To:	City Council
From:	Jag Sharma, City Manager, Office of the City Manager
Item Number:	INFO-18-166
Date:	August 29, 2018
Subject:	Internal Audit Implementation Status Report
File:	C-3100

1.0   Purpose

The purpose of this report is to provide a status report on the implementation of the K.P.M.G. internal audit recommendations.

2.0   Input From Other Sources

- K.P.M.G.
- Audit Sponsors and appropriate staff

3.0   Analysis

K.P.M.G. began internal audits at the City in 2015. For the last four years, a total of 22 audits have been included in the Council-approved annual internal audit plans, as follows:

Year	Audits
2015	• Accounts Receivable and Cash Handling Audit • Accounts Payable and Purchasing Compliance Audit • Payroll/Overtime Audit
2016	• Real Estate Function Review • Health and Safety • Asset Management • Oshawa Senior Citizens Centres (O.S.C.C.) Governance • Fleet Purchasing and Inventory Management
2017	• IT Function Review • Overtime Follow-up • Cyber Risk and Maturity Assessment • Recruitment and Retention of Staff • Administrative Monetary Penalties • Work Order Management

Year	Audits
2018	• Health and Safety Follow-Up • Reserves Audit • Fleet Management Follow-Up • Remuneration By-law Review • Real Estate Follow-Up • Absence Management • Workforce Productivity Data and Information • Enforcement Processes

The 2015, 2016 and 2017 audits have been completed. Implementation on audit recommendations is underway with staff giving priority to high and medium risk recommendations. Of the 2018 audits, four are complete and four are underway.

The details of the completed audits in relation to all recommendations (high, medium and low risk) follow. For further details, a progress status on the implementation of the high and medium risk recommendations can be found in Attachment 1. Attachment 2 to this report is a memorandum from K.P.M.G. commenting on this status update.

3.1   2015 Audits

The Accounts Receivable and Cash Handling Audit (approved by Council September 28, 2015) contains two medium and six low risk recommendations. Key activities related to outstanding recommendations include:

- The medium risk recommendation regarding the improvement of the recording and administration of administrative penalties (A.M.P.s) has been initiated and will extend into the second quarter of 2019.

- Three of the six low risk recommendations are being implemented. One is 40% complete and reliant on the completion of another system implementation. Preliminary work has been completed and relates to the month-end cash counting procedures. One is 25% complete and relates to the Accounts Receivable user profiles which is part of a larger security profile review, and one is 70% complete and relates to the streamlining of Accounts Receivable processes. It is expected that the target due dates will extend into the second quarter of 2019 due to system implementation delays.

The Accounts Payable and Purchasing Compliance Audit (approved by Council November 30, 2015) contains one high, one medium and eight low risk recommendations. One low risk recommendation related to the issuance of a Request For Proposal (R.F.P.) for Purchasing Cards is outstanding and will extend into the third quarter 2018.

The Payroll and Overtime Audit (approved by Council June 27, 2016) contained two medium and four low risk recommendations. Key activities related to outstanding low risk recommendations include:

• Terminations sample testing will be completed by the end of Q4 2018.

• The City has investigated the feasibility of developing a technical solution to support tracking and reporting of overtime. The project has been approved, and it is anticipated that a solution will be implemented by the end of Q4 2018.

3.2   2016 Audits

The Internal Audit of the Real Estate Function report recommendations relate to the following aspects of the real estate function:

1)   The location of the real estate function within the corporation;
2)   The resources needed for the real estate function;
3)   Roles and responsibilities in relation to the real estate function;
4)   Oversight of real estate acquisitions and dispositions;
5)   Updating and maintaining the City's land holdings inventory;
6)   Updating the acquisition and disposal policy and by-law;
7)   Updating the encroachment by-law;
8)   Enquiries in relation to the City's land and property;
9)   Maintenance of land holdings data within the corporate database;
10)   Billing functions in relation to leases and licences;
11)   Insurance requirements for leases; and
12)   Filing administration.

On December 19, 2016, Council received this audit for information and endorsed the recommendations and management responses in the audit as the general basis for improving the City's real estate function. A priority risk rating was not applied to the recommendations by K.P.M.G.; however, all actionable components of recommendations 1, 2, 4, 5, 9, 11, and 12 have now been fully implemented. Work on the remaining recommendations is well underway.

