City of London
Audit Committee Meeting
June 14, 2023
Internal Audit Follow Up Activities Dashboard

Internal Audit Follow Up Activities as of June 1, 2023

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 are fifteen (15) recommendations from issued audit reports that were followed up on during this quarter. Three (3) Management action items were retargeted, and twelve (12) action items are on track to be completed by their respective due dates.

- Fire Process Assessment – Three (3) Medium Risk Observations
- Fleet Allocation & Utilization Management Assessment – Two (2) Medium Risk Observations
- Advanced Traffic Management System (ATMS) Project Review – One (1) Medium Risk Observation
- Neighbourhood Decision Making Program Value for Money ("VfM") Audit – Nine (9) Medium Risk Observations

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
	Fire Process Assessment				
1	**Key Performance Indicators ("KPI")** The Records Management System (RMS) implementation team has the KPIs that should be utilized. These data capturing requirements will be built into the RMS processes. This will provide the ability to run reports as needed. This enhancement is contingent on the completion of the RMS and the ability of personnel to log data appropriately. Please note, if this recommendation requires updates or enhancements to the current RMS system vendor, from either an ITS perspective and/or service area perspective, Civic Administration will take this project through the next multi-year ITS and budget approval processes.	Medium	**Original Due Date:** December 2022 **Revised Due Date #1:** September 2023 **Revised Due Date #2:** November 2023	Delayed	Fire staff continue to work with the Records Management System (RMS) vendor to ensure that required KPIs can be captured within the Records Management System. While the RMS vendor was targeting all components of the system to be delivered by the end of 2022, this was not realized. Staff are working to finalize a completion date in late 2023.
2	**Condition Based Vehicle Assessments** This initiative is twofold. Firstly, there is the need to align policies and procedures to the actions that will be undertaken within the current Records Management system. Secondly, the RMS implementation team has the KPIs that should be utilized. These data capturing requirements will be built into the current RMS processes. This will provide the ability to run reports as needed. This enhancement is contingent on the completion of the current RMS system and the ability of personnel to log data appropriately. Please note, if this recommendation requires updates or enhancements to the current RMS system, from either an ITS perspective and/or service area perspective, Civic Administration will take this project through the next multi-year ITS and budget approval processes.	Medium	**Original Due Date:** December 2022 **Revised Due Date #1:** September 2023 **Revised Due Date #2:** November 2023	Delayed	Fire staff continue to work with the RMS vendor as well as the City's Finance staff. Vehicle replacement schedules with estimated values have been updated. Vehicle assessment policies and procedures require both subjective and objective components which continue to be assessed. While the RMS vendor was targeting all components of the system to be delivered by the end of 2022, this was not realized. Staff are working to finalize a completion date in late 2023.

#	Management Action Plan	Risk Rating	Due Date	Remediation Status	Quarterly Update
3	**Preventative Maintenance, Productivity, and Inventory** This initiative is twofold. Firstly, there is the need to align policies and procedures to the actions that will be undertaken within the Records Management system. Secondly, the RMS implementation team has the KPIs that should be utilized. These data capturing requirements will be built into the RMS processes. This will provide the ability to run reports as needed. This enhancement is contingent on the completion of the RMS and the ability of personnel to log data appropriately. The implementation of this recommendation is also contingent on the additional resources requested through the next multi-year budget process.	Medium	**Original Due Date:** December 2022 **Revised Due Date:** September 2024	**On Track for Completion**	A Parts/Stores Technician is anticipated to be hired in June 2023 to support with the development of the inventory control system within RMS and at the physical location (1103 Florence Street). The physical location changes will require additional resources to complete therefore, completion is estimated in September 2024. In addition, progress has been made in implementing a process that captures fuel usage and kilometers when fuel is obtained.
	Fleet Allocation & Utilization Management Assessment				
1	**Confirm Delegated Authority** Develop an administrative policy for delegated authority and escalation protocols that defines a procedure and approval process for Service Area vehicles and replacement decisions, rental/owned balance, and additional vehicles and equipment added to the fleet.	Medium	Consultations with Service areas to be completed **Original Due Date:** September 2022 **Revised Due Date:** March 2023 **(Completed).** Administrative Policy draft prepared by **Original Due Date:** December 2022 **Revised Due Date:** March 2023 **(Completed).** Approval targeted **Original Due Date:** March 2023 **Revised Due Date #1:** May 2023 **Revised Due Date #2:** June 2023	**Delayed**	A draft version of the delegated authority and escalation protocols policy has been developed. The Senior Leadership Team (SLT) approval of the policy is targeted for early June 2023.

