changes.	Done.	N/A	N/A
	OMM should also perform a full inventory of all their MAXIMO assets to establish a baseline of actual assets within each facility.	The Holland Landing SPS assets have been updated with the new tagging standard and the physical tagging is scheduled for completion in Q1 2019. The migration plan has been completed. The following work is in progress for completion by Q4 2019: Digital Updates: Clean-up MAXIMO to reflect the new Section 21 Guidelines which includes revising Process Location Hierarchies, Asset Lists, Asset Classifications, and Attributes at each water and wastewater facility.	Q4 2019	Q4 2019
	OMM should develop and implement annual inventory verification routines that spot check an acceptable level of asset inventory using 'book to floor' and 'floor to book' asset verification.	Done.	N/A	N/A
	4.3 Spare parts inventory program create detailed plans and process flows to help ensure that management controls over the inventory are sufficient.	Done.	N/A	N/A

Audit Report	Recommendation	Management response	Original due date	Current due date
	4.4 The backlog listing should be reviewed: 1. To determine which codes are required and who may require them. 2. Reiterate to all MAXIMO users the proper protocols for entering a Level code, with particular attention to Level 5 codes. 3. Reiterate to all MAXIMO users the importance of descriptions to help schedule work order assignment to mechanics and electricians. 4. Reiterate to all MAXIMO users the importance of timely resolution of the work –order in MAXIMO. 5. Determine the required work necessary to complete this work order.	Done.	N/A	N/A
	4.5 OMM management should reconsider the value being provided by the tablets. The connectivity fee should be terminated immediately. The 36 tablet noted could be reassigned where they will be used or sold to recover any residual value.	Done.	N/A	N/A
	4.6 For some types of work orders, predominantly level 1 thru 4, a triage system should be piloted to determine if tradespersons could be more effectively and efficiently dispatched to perform their work.	Done.	N/A	N/A

Audit Report	Recommendation	Management response	Original due date	Current due date
	4.7 OMM management should continue constructing and finalizing an input page to be used by tradespersons in the field.	Done.	N/A	N/A
	4.8 Consultants contracted to provide complete and accurate asset information should be held accountable for incomplete and erroneous asset information. Explore the possibility to recoup the cost of having to review and correct any new asset information entered by consultants.	Done. Done.	N/A N/A	N/A N/A
	4.9 OMM management ensures that any future contracts issued for tender follows the Surety Bond Policy and associated procedures.	Done.	N/A	N/A
	4.10 A current, blanket COI should be collected by Finance – Insurance & Risk for the contractor executing the diesel generator maintenance.	Done.	N/A	N/A
	4.11 OMM management should arrange for preventative maintenance to be performed on the portable diesel generators as per the contract with the contractor responsible for this work.	Done.	N/A	N/A

Audit Report	Recommendation	Management response	Original due date	Current due date
	Missing documentation should be investigated and collected to help ensure that all equipment is being maintained as per the standards followed.	Done.	N/A	N/A
Finance – A/P & Procurements	4.1 Consider implementing a stamp for departments to use for invoice approval / general ledger coding. Reiterate to staff the requirement for segregation of duties between purchase commitment and payment authority.	Done.	N/A	N/A
	4.2 Tender Bid Request Form is updated to clarify the requirement for advertising in the DCN. Consider implementation of an electronic procurement filing system to reduce likelihood of misplacing key documents, and, create a more consistent standard file set-up.	Done.	N/A	N/A
	4.3 A formal process be developed to ensure compliance with the policy of annual reviews of designated authorities. Department heads perform annual review of the designated approval authorities and report results to Finance for updates.	Done.	N/A	N/A

Audit Report	Recommendation	Management response	Original due date	Current due date
	4.4 Compare all NSA forms to purchasing course training records. Where the course has not been attended, a deadline established for attendance. If not attended, the NSA form should be revoked. NSA form should include the requirement for attendance to the purchasing training course and employee statement that the course was attended or scheduled attendance.	Done.	N/A	N/A
	4.5 Authorization of Payment of Goods and Services Policy is updated to clarify approval limits for Project Managers, include the segregation of duties between purchase commitment and payment approval.	Done.	N/A	N/A
	Purchasing Tool Kit be updated to clearly identify the requirement for a purchase order for purchases above a specified dollar limit.	The draft Procurement Without a Purchase Order Guideline was reviewed by Audit and Legal Services and it was determined that further revisions were required. In addition, the new Commissioner of Finance has provided some feedback regarding the Guideline which has resulted in the need for additional revisions. A revised document will be finalized, converted to a 'policy' or 'procedure' and recirculated for review before the end of Q4 2018. Once the policy / procedure has been finalized,	Q3 2017	Q4 2018