As part of establishing roles and responsibilities in relation to the real estate function under recommendation 3, the development of a detailed Policy and Procedures Manual for various core processes is well advanced. This manual will also address the remaining actionable items under recommendations 6, 7, 8 and 10. The manual includes sections dealing with property acquisition and disposition, easements, encroachments, leases and licences. K.P.M.G. will review the manual as per the real estate follow-up audit. In addition, as part of the Lean process review of the real estate function, Corporate Real Estate Strategy Team (C.R.E.S.T.) staff representatives will have an opportunity to provide input on the draft procedures prior to finalization.

Work on the manual has sufficiently advanced to assist in the development of associated by-laws and by-law amendments to ensure the efficient and streamlined management of the City's real estate function. A new by-law to regulate encroachments on City-owned property, on easements in favour of the City and amendments to various other by-laws

relating to the City's real estate function are to be reviewed by K.P.M.G. as part of the real estate audit process and then will be presented to Council for approval.

The Health and Safety Audit (approved by Council January 30, 2017) contains one high, three medium and four low risk recommendations. Key activities related to outstanding recommendations include:

- The City's response to the high risk recommendation related to health and safety related information will continue in 2018, with some preliminary scoping work currently being done on IT solutions.

- Two medium risk recommendations related to staff health and safety training requirements and an escalation process for non-completion of staff training are underway and are both 80% complete. Better documentation and tracking of various mandatory training subjects for all employees is pending the finalized mandatory matrix in the third quarter 2018.

- Currently, only two of the four low risk recommendations have outstanding elements. One related to the update of the Terms of Reference for the Joint Health and Safety Committees is reliant on discussions with the unions and Ministry of Labour. The other recommendation is related to volunteers and tracking of training and is reliant on IT solutions.

The Asset Management audit (approved by Council May 1, 2017) contains eight recommendations. The recommendations were prioritized on the basis of short, medium or long term rather than a risk rating (high, medium or low). Work is progressing on a number of aspects. Many of the recommendations are complex and require multiple steps to achieve the desired outcome. These steps have varying completion due dates and have dependencies on other recommendations.

In May 2017, the Province introduced proposed Asset Management Planning regulations, which set out a number of requirements for municipalities regarding development and reporting of asset management plans. Staff have compared the K.P.M.G. audit recommendations to the proposed Provincial work plan and believe that the objectives of the audit recommendations will be fulfilled as a result of compliance with the work plan. Staff report CM-17-37 dated December 7, 2017 provided Council with an update on the overall asset management program and details on the proposed regulations. Since that time, the development of the Strategic Asset Management Plan has been advanced.

The O.S.C.C. audit (approved by Council May 1, 2017) contains two medium risk and two low risk recommendations. Key activities related to one outstanding medium risk recommendation include:

- The final key activity will be the drafting of a municipal services agreement between the City and O.S.C.C. that will, among other matters, identify various services provided by the City to O.S.C.C. and related costs. This is expected to be completed fourth quarter 2018.

The Fleet audit (approved by Council May 1, 2017) contains two high, three medium risk and three low risk recommendations. Implementation is complete with key performance indicators being monitored accordingly and the presentation of the data monthly. One low risk recommendation related to vehicle specification templates is ongoing and will take time to complete all asset classes.

3.3   2017 Audits

The IT Function Review, Overtime Follow-up, Cyber Risk and Maturity Assessment, Recruitment and Retention of Staff, Administrative Monetary Penalties and Work Order Management audits are complete with implementation underway.

The IT Function Review audit (approved by Council June 26, 2017) contains three high, four medium and one low risk recommendations. Key activities related to outstanding recommendations include:

- For the three high risk items, work on the Information Technology Strategic Plan (I.T.S.P.) is expected to start in the Fall of 2018 and will include information system accountabilities and responsibilities related to information management. Staff are continuing work on improvements to project standards and templates as part of portfolio and project management, which will extend into the fourth quarter of 2018. A Lean review of change management processes is currently underway.

- For the four medium risk items, staff are continuing to review and update job descriptions and responsibilities for all I.T.S. positions with an expected completion by the end of 2019. An updated I.T.S. service listing has been developed to identify service priorities for future service reviews. Server updates and patches are being completed through automated tools, and staff have initiated an R.F.P. process to acquire additional automated network monitoring tools to further improve efficiency and security. Information system ownership and a review of the corporate IT governance structure will be completed as part of the updated I.T.S.P. Key performance indicators are also under development.

