City of London
Audit Committee Meeting
September 18, 2024
Internal Audit Follow Up Activities Dashboard

Internal Audit Follow Up Activities as of August 31, 2024

A strong indicator of an effective internal control environment is the timeliness with which Management addresses reported control deficiencies. On a quarterly basis, MNP will conduct an audit follow-up process to ensure internal audit findings have been effectively remediated through the implementation of related Management action plans on a timely basis.

There were **nine (9)** recommendations from issued audit reports that were followed-up on during this quarter. **One (1)** Management action item was closed, **one (1)** action items were retargeted, and **seven (7)** action items are on track to be completed by their respective due dates.

- *Neighbourhood Decision Making Program Value for Money ("VfM") Audit* – Two (2) Medium Risk Observations.
- *Recruitment and Selection Audit* – One (1) Medium Risk Observation.
- *Vendor Risk Management Audit* - One (1) High Risk and Four (4) Medium Risk Observations.
- *Cyber Security Review* – One (1) Medium Risk Observation.

Remediation Status Legend

| On Track For Completion | Delayed | Critical Delay/Deviation |

Open Management Action Plans

#	Management Action Plan	Risk Rating	Due Date	Remediation Status	Quarterly Update
	Neighbourhood Decision Making Program Value for Money ("VfM") Audit				
1	**Tracking the Effectiveness of Implemented Ideas/Projects** The success of ideas post implementation should be measured, where practical. The frequency, type and nature of analysis can vary depending on the implemented idea. Both qualitative and quantitative analysis should be utilized to help determine if desired outcomes have been accomplished. As an example, to determine the effectiveness of an implemented idea, the City could utilize factors such as: • Measuring resident attendance or usage (i.e., for park playgrounds, benches, skate parks, community electric vehicle charging stations, etc.). • Tracking social media engagement (i.e., reviewing hashtags for locations/implemented ideas). • Performing resident surveys to obtain their opinions on the implemented idea. • Measuring community safety metrics (i.e., after installation of streetlights and traffic signs).	**Medium**	March 2025	**On Track for Completion**	Management is on track to complete their action plan by the documented due date, pending the outcome of the 2025 Budget Update process.

2	**Service Level Agreements ("SLAs") and Key Performance Indicators ("KPIs")**
	
	SLAs and related KPIs should be established for key processes of the Program. The development of the SLAs and KPIs should factor in the processing of ideas by type, volume, and frequency to help ensure any service standards created are realistic and represent an accurate reflection on performance.
	The following are examples of internal and external measures that could be implemented by the NDM Program team:
	• Feasibility Analysis (Internal Measure)
	    ○ Average time taken for SMEs or relevant staff to provide idea feasibility notes and conclusion.
	• Communications with idea submitters (External Measures)
	    ○ Average time taken to communicate the idea feasibility result to an idea submitter.
	    ○ Average time taken to communicate the voting results to an idea submitter and next steps for idea implementation.
	    ○ Average time taken to provide status update/progress of implementation to an idea submitter.
		Medium	December 2024
			
			Revised to March 2025
				Delayed	This action is on hold pending the outcome of the 2025 Budget Update process.