Audit Report	Recommendation	Management response	Original due date	Current due date
		the Purchasing Toolkit will be updated to include a link to this document, and the Authorization for Payment of Goods and Services Policy will be revised to incorporate this policy / procedure as a reference document.		
	4.6 Perform a thorough review of the purchase orders identified as having errors and omissions and correct them in the system. Perform an annual review of unused purchase orders beyond a certain age to identify instances where invoices are being processed without being applied to a purchase order or directly to a general ledger account.	Done.	N/A	N/A
CHS - Housing Capital Repairs	4.1 Management should: • Review contract requirements to ensure Schedule C and Schedule A are completed • Implement a process to ensure these and other contract requirements are completed	Done.	N/A	N/A
	4.2 Management should: • Ensure that interest is calculated, tracked and reported annually to housing providers	Done.	N/A	N/A

Audit Report	Recommendation	Management response	Original due date	Current due date
	• Move forward with the development and implementation of the integrated Housing Solutions software	HCI is being developed in combination with seven other municipalities. The project is progressing slower than anticipated	Q3 2018	Q1 2019
	4.3 Management develop and implement formal policies and procedures for the administration of the loan program. This program should include interest tracking and management.	Done.	N/A	N/A
	4.4 Management should: • Ensure housing providers selection process is in compliance with the provincial requirements for future programs • Develop / implement a formal process to ensure the reporting requirements for provincial flow through fund programs are met and in compliance with the Transfer Payment Agreement • Consider drafting a tenant waiver agreement to ensure access to the required electrical billing and usage data • Ensure the draft agreement with housing providers captures the applicable reporting requirements and consider including a clause in the agreement to grant Region access to electrical information on their behalf • Determine the frequency of collecting this data	Done.	N/A	N/A

Audit Report	Recommendation	Management response	Original due date	Current due date
	4.5 Management should develop a formal policy and process document for the administration of the government flow through funding programs.	Done.	N/A	N/A
Environmental Services – MRF Contract Compliance	4.1 Subsequent revisions to the operating agreement require 30 days written notice of cancellation to coincide with the standard insurance requirements for the Region.	The MRF contract with Miller Waste Systems does not expire until 2020. On target for Q3 2020.	Q3 2020	Q3 2020
	4.2 To assist the Region in ensuring the facility is operating in compliance with the operating agreement: • Include a three month rolling average for rear-load compaction tonnage to the spreadsheet used to monitor gate-to-gate times, loading times, and rear-load compaction. This would help in timely identification if minimum tonnage is not being achieved, or trending unfavourably. • Update the monthly averages spreadsheet to document reasons for unfavourable variances. Historical references can assist in identifying and correcting any future unfavourable variances. • Implementation of a checklist for use by cleaning personnel to ensure all items are	Done.	N/A	N/A

Audit Report	Recommendation	Management response	Original due date	Current due date
	performed as per the operating agreement and documented.			
	4.3 The Contractor submits completed and signed due diligence questionnaires with their monthly invoices for applicable buyers that month.	Done.	N/A	N/A
Finance - Procurement Card	4.1 Management should ensure the P-Card Policy is formally approved by Council. Once approved, management should ensure the P-Card procedures are finalized and formally communicated to staff.	Done.	N/A	N/A
	4.2 Management should continue to automate the P-Card process to improve the control environment and increase efficiencies where possible, including the automation of the monthly reconciliation and approval process. Management could consider procuring an external consultant for assistance in the development and implementation of the automation process where internal recourses are limited.	In-Progress and targeted to be completed by Q2 2019. The project team worked closely with the vendor, Information Technology Services, the Controllership Office and client departments to confirm requirements and undertake any configurations required to ensure that the solution (which includes both P-Card reconciliation and employee expense reimbursement functionalities) integrates effectively with the Region's Enterprise Resource Planning (ERP) system. The solution is being tested to ensure responsiveness to business requirements, as well as proper	Q4 2018	Q2 2019