The Overtime Follow-up audit (approved by Council October 16, 2017) contains four medium and two low risk recommendations. Key activities related to the outstanding recommendations include:

- The last two medium risk recommendations are underway. One relates to the modifications to workforce planning practices and, due to its dependency on the implementation of a technical solution for reporting on overtime, it is expected to be completed in the first quarter of 2019. The second medium risk recommendation underway relates to collective agreement negotiations. Discussions around workforce planning practices and hours of work are complete for CUPE Local 250. Negotiations for CUPE Local 251 will take place in 2020.

- Both low risk recommendations regarding succession planning and investment in systems and software are underway.

The Cyber Risk and Maturity assessment audit (approved by Council December 18, 2017 in closed session in accordance with the Municipal Act, 2001, S. 239(2) regarding the security of the property of the City) contains three high and four medium risk recommendations. Staff have started addressing the recommendations, and discussions have taken place with key stakeholders. Work is progressing as expected based on the management responses and projected due dates.

The Recruitment and Retention of Staff audit (approved by Council January 29, 2018) contains five medium and two low risk recommendations. Key activities relating to outstanding recommendations include:

- All medium risk recommendations are underway, including changes to the Keyscan database and improvements to the staff change checklist. The development of an approach for an employee satisfaction survey has begun and will extend to the third quarter 2018. The remaining medium risk recommendations related to staff training and the exit interview process will be addressed according to the timelines outlined in management's response in the audit report.

- One low risk recommendation regarding conducting a review of key performance metrics for Human Resource Services is underway.

The Administrative Monetary Penalties audit (approved by Council March 19, 2018) contains six medium and one low risk recommendations. Key activities related to outstanding recommendations include:

- Five outstanding medium risk recommendations related to policies and procedures, software improvements, analysis of ticketing trends, ticket data input improvements and better reporting on screening and hearing decisions are underway. Staff in M.L.E., I.T.S., Legal and Finance, and our external software vendor, continue to assess risks as applicable. Certain risk elements have already been addressed while others will require work throughout 2018 and into 2019.

The Work Order Management audit included two review components intended to assist in the selection of a new corporate Work Management System. The first was a review of the system reporting requirements and the second, a review of the resource plan for the implementation of the new software. A priority risk rating was not applied to the recommendations by K.P.M.G. The recommendations have been incorporated into the R.F.P. and the subsequent report to Council regarding the software award and implementation.

3.4   2018 Audits

The Health and Safety Follow-Up audit (approved by Council June 25, 2018) contains four medium risk recommendations. Key activities related to two outstanding recommendations include:

- A data analysis template has been developed and draft reports will be prepared for comment in Q3 2018.

- The process for corrective actions and disciplinary steps regarding at fault vehicle collisions has been reviewed and implemented. Scoping work is currently being done on a database to track final disciplinary outcomes.

The Reserves audit (approved by Council June 25, 2018) contains two recommendations, one medium and one low risk. Key activities related to outstanding recommendations include:

- An updated policy document as recommended is in progress and expected to be completed in Q2 2019.

The Fleet Management Follow-Up audit (approved by Council June 25, 2018) reviewed work on the original eight recommendations. See comments above.

The Remuneration By-law Review audit (approved by Council June 25, 2018) contains three medium risk recommendations. Key activities related to outstanding recommendations include:

- A procedural amendment to the Remuneration By-law will be brought to Council third Quarter 2018.

- The other two medium risk recommendations related to the elimination of the one-third exemption on Council members expense allowance and the approach to retirement allowance will be addressed in the new term of Council.

In terms of the remaining 2018 audits, the Real Estate Follow-Up, Absence Management, Workforce Productivity Data and Information, and Enforcement Processes audits are progressing.

4.0   Financial Implications

There are no financial implications arising from the recommendation of this report.

5.0   Relationship to the Oshawa Strategic Plan

This report responds to the Council-approved Oshawa Strategic Plan goal of Economic Prosperity and Financial Stewardship – Ensure economic growth and a sound financial future, and Accountable Leadership – Ensure respect, responsiveness and transparency.

