

The Corporation of the City of London

Quarterly Report on Internal
Audit Results

July 14, 2011



Agenda

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Rating Scale – Opportunities for Improvement

- **Satisfactory**

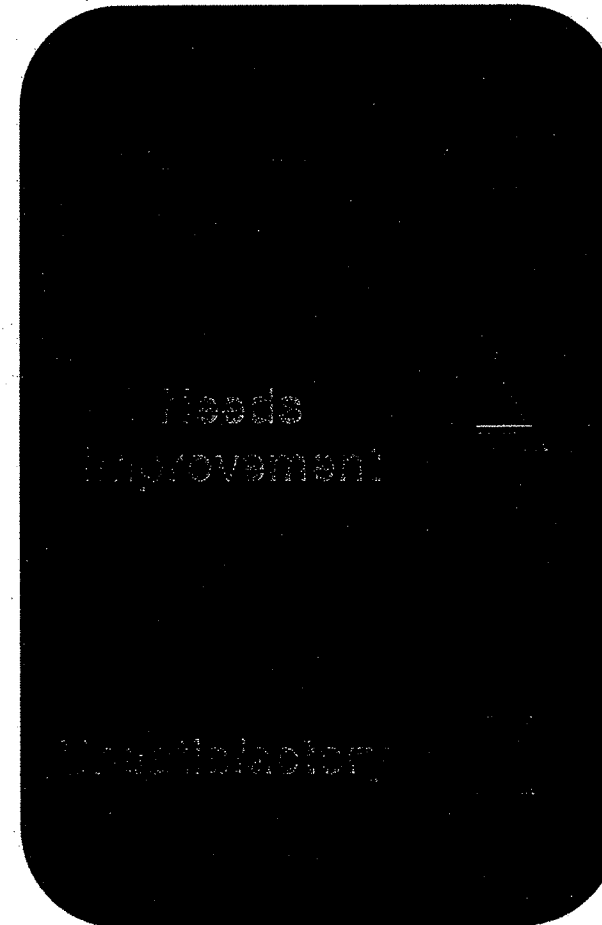
Controls are present to mitigate process/business risk, however an opportunity exists for improvement.

- **Needs Improvement**

Existing controls may not mitigate process/business risk and management should consider implementing a stronger control structure.

- **Unsatisfactory**

Control weaknesses are significant and the overall exposure to risk is unacceptable. Immediate attention and oversight from management is required.



Summary of Risks & Scope

Long-term Care - Compliance

Scope

- Record-keeping
- Staffing & training
- Oversight & communication
- Policies & procedures
- Trust accounts
- Pharmacy operations

Risks

- Inaccurate record-keeping of resident activities
- Insufficient staffing and training
- Non-compliant policies and procedures in relation to long-term care legislation
- Inappropriate segregation of duties surrounding trust account administration
- Insufficient coordination with independent pharmacy organization

Controls Operating Effectively

- Completion and maintenance of resident admission, discharge, medical and incident documentation
- Monitoring of staffing levels and provision of training
- Oversight and monitoring of compliance with legislation
- Administration and monitoring of resident trust account activity
- Coordination with independent pharmacy organization

Value-for-Money Considerations

- The City's staff appropriately monitors occupancy levels to ensure maximum government funding is received
- The recommendations made will facilitate the collection of outstanding billings. This can help the Dearness Home better manage their long-outstanding receivables, which are approximately \$124,000 as at June 28, 2011. The City has processes in place to follow-up on these accounts receivable balances, which consist of seven client accounts.

Observations & Action Plans - #1

Long-term Care - Compliance

Observation

Business Office Resident Admissions Checklist

An admissions checklist is not utilized to ensure completeness of business office related admissions documentation.

Business Impact

A potential risk exists that an admissions document could remain incomplete subsequent to a resident's admission to the Dearness Home. This could have various impacts to the Dearness Home, depending on the type of document, including legal, compliance or operational risks, although the likelihood is low.

Action Plan

A business office admissions checklist will be developed. For example, it will prompt staff members to ask families to complete a Power of Attorney consent if not present and a trust account set-up form.

The Power-of-Attorney admission form will be amended to incorporate a statement of guarantee for outstanding bills.

This admissions checklist will be used consistently, maintained at the front of the resident's business office file and reviewed for completeness by the business office staff.

Responsible Party

Business Project Consultant

Timing

June 30, 2011

Observations & Action Plans - #2

Long-term Care - Compliance

Observation

Resident Discharge Process

The resident discharge process document does not contain guidance for residents discharged as a result of death.

A discharge checklist is not utilized to ensure completeness of documentation.

Business Impact

A potential litigation risk exists if the Dearness Home does not retain sufficient documentation of resident discharges, although the likelihood is low.

Action Plan

As a part of the ongoing policy review process initiated by management, the discharge procedure will be updated to incorporate the required steps for discharges resulting from the death of a resident. This includes obtaining formal proof of death, if applicable, trust account closure, documentation of disbursement of resident belongings, and resolving outstanding resident billings.

An all-encompassing discharge checklist will be developed. It will be used consistently, maintained within the archived resident files, and reviewed for completeness by the Unit Clerk.

Responsible Party

Director of Care

Timing

June 30, 2011

Observations & Action Plans - #3

Long-term Care - Compliance

Observation

Monitoring of Staff Training

A formal process does not exist to detect staff that have incomplete training requirements, or for the notification with respect to upcoming staff training or certification requirements.

Business Impact

A potential compliance risk exists if the Dearness Home does not accurately document training completed, or does not monitor future training requirements.