Audit Report	Recommendation	Management response	Original due date	Current due date
		controls, security and ERP integration. The solution will be rolled out to a small group of early adopters, with full solution roll-out to the rest of the organization by Q2 2019.		
Corporate Services – Realty Services	4.1 Due to the growth of the Realty Services Branch and increasing volume of acquisitions since the last policy review, Management should review both policies to ensure that definitions, descriptions, policies and procedures remain relevant and up to date.	Done.	N/A	N/A
	4.2 To help ensure the fairness, objectivity, accountability and transparency of the procurement process, management should complete a formal Request for Pre-Qualification through the Procurement Office to develop a roster of qualified appraisers.	Drafting the RFPQ has taken longer than anticipated due to the coordination that was needed between the Property Services Branch, Legal Services, and the Procurement Office, to determine the best approach. Staff will complete and release the RFPQ to the market in Q4 2018, and select a roster of appraisal firms in Q1 2019.	Q3 2018	Q1 2019
	4.3 Management should identify critical documents and develop a consistent process for maintaining acquisition files. For example, each file should include a checklist of critical documents to ensure consistency in file maintenance.	Done. The requirement to maintain records based on the new format was implemented in Q3 2018. Processes have been developed and implemented to ensure staff effectively maintains hard copy and electronic records.	N/A	N/A

Audit Report	Recommendation	Management response	Original due date	Current due date
	Management should consider monitoring completion dates for each step of the acquisition process from negotiations to CAO and Council approval.			
	4.4 Since the LTM system is an interim solution being replaced in the near future, we recommend that management ensure the following internal controls are implemented in the MasterWorks system: • Specific read-only and editing access rights based on job requirements • Comprehensive audit trail with all editing history available, • Formal policies and training communicated to all staff requiring use of the system.	Done.	N/A	N/A
	4.5 The accrued interest spreadsheet produced by the Realty Services Branch should be produced and communicated to all clients. Management should develop a formal process for monitoring and recording long-term accrued interest, including determining at which point aged acquisitions should be removed from project costs	Ensuring system functionality with the VIVA projects was completed in Q4 2017. Uploading of Regional land transaction data has commenced and is expected to be completed by the end of Q4 2018. Meetings with client groups to review the accrual reports and verify reporting	Q2 2018	Q1 2019

Audit Report	Recommendation	Management response	Original due date	Current due date
	and transferred to a corporate program.

Establishing a formal process ensures that all accrued interest on outstanding acquisitions is accurately recorded and monitored. This will be important as the Transportation Master Plan identifies an increased travel demand in York Region by about 60% by 2041. To support the increased demand, the Region has planned for capital projects, VIVA rapidways, and road widening, therefore, increasing the volume of acquisitions. | requirements will take place in Q1 2019.

The Controllership Office has created an Expropriation Financial Recognition Guideline that addresses reporting requirements, interest calculations and accruals. Implementation of the Guideline is expected to coincide with the client group meetings noted above. | | |
| Corporate Services – Property Services Building Security | 4.1
PSB management should create and present a business case as part of the 2019 budget process for the development of an in-house security management team capability to manage York Region's security efforts. | Done.
The consultant has submitted a staffing model recommendation. Based on this, Management will be adding an additional resource to Corporate Security in 2019. | N/A | N/A |
| | 4.2
The 3rd party monitoring of Region buildings is an ongoing program with approximately $63,000 being spent annually. A request for tender or proposal should be issued and a service level agreement obtained for the vendor(s). | The Request For Pre-Qualifications (RFPQ) was issued and three submissions were received and evaluated. Only two companies passed the prequalification. During the RFPQ evaluation process, new requirements that were not previously anticipated (and therefore not detailed in the RFPQ) came to light. In addition, the evaluation team determined that having only two prequalified proponents is insufficient for a | Q2 2018 | Q2 2019 |