Helen Break, Director, Strategic Initiatives
Office of the City Manager

Stephanie Sinnott, Commissioner, Finance Services,
Office of the City Manager

Jag Sharma, City Manager,
Office of the City Manager

Attachments

Internal Audit Progress Tracking (High and Medium Risks)

Recommendation	Risk	Comment	Percent Complete	Audit Target Due Date	Revised Due Date
2015 Audits					
Accounts Receivable and Cash Handling Audit					
Recording and administration of the AMPs	Medium	Meetings with MLELS, ITS and Finance have occurred to obtain an understanding of processes and issues. A series of meetings will be scheduled for greater in-depth analysis and the creation of a plan to rectify any identified issues.	10%	Dec 31/16	Q2 2019
Cash count and reconciliation procedures for Garage 3	Medium	On May 9, 2016, Finance Services issued an audit close-out report indicating all recommendations were successfully implemented and satisfied that reconciliations were balanced and controls in place.	100%	Dec 31/15	

Recommendation	Risk	Comment	Percent Complete	Audit Target Due Date	Revised Due Date
Accounts Payable and Purchasing Compliance, and Purchasing Cards and Travel Compliance Audit					
Signing authority processes	High	The new signing authority policy and matrix were approved by Council on December 10, 2016 and implemented on February 1, 2017.	100%	Dec 31/16	
Request for bid process	Medium	All 2016 quarterly audits have been completed as at February 7, 2017. A report on the Purchasing By-law update was approved by the Finance Committee on May 12, 2016 and endorsed by Council on May 24, 2016. Education session for the business units were completed in the 3rd Quarter 2016.	100%	Dec 31/16	
Payroll and Overtime Audit					
Development of a City-wide overtime tracking policy	Medium	The Overtime Approval and Tracking Policy, which was informed by the Overtime Follow up Audit, has been rolled out.	100%	Q2 2017	Q1 2018
Use and management of overtime	Medium	This recommendation will be implemented through implementation of the Overtime Follow up Audit.	100%	Q4 2018	Q1 2018

Recommendation	Risk	Comment	Percent Complete	Audit Target Due Date	Revised Due Date
2016 Audits					
Health and Safety Audit					
Health and safety related information	High	Compilation and reporting of incidents and training has been addressed with a short term solution being finalized through the development of a common reporting template. It should be noted that the City tracks mandatory training required by the Ontario Health and Safety Act. Waiting finalization of mandatory training matrix.	95%	Q3 2017	Q3 2018
		Identifying possible IT solutions for both incident reporting and tracking of training records has begun. This entails a requirements analysis with stakeholders, market review of software vendors and budget submission. Securing a consultant to assist in HR and Payroll software technology is underway.	10%	Q4 2018	Q4 2019
Current organizational support for health and safety	Medium	A requirements analysis with key stakeholders to determine how best to approach collaboration and integration across branches is underway.

A new checklist piloted in Community Services – Operational Services is now ready to be rolled out to the remainder of the Corporation for mandatory completion including administrative staff for new or transferred employees. | 100% | Q3 2017 | |

Recommendation	Risk	Comment	Percent Complete	Audit Target Due Date	Revised Due Date
Health & Safety (Cont'd)					
Training requirements of staff	Medium	A review with key stakeholders to identify minimum health and safety requirements for each position within each branch was initiated. Greater use of online safety and training through a third party vendor is well underway allowing for better documentation and tracking of various mandatory training subjects. This will be coordinated with the mandatory training matrix.	80%	Q3 2018	
Escalation process for non-completion of training	Medium	Policy is finalized and ready to be distributed for comment. Procedures for supervisors/managers/ directors to identify and follow up regarding gaps in mandatory Health and Safety training completion rates due to other priorities with a new spreadsheet development will anticipate completion with the standardized mandatory safety training matrix.	80%	Q2 2017	Q3 2018
O.S.C.C.					
Development of a Municipal Services Agreement	Medium	The parties to the Municipal Services Agreement will be the City and OSCC. The agreement will, among other matters, identify various services provided by the City to OSCC and related costs. It is dependent on the completion of the costing exercise. The anticipated due date has been revised accordingly.	5%	Q4 2017	Q4 2018