Action Plan

An accountable party will be assigned the responsibility to identify and communicate upcoming training requirements, and coordinate with the managers to ensure that the tracking document is complete and accurate.

Responsible Party

Director of Long-term Care

Timing

July 31, 2011

Observations & Action Plans - #4

Long-term Care - Compliance

Observation

Staff Orientation Checklists

Documentation of orientation programs provided to new staff members is not consistently retained.

Business Impact

A potential compliance risk exists if the Dearness Home does not accurately document orientation programs provided to newly hired staff members.

Dearness Home Managers will be reminded that orientation checklists should be consistently completed and retained in individual employee files.

Staff orientation packages will be created to include newly developed mandatory policies and procedures.

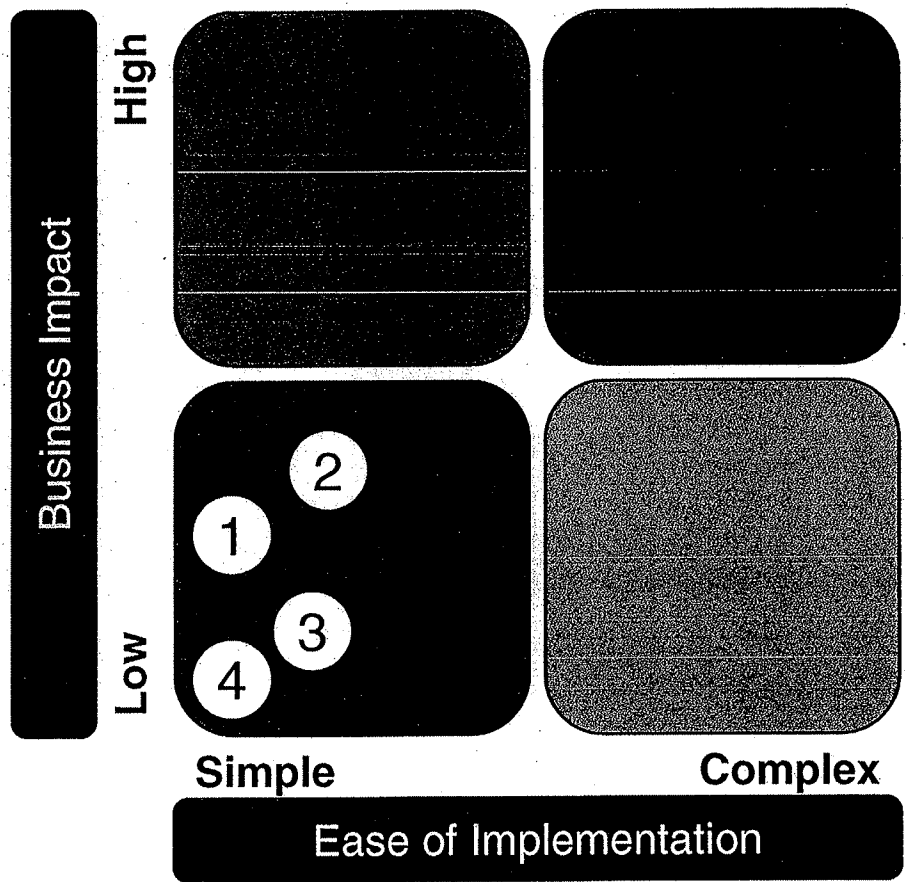
Responsible Party

Director of Long-term Care





Timing

June 30, 2011

Long-term Care Action Plan Summary




Observation	Responsible Party	Timing
#1: Resident Admissions Checklist	Business Project Consultant	June 30, 2011
#2: Resident Discharge Process	Director of Care	June 30, 2011
#3: Monitoring of Staff Training	Director of Long-term Care	July 31, 2011
#4: Staff Orientation Checklists	Director of Long-term Care	June 30, 2011

-  High Business Impact, Easy to Implement
-  High Business Impact, Difficult to Implement
-  Low Business Impact, Easy to Implement
-  Low Business Impact, Difficult to Implement

Internal Audit Projects In Progress

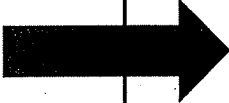



CAO's Department	Development Approvals	Completion 
Environmental & Engineering Services	Water & Sewage Revenue	Completion 
Finance	Bid Process & Approved Consultants	Planning 




 Higher risk

 Moderate risk

 Lower risk

Internal Audit Schedule Going Forward

CAO's Department	IT Governance Assessment					
CAO's Department	Attendance Management					
Community Services	Municipal Housing					
Environmental & Engineering Services	Fleet Asset Management					

 Higher risk
  Moderate risk
  Lower risk

Internal Audit Scorecard – June 2011

		Key Measures	TARGET	Jan	Feb	Mar	Apr	May	Jun
CORPORATE STRATEGY	Audit Committee	Approval of annual risk-based audit plan	Y						
		Number of reports presented to the Audit Committee	4						
		Timely reporting of recommendations	Y						
		Estimated quantification of future cost savings							
	Management/ Auditees	Number of closing meetings held with management	8						
		Number of concise, value-added recommendations							
INTERNAL AUDIT STRATEGY	Innovation/ Capabilities	Number of best practices identified by internal audit							
		Use of internal audit resources and processes	Y						
	Internal Audit Processes	Percentage of projects completed	34%						
		Completion of annual risk assessment and updates to audit plan	Y						
		Number of past-due action plans	0						

Objective Not Met
 Objective Partially Met
 Objective Met