Audit Report	Recommendation	Management response	Original due date	Current due date
		tender. A newly scoped Request for Proposals (RFP) will be issued in Q1, 2019 and a vendor will be selected by end of Q2 2019.		
	4.3 A To help ensure key inventories are kept accurate and secure, PSB management should develop formal inventory processes for each key type. B PSB management should also consider the costs / benefits of deploying the KeyWatcher program to help house and control 'regular' keys at all or some of the Region's office building. C Written processes for the creation, use and eventual destruction of security cards should be created.	Done.	N/A	N/A
	4.4 PSB management should develop a report and run the report periodically, i.e. monthly or quarterly, to note offices where the alarm is not being armed on a regular basis. Inquiry as to why an office is not arming the alarm on a regular basis should be made to address any issues as to why the alarm cannot be set, or schedule additional training to reinforce the importance of arming at the end of the day.	Done.	N/A	N/A

Audit Report	Recommendation	Management response	Original due date	Current due date
	4.5 PSB management should update the Security Policy to include at least: • All offices; • Site specific instructions as hyperlinks to documents to explain the various aspects of the security system; • Contact information; and, • Any other information deemed necessary.	A draft Security Master Plan will be presented to the Director of Property Services in Q4 2018.	Q2 2018	Q4 2018
	4.6 <u>9060 Jane St</u> • PSB management provides on-going training and reminders to staff to keep vigilant of non-employees making their way onto the upper floors without escorts.	Done. *Audit Services note: Additional information provided by management:* The vestibule construction was delayed due to workload. • The Contract was awarded November 2018 • Construction started in December 2018 • Construction will end Q1, 2019	N/A	N/A
	<u>220 High View – Mount Albert South ET, Wells 1 & 2</u> • PSB management work with Environmental Services to develop a guideline or design standard for fencing, and determine if fencing is in order at this site.	Done. Property Service has confirmed that ENV, CPD has the Technical Design Standards that apply to Gates and Fences.	N/A	N/A

Audit Report	Recommendation	Management response	Original due date	Current due date
	620 Bayview Pkwy • PSB management should revisit the decision to not install CCTV at this facility. This facility should be as secure as other publically accessible Regional offices.	Done.	N/A	N/A
	Other • Property Services work with Environmental Services to create a conditional approach to alarm notifications giving weight as to the type of condition and the time of day. In some cases, it could be prudent for YRP to attend the site before an Environmental Services employee.	Property Services and Environmental Services are currently working on developing Alarm Notifications and Response Protocols which will be completed in Q4 2018. To fully implement such notifications, it's likely that additional hardware will need to be installed. In that case, this implementation will be rolled into the implementation of item 4.2, "Monitoring Security Systems".	Q3 2018	Q4 2018
	4.7 PSB management should: 1. Ensure that proper documentation is included with all invoice payment requests, i.e. commission report for new installations.	Done.	N/A	N/A
	2. Ensure that all Notification of Signing Authority forms are reviewed for completeness and accuracy on an annual basis.	Done.	N/A	N/A

Audit Report	Recommendation	Management response	Original due date	Current due date
	3.For Alfa Security Solutions maintenance and parts contracts, authority to purchase goods and services should not be extended to contractor employees. Work or purchase of parts must be approved by authorized Regional employees. This information should be formally shared with Alfa Security Solutions.	Done.	N/A	N/A
	4.Ensure that Alfa Security Solutions provides the Region with the name of the person requesting the work and performing any maintenance work on the service report.	Done.	N/A	N/A
	5.Ensure the required police screening is provided by the contractor as per the contract.	Done.	N/A	N/A
	4.8 PSB management should ensure that the vendor follows the contract terms and provide service reports and consolidated invoices.	1. Done. 2. Done. 3. Done. After further consultation with Legal Services, the joint decision is to require the vendor to comply with the tender specifications, regarding invoicing/payment terms. 4. Done.	N/A N/A N/A N/A	N/A N/A N/A N/A
	4.9 PSB management should ensure that a formal	Done.	N/A	N/A