Recommendation	Risk	Comment	Percent Complete	Audit Target Due Date	Revised Due Date
Full cost of grant to the O.S.C.C.	Medium	An assessment and analysis of the full cost of the grant to the O.S.C.C. has been completed.	100%	Q2 2017	
Fleet Audit					
Fleet analysis and data availability	High	A Fleet Analyst responsible for data analysis and fleet reporting is in place. Fleet is in the process of choosing a new fleet management system to replace the MMS system.	100%	Q1 2018	
Regular monitoring of N.A.P.A. key performance indicators	High	Regular monthly meetings are held with the District Manager of NAPA to review performance. The 80% parts fill rate target year-to-date is monitored on a monthly basis and is being met. Staff are continuing to work with NAPA to include the remaining KPI's as part of the regular monitoring process.	100%	Q3 2017	Q2 2018
Analyze the utilization of fleet vehicles	Medium	An increased emphasis has been placed on the reallocation of the present fleet, including re-purposing (Hybrids) across City departments, based on utilization.	100%	Q2 2017	Q2 2018
Change in fleet replacement strategy and methodology	Medium	All requests for vehicles and equipment purchases are now processed centrally through Fleet Services.	100%	Q4 2017	Q1 2018
Segregation of duties in requests for new parts and servicing	Medium	Hiring of new Fleet Supervisor in Q3 2017 has consolidated responsibilities within area.	100%	Q3 2017	

Recommendation	Risk	Comment	Percent Complete	Audit Target Due Date	Revised Due Date
2017 Audits					
IT Function Review					
IT Strategy	High	Council has approved funding to support the development of a new IT Strategic Plan. Work on the plan is expected to begin in the fall of 2018.	5%	Q4 2018	
Portfolio and project management	High	A new Interim Manager, IT Project Planning and Portfolio has been hired and work is continuing on improving project standards and templates. Full standards implementation will be delayed due to staff vacancies and project workload.	50%	Q1 2018	Q4 2018
		The Business Analyst position responsibilities have been updated.	100%	Q1 2018	
		A Lean Process review of the IT Change Management Processes is underway.	20%	Q1 2018	Q4 2018
Information and information systems ownership	High	A review of the accountabilities and responsibilities related to Information Management will be completed as part of the updated Information Technology Strategic Plan.	0%	Q4 2018	

Recommendation	Risk	Comment	Percent Complete	Audit Target Due Date	Revised Due Date
		The existing Business application owners and support responsibilities have been reviewed and updated by stakeholders.	100%	Q4 2017	Q1 2018
		The MyIT website has been reviewed and updated to include a Technology Procurement Guide for City staff.	100%	Q1 2018	
ITS staff roles and responsibilities	Medium	A review of the remaining ITS job descriptions is underway.	30%	Q4 2019	
		Monthly security updates have been scheduled with IT management. The Network Security Manager is escalating security issues to both the Manager, Systems and Security Operations and the Director of ITS.	100%	Q3 2017	
		A Lean process review of the Help Desk roles and responsibilities has been completed and staff are working to implement recommended process changes.	100%	Q1 2018	

Recommendation	Risk	Comment	Percent Complete	Audit Target Due Date	Revised Due Date
Utilization of automation and system tools	Medium	An updated ITS service listing has been developed to identify service priorities for improvement. The initial review of Change Management Processes is underway.	100%	Q1 2018	Q2 2018
		Funding is in place and an RFP has been issued for the implementation of additional network monitoring tools.	25%	Q3 2018	Q4 2018
		Server updates and patches are now being completed through automated tools. Manual intervention will still be needed on some servers due to software requirements.	100%	Q1 2018	Q2 2018
Role of the Information Systems Steering Committee (ISSC) and Project Executive Sponsors	Medium	Executive sponsors have been assigned to each significant corporate project and are committed to project success. Project portfolio reporting is coordinated through the ISSC to CLT.	100%	Q3 2017	Q1 2018
		A review of the corporate IT governance structure will be completed as part of the updated Information Technology Strategic Plan	0%	Q4 2018	