#	Management Action Plan	Risk Rating	Due Date	Remediation Status	Quarterly Update
	Internal measures should be communicated within the City and external measures should be communicated to residents via the City's website to ensure performance expectations are clear and understood by each party.				
	Recruitment and Selection Audit				
1	**Sourcing and Attracting Applicants** People Services will develop the value proposition for working at the City of London and work with Strategic Communications on how best to promote this within our recruitment processes with full implementation targeted for Q2 2024.	Medium	June 2024	**Completed**	
	Vendor Risk Management Audit				
1	**Vendor Due Diligence and Formalization of the Vendor Risk Assessment Process** Procurement Services has engaged a consultant to review and advise on adding vendor management tools including risk assessments, Performance evaluations, Performance rectification processes. A consulting project is underway with an estimated update of the Procurement of Goods and Services Policy targeted for June 2024. The degree to which additional due diligence is implemented, will be dependent upon the business case submitted requesting operating funds to take on the additional responsibilities of a full Vendor Performance Program/Office.	High	Original - Q3 2024 Revised - Q1 2025	**On Track for Completion**	Business Case #P-73 Vendor Performance Management was not adopted as part of the Multi-Year Budget so Administration will look to amend the scope of the procurement of goods and services policy to adjust the policy framework and tools to reflect what can be achieved given current state. Vendor Performance Management tools can be implemented on high-risk, high-visibility and high-value projects, exceeding a pre-determined threshold. This will include project specific performance evaluations, performance report cards, rectification processes and a debarment process.
2	**Periodic Performance Evaluation of Vendors** Procurement Services has engaged a consultant to review and advise on adding vendor management tools including risk assessments, performance evaluations, performance rectification processes and vendor debarment.	Medium	Original - Q3 2024 Revised - Q1 2025	**On Track for Completion**	Business Case #P-73 Vendor Performance Management was not adopted as part of the Multi-Year Budget so Administration will look to amend the scope of the procurement of goods and services policy to adjust the policy framework and tools to reflect what can be achieved given current state. Vendor Performance Management tools can be implemented on high-risk, high-

#	Management Action Plan	Risk Rating	Due Date	Remediation Status	Quarterly Update
					visibility and high-value projects, exceeding a pre-determined threshold. This will include project specific performance evaluations, performance report cards, rectification processes and a debarment process.
3	**Vendor Contract** Procurement Services has engaged a consultant to draft a standard City of London Master Contract document. Starting in 2024, for centralized procurements entered into, Procurement will require copies of signed agreements to be provided when complete. Procurement Services will establish the centralized repository to store these contracts along with procurement records.	**Medium**	Original - Q3 2024 Revised – Q1 2025	**On Track for Completion**	Business Case #P-73 Vendor Performance Management was not adopted as part of the Multi-Year Budget so Administration will look to amend the scope of the procurement of goods and services policy to adjust the policy framework and tools to reflect what can be achieved given current state.
4	**Vendor Management Reporting** A Vendor Performance Management (VPM) program will need to be implemented and included in new bidding templates. Reporting would begin after the VPM has been implemented for a year.	**Medium**	Q3 2025	**On Track for Completion**	Although Business Case #P-73 Vendor Performance Management was not adopted as part of the Multi-Year Budget, Civic Administration is working with a consultant to determine the scale and scope that can be implemented within existing resources.
5	**Formalization of Key VRM Processes** Procurement Services has engaged a consultant to review the City's Procurement of Goods and Services Policy, which will take into consideration vendor management. Approval of the VPM Business Case will affect the degree in which this is undertaken.	**Medium**	Original - Q3 2024 Revised – Q1 2025	**On Track for Completion**	Business Case #P-73 Vendor Performance Management was not adopted as part of the Multi-Year Budget. Civic Administration will look to amend the scope of the procurement of goods and services policy to adjust the policy framework and tools to reflect what can be achieved given current state. Vendor Performance Management tools can be implemented on high-risk, high-visibility and high-value projects, exceeding a pre-determined threshold.

#	Management Action Plan	Risk Rating	Due Date	Remediation Status	Quarterly Update
	Cyber Security Review				
1	**Alignment of cyber initiatives** (a) To support funding for a GRC solution and to ensure all associated documentation connects to the appropriate cyclical activities, ITS will bring forward a business case for consideration through the annual budget update process. (b) Building on the identified ownership and ticketing process of each cyclical activity, ITS will review and update all cyclical activities through the RACI lens and continue to optimize ticketing trough a single tool (Information Technology Service Management Application). (c) ITS will review each cyclical activity, determine where additional KPIs can add business value and implement those KPIs. (d) ITS will evaluate and implement Service Level Agreements for cyclical activities were beneficial.	**Medium**	(a) GRC Tool Funding Business Case (b) Review and Update of Cyclical Activities (June 30, 2024) completed (c) Review and Update of Cyclical Activities (June 30, 2024) completed (d) Review and Update of Cyclical Activities (September 30, 2024)	**On Track**	On track for targeted completion.