Audit Report	Recommendation	Management response	Original due date	Current due date
	centralized inventory that includes new and reclaimed Europlex parts be established and maintained. This would include: • Identifying who removed the part and on which job the part was used. This can be subsequently verified to a work order or invoice. • Housing the inventory in a more secure fashion, i.e. locking lids.			
	4.10 Security Guard contract PSB management ensures that all interviews and screening process is completed to help ensure proper aptitude and demeanor in line with Region expectations prior to assignment.	Done.	N/A	N/A
	Honeywell contract PSB management should ensure that security clearances are performed.	Done.	N/A	N/A
	Alfa Security Solutions PSB management should ensure the proper police screening is performed.	Done.	N/A	N/A

Audit Report	Recommendation	Management response	Original due date	Current due date
Transportation Services – Fleet Services	4.1 Management should develop and communicate a comprehensive Operator's Safety Manual. The Manual should address York Region requirements, defensive driving and equipment operation, vehicle collision and incident responsibilities, general operating procedures, and updated fueling procedures.	Preliminary planning has been initiated completion by Q4 2019 is on target.	Q4 2019	Q4 2019
	Management should consider rescinding the outdated Use of Transportation Services and Environmental Services Fleet Vehicles Policy and clarify employee expectations regarding personal use of fleet vehicles in the Manual.	Preliminary planning has been initiated completion by Q4 2019 is on target.	Q4 2019	Q4 2019
	A policy regarding the application of tires to fleet vehicles should be developed and communicated to staff. Additionally, the Manual should be communicated to contractors, who may use Region equipment and fueling stations during their operations.	Preliminary planning has been initiated completion by Q4 2019 is on target.	Q4 2019	Q4 2019
	4.2 Management should implement a formal process to ensure all specifications developed for bid documents are administered through the Fleet Services to ensure compliance with the Purchasing Bylaw.	In progress working out details with Fleet user groups along with partners in Finance and Supplies and Services. Completion Q1 2019	Q1 2019	Q1 2019

Audit Report	Recommendation	Management response	Original due date	Current due date
	The process should ensure compliance to the Region Records Retention Bylaw. Each file should include a cover page summarizing the product or service being tendered and a list of personnel involved in the development and evaluation of specifications. Also included in the file should be all documentation received from the requesting department and all correspondence regarding changes to specifications throughout the process. All specifications development files should be maintained at a centralized location within Fleet Services. Maintaining documents relating to the purchase and disposal of assets provides evidence that specifications were developed in compliance with the Purchasing Bylaw's objective to ensure fairness, objectivity, accountability, and transparency in the procurement process.			
	4.3 Management should re-communicate to staff their requirement to decommission fleet equipment when unsafe conditions are identified, until appropriate repairs are complete.	Done.	N/A	N/A
	Management should create a Driver Trainer position in the next budget process.	Done. Position hire confirmed Nov. 2 2018 Employee start date Nov. 26 2018.	N/A	N/A

Audit Report	Recommendation	Management response	Original due date	Current due date
	4.4 Management should consider providing Fleet Services with access to vehicle GPS to assist in maintenance scheduling. Coordinating servicing based on usage and location assists in reducing unnecessary travel of the vehicle, labour hours, and the amount of time the vehicle is unavailable for use due to servicing.	Done.	N/A	N/A
	4.5 A formal process should be developed requiring the semi-annual or perpetual review of inventory stock. The Fleet Manager should identify slow moving and obsolete inventory, which can be forwarded to the Director, Roads and Traffic Operations. The Director may discuss with Finance and any other appropriate departments before providing approval to the Fleet Manager to move ahead with the auction or disposal of inventory, in accordance with the Corporate Disposal of Surplus Assets Policy A formal process increases the value the Region is able to recover for inventory that is no longer required.	Done.	N/A	N/A
	4.6 Policy should require Fleet Services to be involved in any purchase of fleet assets under their	Preliminary planning has been initiated completion by Q4 2019 is on target.	Q4 2019	Q4 2019