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2	**Improve Productivity/Reduce Costs** **Automation of Work Orders/General Productivity and Operator Damage** Develop a submission to the Technology Investment Strategy Committee through the designated process. A work order automation business case request will be submitted for consideration as part of the next intake of the Technology Investment Strategy as ITS support will be required. Should this project be prioritized to proceed with technology support, it will be submitted as a business case for consideration as part of the next Multi-Year Budget process. Continue to work closely with Driver Safety and Compliance. Establish a task team of key service area reps to meet regularly to discuss driver safety, trends, training, programming, and compliance issues. Develop a full telematic strategy that includes the required human resource support required to analyze data. Make recommendation on telematics strategy to Director of Fleet and Facilities and subsequently bring forward to CWC committee. Explore a PM maintenance program that utilizes telematics data to support the planned maintenance and service schedules. **Asset Pool Program** Develop and implement a gradual vehicle pool program in certain vehicle classes utilizing learned experiences from other municipalities.	**Medium**	Driver Safety Task Team to be developed and in place by **April 2022** (**Completed**). Work order automation and telematics – Feasibility and Recommendations to Director of Fleet and Facilities **December 2022** (**Completed**). Telematic Strategy – Meet with stakeholders and Driver Safety and Compliance and continue expansion of the telematics program in the interim. Full telematics strategy and policy developed for **December 2023**.	**On Track for Completion**	Management is on track to complete their action plan by the documented due date.

#	Management Action Plan	Risk Rating	Due Date	Remediation Status	Quarterly Update
	Advanced Traffic Management System (ATMS) Project Review				
4	<u>**No Process for Benefits Realization Management Including Baselining and Quantification of Benefits**</u> Quantification of benefits realization are an ongoing challenge of the ATMS project both due to ever-changing, dynamic nature of transportation systems and, most recently, the impacts of COVID which show increased positive benefits due to decreased travel demands. However, opportunities will be sought to demonstrate the ATMS benefits through specific improvement initiatives including the Adaptive Corridor Pilot, corridor timing improvements, and transit priority through typical metrics such as travel time and reliability indexes and transit schedule adherence. The ATMS is a nexus point of many tools that will be realized under the overall TIMMS program.	**Medium**	Corridor timing improvements metric to be implemented by **June 2023 (Completed).** Adaptive corridor pilot metric and transit priority metric to be implemented by **Original Due Date:** June 2023 **Revised Due Date:** December 2023	**On Track for Completion**	Corridor timing improvement metric (travel time index) has been developed and is being utilized. Adaptive corridor pilot metric and transit priority metric are still under development.
	Neighbourhood Decision Making Program Value for Money ("VfM") Audit				
1	<u>**Resident Project Participation Compensation**</u> The NDM Program guiding principles should be updated and clarified to include that idea submitters either will or will not be compensated for their time and involvement. (Reimbursement for eligible and reasonable expenses should be permitted, if desired within the Program, if a resident has incurred related expenditures for implementing the idea and has appropriate supporting documentation for their expenditures within the approved project budget. Refer to Recommendation #2 for more details).	**Medium**	August 2023	**On Track for Completion**	Management is on track to complete their action plan by the documented due date. Recommended updates to the NDM program guiding principles will be presented to the Community and Protective Services Committee on June 13, and Municipal Council on June 27, 2023.

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2	**NDM Program Guiding Principles**
	
	The NDM Program guiding principles should be updated to ensure that principles are clear, succinct, and aligned to the intent and spirt of the Program. Specifically, additional supporting criteria should be prepared for the following areas:
	
	• Ideas on Private Property:
	   o What constitutes a private property.
	   o Ownership of maintenance of ideas implemented on private property.
	   o Timeline restrictions to amend idea outcomes.
	• Ideas on School Property:
	   o When can an idea be implemented on school property considering access requirements/restrictions.
	• Idea Submitter Compensation
	   o Can a resident be compensated for their submission and involvement with the implementation of an idea.
	• Expenditure Reimbursement
	   o What will the resident be reimbursed for and when and how.
	   o Factors to consider include:
	     ▪ Value of common alternatives.
	     ▪ Volume of purchase.
	     ▪ Type of good (luxury vs normal).
		Medium	August 2023	**On Track for Completion**	Management is on track to complete their action plan by the documented due date.
					
					Recommended updates to the NDM program guiding principles will be presented to the Community and Protective Services Committee on June 13, and Municipal Council on June 27, 2023.