Recommendation	Risk	Comment	Percent Complete	Audit Target Due Date	Revised Due Date
Key performance indicators	Medium	Incident case management metrics and KPIs are being developed.	50%	Q2 2018	Q4 2018
Overtime Follow-up Audit					
Modification to workforce planning practices	Medium	The City will review and enhance its workforce planning practices to include "productive" and "non-productive" time. This key dependency is the availability of accurate "productive" and "non-productive time which will be delivered as part of the technical solution for tracking and reporting on overtime. The project has been approved and it is anticipated that solution will be implemented by the end of Q4 2018. The updated workforce planning practices will be developed based on internal stakeholder engagement, alignment with current practice and tools, and review of established leading practices.	25%	Q2 2018	Q1 2019

Recommendation	Risk	Comment	Percent Complete	Audit Target Due Date	Revised Due Date
Tracking of "regular" vs. "ad hoc" overtime data	Medium	The Overtime Approval and Tracking Policy includes a mechanism to identify reasons for the overtime. Overtime resulting from scheduled or *ad hoc* overtime is identified through this process. The roll-out included a mechanism to identify and review current practices related to reasons for the overtime. The City has investigated the feasibility of developing a technical solution, which will support tracking and reporting of overtime. The project has been approved and it is anticipated that solution will be implemented by the end of Q4 2018.	100%	Q1 2018	
Tracking of exempt group overtime data	Medium	The Overtime Approval and Tracking Policy includes tracking of overtime for exempt group staff not eligible for overtime pay (e.g. Salary Level Q and above). The roll-out included a mechanism to identify and review current practices related to overtime for this group. The City has investigated the feasibility of developing a technical solution, which will support tracking and reporting of overtime. The project has been approved and it is anticipated that solution will be implemented by the end of Q4 2018.	100%	Q1 2018	

Recommendation	Risk	Comment	Percent Complete	Audit Target Due Date	Revised Due Date
Collective Agreement negotiation	Medium	During negotiation of the collective agreements with CUPE Local 250, discussions around workforce planning practices and hours of work.	100%	Q1 2018	Q2 2018
		During negotiation of the collective agreements with CUPE Local 251, discussions around workforce planning practices and hours of work.	0%	2020	
Recruitment and Retention of Staff					
Reconciliation of the Keyscan access/ identification card system	Medium	Changes to the Keyscan database are underway. The database will also undergo a general clean-up and the related policy/procedure will be updated.	60%	Q4 2018	Q2 2019
		Management is developing an IT solution and tools to assist with card reconciliations.	100%	Q4 2018	
Staff change checklist	Medium	Management will undertake to standardize system access, where possible, i.e. based on i) Department, ii) Branch, and iii) roles. Human Resources will work with ITS to develop an appropriate process whereby standardization of system access rights will be considered as part of Position Description creation and updates.	0%	Q2 2019	

Recommendation	Risk	Comment	Percent Complete	Audit Target Due Date	Revised Due Date
		Management has re-emphasized the importance of completing the staff change checklist in a timely manner.	100%	Q1 2018	
Development of staff and training	Medium	Management will perform a review of current training offerings and opportunities, including Corporate and Branch training budgets, with all Departments.	0%	Q3 2018	
		Management will investigate opportunities for cross training and consider developing a formal policy or program. Management will also consider collective bargaining implications.	25%	Q4 2019	
Exit interview process	Medium	Management will undertake to perform exit interviews more consistently giving employees the choice to have management attend the interview. A review of the Exit Interview Policy will also be conducted.	5%	Q4 2018	
Employee satisfaction survey	Medium	Management is developing an approach to conducting periodic employee satisfaction surveys and seek resources (i.e. budget for 2019 Budget cycle) to perform such a survey in 2019.	10%	Q2 2018	Q3 2018

Recommendation	Risk	Comment	Percent Complete	Audit Target Due Date	Revised Due Date
Administrative Monetary Penalties					
Policies and procedures for AMP program need to be adequately documented	Medium	Further clarity on filing and processing of complaints and financial management and reporting will be developed and made available to the public on the City's website and by other means, as appropriate.	0%	Q3 2018	Q2 2019
Areas for improvement for the Officer software system	Medium	Upgrades to the Officer Command software are underway.	10%	Q1 2019	Q2 2019
		Discussions have taken place with Legal to ensure the accuracy of penalty notices.	100%	Q1 2018	
		Plans for refresher training on the Officer software are underway. Once system enhancements are in place, further training will be arranged.	10%	Q1 2019	Q2 2019
Trend analysis in relation to calls about AMP program	Medium	MLE will work with Service Oshawa to better understand the complaints and requests being submitted and develop continuous improvement action items, as appropriate.	0%	Q4 2018	Q1 2019
		MLE will work with Corporate Communications to improve the website information about the complaint process.	0%	Q4 2018	Q2 2019