Audit Report	Recommendation	Management response	Original due date	Current due date
	jurisdiction, regardless of department. This process would ensure that the Region does not purchase equipment it does not require, and Fleet Services is aware of all existing assets to properly schedule preventative maintenance. Additionally, Fleet Services should participate in the budgeting process for vehicles and equipment to assist in ensuring the accuracy of actual verses budgeted costs.			
	4.7 Management should implement a formal process requiring use of the existing checklists for the commissioning and decommissioning of assets, including a training and orientation requirement as part of the commissioning process. The existing checklists should be reviewed to consolidate steps and require sign-off by responsible personnel. Additionally, supporting documentation (including vehicle assets approval information) requirements should be clearly defined and each file should be stored in a centralized location in accordance with the Records Retention Bylaw.	Process update has been initiated and off target due to software provider of M5 upgrade delays, pushing the completion date out to Q1 2019.	Q4 2018	Q1 2019
Finance - Payroll	4.1 Management should ensure that Payroll staff do not process the payroll for those departments in which they have an immediate family member. If existing	Done.	N/A	N/A

Audit Report	Recommendation	Management response	Original due date	Current due date
	resources do not allow for these responsibilities to be appropriately segregated, management should develop and implement an effective compensating control.			
	4.2 Management should: a) Ensure that the Payroll Business Continuity Plan is brought up to date, is approved by the appropriate senior management, includes all required appendices, is available in both paper and electronic form, and reviewed/updated on a regular basis.	Done. The business continuity plan has been updated and received Commissioner sign-off in Q2 2018. An electronic version of the business continuity plan has been created. The plan will be reviewed and updated, as required, on an annual basis.	N/A	N/A
	b) Explore opportunities to move at least one of the two Payroll-in-a-Box sets to a secure location outside of the Administrative Centre, and implement regular review procedures to ensure that all sets remain secured with restricted access and are kept current with update-to-date instructions and documents.	Done. A copy of Payroll-in-a-Box is currently held in a secure location at the Region's Tannery offices, and an electronic copy has also been created. Electronic copies of the business continuity plan and Payroll-in-a-Box have been stored in encrypted USB keys, one stored in the Region's bank safety deposit box and another being kept by the Manager of Payroll Services. These items will be reviewed and updated, as required, on an annual basis.	N/A	N/A
	4.3 Payroll management should take an active role in those process improvement initiatives undertaken by Human Resources (HR) that may ultimately	Done.	N/A	N/A

Audit Report	Recommendation	Management response	Original due date	Current due date
	impact Payroll's operations and objectives and work with HR to improve the flow of information in a timely manner. Payroll's contribution to these efforts may help to improve interdepartmental communications, allow both Payroll and HR to better understand the impact of their operations on one another, mitigate the risk of continued overpayments and assist with the achievement of overall organizational objectives.			
Transportation Services – Materials Quality Assurance	4.1 Transportation Services should request the contractor's Quality Management Plan and Quality Control Plan before commencing capital projects. The plans should be reviewed and understood. Formal feedback should be provided to the contractor for clarifications as a result of the review.	Done. Work was completed in October 2018.	N/A	N/A
	4.2 Review of testing documentation should be recorded to help ensure any problems worth noting are brought forward for resolution.	Underway, will be completed by end of Q4 2018.	Q4 2018	Q2 2019
	To avoid paper and email files from being improperly stored or accidently deleted, all quality assurance and quality control files should be saved to the appropriate folders on the Region's server on	Both recommendations are now included in the scope of the new electronic Contract Management System, which is currently in	Q2 2019	Q2 2019

Audit Report	Recommendation	Management response	Original due date	Current due date
	a timely basis.	development. The new system will be tested late this year and rolled out for all construction projects in 2019.		
	4.3 Transportation Services should develop an SOP guideline to assist in determining the level of materials quality testing for capital delivery projects. Budgets should be based on a plan of anticipated requirements based on the work.	Underway. This work will be completed by November 30, 2018.	Q4 2018	Q4 2018
	4.4 SPAR and SPAR Lite should be updated to provide more detailed guidance to staff as to the correct storage of quality testing documents in order to create more uniformity in project management document filing for retention purposes. Periodic management review of these files should also be performed to help ensure the documents are being collected and stored online on a timely basis.	Underway. This work will be completed before November 30, 2018. Note: As the CPD/BPT groups builds the new construction management software solution, PMO to revise SPAR and SPAR Lite methodologies. Done.	Q4 2018 N/A	Q4 2018 N/A
	4.5 Transportation Services should continue to develop detailed pre-pour and pre-pave meeting agendas that will help ensure all parties understand their roles and expectations.	Done.	N/A	N/A
Housing York Inc. – Rent Geared to Income	4.1 Management should update and develop, where necessary, internal procedures to support the	Included in the 2019 work plan.	Q4 2019	Q4 2019

Audit Report	Recommendation	Management response	Original due date	Current due date
	administration of the RGI program. Internal policies should support the regulatory requirements and clearly define local rules where applicable.			
	4.2 Management should re instate a quality control review process at the south office to help ensure accuracy in RGI calculations, and consistency between the two offices and RGI files.	Done. Management has reviewed quality control procedures and in addition to periodic quality control sampling of the entire portfolio, oversight responsibility to validate all rent subsidy calculations has been assigned to the Property Managers.	N/A	N/A
	4.3 Management should review the current annual income verification documentation that is required by the Region and update/change where determined necessary.	Included in the 2019 work plan.	Q4 2019	Q4 2019
	Management should implement a clearly defined follow up process for missing documentation. This should be included in the internal procedures, *see issue 4.1 Policies & Procedures.*	Included in the 2019 work plan.	Q4 2019	Q4 2019
	Management should follow up on the missing documentation identified during the audit testing to ensure compliance with current requirements.	In progress.	Q2 2019	Q2 2019
	Management should ensure the identified error in the rent calculation is corrected with rent	Done.	N/A	N/A

Audit Report	Recommendation	Management response	Original due date	Current due date
	adjusted/collected accordingly.			
Corporate Services – Compensation and HRMS	4.1 Management should review the existing compensation related policies and update or create where necessary. Management should also develop and formally document procedures for key processes to support the policies once completed.	Done. Review of Compensation policies, processes and programs completed through an external consultant. Complete – Two existing policies were brought under Administrative from Council approval. On target – Job Descriptions and Titles, Job Evaluation policies, guidelines have been drafted and are being reviewed; communications planning has been started. In progress – Job Description and Titles, Job Evaluation policies expected to be submitted for approval and supporting communication plan regarding revised policy/program is on target for launch. Expecting to be on target – Non-Union Salary Administration policy to be drafted for approval along with work on guidelines and supporting communication plan. Expecting to be on target - Non-Union Salary Administration policy and program will be submitted for approval and assuming successful sign-off, communications plan and revised	N/A Q4 2018 Q2 2019 Q4 2019 Q2 2020	N/A Q4 2018 Q2 2019 Q4 2019 Q2 2020

Audit Report	Recommendation	Management response	Original due date	Current due date
		program supports and guidelines launched by end on Q2-2020. This includes pay for performance and acting assignments referenced in the findings.		
	4.2 Management should review the current Job Evaluation policy and procedures and update to reflect actual practice. Management should also consider implementing a formal Job Evaluation Committee for non-union jobs and/or a formal appeals process to ensure the process remains as fair and transparent as possible. Once policies/procedures have been updated, management should ensure information is communicated with staff and available on the Region intranet.	On target – Work in process to have Job Description and Titles, Job Evaluation policies drafted for Q4 2018 and approvals sought in Q1 2019. Supporting communication plan regarding revised policy/program is on target for completion by end of Q2- 2019. Non-union appeals committee or alternate method (vs evaluation committee) presented to SMT on Nov 13th and to be considered in policy design and guidelines.	Q2 2019	Q2 2019
		Done. Recommendations from the program review outline in 4.1 requiring Union input or approval have been identified.	N/A	N/A
		Not started - Collective bargaining is the primary method through which changes to Job Evaluation for Union could be raised and negotiated, but there is no guaranteed outcome. The current CUPE agreements expire in 2020 and the recommendations from the program review which require Union input/approval will be brought forward during 2020 Negotiations.	Q4 2020	Q4 2020