Recommendation	Risk	Comment	Percent Complete	Audit Target Due Date	Revised Due Date
Collection agency evaluation	Medium	A collection agency has been hired, which will provide more elaborate, informative and traceable reporting.	100%	Q2 2018	
Improvement in the MLE process	Medium	The Office software system enhancements are underway and associated training will ensure the correct use of void approved, retire approved and cancelled categories and provide clarity regarding responsibilities/authority for process owners.	20%	Q1 2019	Q2 2019
		All penalty notices with incorrect information are being reviewed by the Operations Coordinator and/or Manager, MLE.	100%	n/a	
		Paid after plate denial files are uploaded to the Officer software system monthly.	100%	n/a	
Improvements in screening and hearing documents	Medium	Officer software limitations impacting Hearing and Screening Officer records will be addressed during the Officer software system enhancements.	10%	Q1 2019	Q2 2019
		A process is in place to review all hearing applications to ensure they are received within the timeframe prescribed by the By-law.	100%	n/a	

Recommendation	Risk	Comment	Percent Complete	Audit Target Due Date	Revised Due Date
2018 Audits					
Health and Safety Follow-up Audit					
Vehicle collision database contents	Medium	The data management database has been updated in accordance with audit recommendations.	100%	Q3 2018	
Data analysis	Medium	Data analysis template has been developed based on the audit recommendations. Draft reports will be distributed for comment and the initial reports will be distributed in Q3 2018.	80%	Q3 2018	
Review of corrective actions and disciplinary steps	Medium	The process of corrective actions and discipline regarding at fault vehicle collisions was reviewed and implemented. Ongoing operator reviews are being completed following any at fault collisions. Examination of maintaining a data base on final disciplinary outcomes is still in discussion.	80%	Q4 2018	
Supervisor and employee incident investigation reports	Medium	Employee incident reports are now audited for completeness and follow-up by managers. Where incidents are not followed up in a timely manner, the issues are escalated to the next senior manager or director.	100%	Q3 2018	

Recommendation	Risk	Comment	Percent Complete	Audit Target Due Date	Revised Due Date
Reserves Audit					
Reserve fund policy guidance	Medium	An updated policy document is in progress and should be completed by Q2 - 2019	5%	Q2 2019	
Remuneration By-law Review Audit					
Adoption of a formal mechanism to review the Remuneration By-law	Medium	A procedural amendment to the Remuneration By-law will be brought to the September 24, 2018 Council meeting.	90%	Q3 2018	
		A Council policy on pregnancy and parental leave will be brought forward to comply with the Municipal Act requirements.	0%	Q1 2019	
		A more substantive review of the Remuneration Bylaw, including community input, will be undertaken prior to the 2022-2026 term of Council.	0%	Q2 2022	
Elimination of the 1/3 exemption on Council members expense allowances	Medium	To be completed within the 2018-2022 term of Council.	0%	2018-2022 term of Council	
Approach to retirement allowance	Medium	To be completed within the 2018-2022 term of Council.	0%	2018-2022 term of Council	

August 23, 2018

Councillor Carter, Chair
Finance Committee
City of Oshawa
50 Centre Street South
Oshawa
L1H 3Z7

Dear Councillor Carter

Re: Internal Audit - Quarterly Implementation Status Report

Since May 2018, the Work Order Management has been completed and a memo provided to management. The recommendations have been incorporated into the RFP and the subsequent report to Council regarding the software award and implementation. The Reserve Policy and Remuneration By-Law reviews have been completed and were reported to Council in June. Work is underway on the Real Estate follow up and Enforcement processes reviews, with work on Absence Management due to commence in September 2018 and reported to Council in early 2019.

Management continue to be supportive and engaging in the Internal Audit process and provide valuable insights and views which allow us to complete our work. We agree with management's assessment of current progress in the Quarterly Audit Implementation Status Report INFO-18-166

Best regards,

KPMG LLP

Tony Malfara,   Nick Rolfe
Partner, KPMG LLP   Partner, KPMG LLP