Audit Report	Recommendation	Management response	Original due date	Current due date
	4.3 Management should consider developing and implementing a standard Job Evaluation checklist to ensure consistency in file documentation and that all supporting documents, including the JIF and Evaluation Record Sheet, are included in the evaluation files.	Done. Work has been completed regarding checklists that document activities following the evaluation and these have been included in the official record specifically the Job Evaluation Record Sheet and the Job Information Form and / or trail documenting changes to existing Job Description.	N/A	N/A
	4.4 Management should continue to investigate alternative options to Microsoft Excel for managing and tracking key compensation programs to better help streamline processes and reduce the room for errors inherent with using excel.	JEMS (Job Evaluation Management System) has been tested and implemented. Currently, JEMS is running parallel to Excel Spreadsheet and if successful, will cease using Excel for new evaluations by Q1/2019 end. In progress – RFP for HR Tech Roadmap underway and anticipating release early Q1/2019. Roadmap Project to follow still anticipating project completion by Q2 2019. Excel will remain primary tool for compensation programs pending recommendations from roadmap and subsequent decisions on direction.	Q1 2019 Q2 2019	Q1 2019 Q2 2019
	4.5 Access for compensation rate changes and adding new employees should be reviewed and removed where not required as part of the employees job function.	Done. Review access to Rate Changes and New Employee pages and address Internal Transfers, completed before Audit Report issuance.	N/A	N/A

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Audit Report	Recommendation	Management response	Original due date	Current due date
	Management should develop a policy and process for requesting and granting HRMS access and for reviewing access when there is an internal transfer. A form could be developed that links to defined user roles when requesting access. Transfers should include a check for existing access to determine if still required.	On target for Q4-2018 The development of an online access request for and corresponding workflow intended to create traceability for security requests (new and changes) is in testing stages and on target for end Q4-2018.	Q4 2018	Q4 2018
	Management should develop and implement defined user roles/groupings within HRMS that should be tied to job code/functions. The existing access within HRMS should be reviewed and converted once the roles are clearly defined and developed.	On target for Q4 2019. Undetermined: Decision about implementing role-based security incorporated into upgrade/replace plans as identified and agreed in the HR Technology Roadmap. Implementation of a role-based security within PeopleSoft may become redundant if a replacement is chosen as part of the roadmap execution effort that will follow the HR Technology Roadmap development initiative.	Q4 2019	Q4 2019
		Interim measures on target for Q4 2018.	Q4 2018	Q4 2018
	4.6 Management should review the above survey results and could consider the following; • Increasing the maximum increase per pay grade for acting assignments and internal promotions to better align with industry best practices. Alternatively, a policy could be	In progress – Work is on progress regarding 4.6 and is on target for completion on schedule. Compensation has conducted a review of the compensation policies mentioned in 4.1 and	Q4 2020	Q4 2020

Audit Report	Recommendation	Management response	Original due date	Current due date
	developed where increases above of the 3.5% increase per grade would be permitted at the hiring Director's discretion	recommendations will be considered in the expanded Non-Union Compensation Administration policy proposed in 4.1 as a 2019 initiative with 2020 approval and implementation.		
	• A job evaluation maintenance review schedule.	Changes in hot skills approach would have union implications. Collective bargaining is the primary means by which changes can be negotiated, and the current CUPE agreement expires in 2020. Negotiating this may not be successful.	Q4 2020	Q4 2020
	• Develop and implement a formal Retention & Attraction Policy for "hot skills", which includes regular reviews and updates when required.	Work is on process as this is part of the Job Descriptions/Titles and Job Evaluation review and policy revision identified in 4.1 as a 2018/2019 initiative.	Q4 2019	Q4 2019
	• Review and update, if required, the current municipal comparator list to ensure it includes the most accurate and representative comparator municipalities.	Recommendations from the program review outlined in 4.1 have been reviewed and any which require Union input or approval will be brought forward during the Collective bargaining negotiations- The current CUPE agreements expire in 2020 and the recommendations from the program review which require Union input/approval will be brought forward during 2020 Negotiations.	Q4 2020	Q4 2020
	• As previously stated in issue 4.1 and 4.2; management should review and update all existing compensation related policies and procedures and implement a job evaluation	Done. Mercer conducted a benchmark survey in 2017	N/A	N/A

Audit Report	Recommendation	Management response	Original due date	Current due date
	committee and/or a formal appeals process for evaluation results.	as required by Council and confirmed our pay position is appropriate against our comparators. Response documented in 4.1 management response and this update.	Q4 2020	Q4 2020