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3	**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. Recommendations related to the development of an evaluation framework will be presented to the Community and Protective Services Committee on June 13, and Municipal Council on June 27, 2023.

4	**Consolidation, Formalization and Documentation of Key NDM Program Processes and Templates**
	
	An overarching framework outlining the end-to-end process of the NDM Program should be developed. This framework should outline the key roles and responsibilities of each key stakeholder.
	
	Key processes should also be documented within a procedural manual and should outline the detailed steps of each process and the responsibilities of staff. This information should be communicated and accessible to relevant staff.
	
	A 'version control' section should be included within the framework and procedural manual. This section should cover the following information:
	
	• Owner;
	• Approver;
	• Date of approval;
	• Date issued;
	• Date effective;
	• Date of last change;
	• Description/rationale of changes;
	• Frequency of Review (e.g., annually, biennially); and,
	• Date of next review.
	
	In addition, templates should be created to ensure key processes are standardized. For example, the following factors should be considered when creating a template for documenting the feasibility analysis performed on a resident's idea:
	
	• Assessment of the competency and capability of the service area to implement the idea including assessing resource capacity.
	• Assessment of the idea against guiding principles of the Program.
	• All potential expenditures including the following:
	    o Costs for implementing an idea;
	    o Ensuring each stated cost for implementing an idea are tied back to a responsible party;
	    o Potential increase in costs due to market conditions such as inflation, supply chain etc.; and,
	    o Lifetime maintenance costs.
	• Approvals from the following key parties:
	    o The SME and key members of City Management.
		Medium	August 2023	**On Track for Completion**	Management action item is on track to be completed by the documented due date.
					
					The NDM Procedural Manual and applicable templates have been drafted and are in the process of being finalized.

#	Management Action Plan	Risk Rating	Due Date	Remediation Status	Quarterly Update
5	**Idea/Project Feasibility Analysis and Documentation of Approvals** Anticipated lifetime maintenance costs should be taken into consideration when determining the feasibility of a resident's idea. In addition, idea feasibility approvals should be documented from the following key parties: • The SME and key members of City Management. These approvals can be documented within the template for recording the feasibility analysis performed on a resident's idea as noted in Recommendation #4.	**Medium**	August 2023	**On Track for Completion**	Management is on track to complete their action plan by the documented due date. The NDM Procedural Manual and applicable templates including the idea/project feasibility analysis template have been drafted and are in the process of being finalized.
6	**Cancellation Contingencies for Implementing an Idea/Project** The City should establish a contingency which allows it to reserve the right to cancel and/or amend the implementation of a winning idea if factors pertaining to implementing the idea were to substantially change. This contingency should be displayed on the City's website and residents should be made aware of this contingency when submitting their ideas and when being notified of a winning idea.	**Medium**	March 2024	**On Track for Completion**	Management is on track to complete their action plan by the documented due date. The establishment of a contingency procedure is in progress and will be finalized in collaboration with relevant service area leads.
7	**NDM Program Status Update Report** A standardized status update report should be established, updated, and distributed to key stakeholders at a regular frequency. The following Program information is an example of what can be considered when creating the status update report: • Number of ideas received; • Number of ideas currently in feasibility analysis; • Pending approvals on feasibility for a resident's idea; • Number of ideas determined to be feasible and unfeasible; • Social media metrics; • Program health (i.e., on track, experiencing some delays or experiencing significant delays); and, • Potential risks.	**Medium**	August 2023	**On Track for Completion**	Management is on track to complete their action plan by the documented due date. The NDM Procedural Manual which provides guidance regarding the status update report and related template has been drafted and is in the process of being finalized.

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8	**External Cloud Based Platform and User Limitations** The City should consider performing a cost/benefit analysis to help determine whether another system may be more suitable to help administer and manage key processes of the NDM Program.	**Medium**	December 2023	**On Track for Completion**	Management is on track to complete their action plan by the documented due date. Delivery of training for the current system is on track to be completed and system enhancements are being reviewed.

9	**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)
	    o Average time taken for SMEs or relevant staff to provide idea feasibility notes and conclusion.
	• Communications with idea submitters (External Measures)
	    o Average time taken to communicate the idea feasibility result to an idea submitter.
	    o Average time taken to communicate the voting results to an idea submitter and next steps for idea implementation.
	    o Average time taken to provide status update/progress of implementation to an idea submitter.
	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.
		Medium	December 2024	**On Track for Completion**	Management is on track to complete their action plan by the documented due date.
					
					The development of SLAs and related KPIs are in progress and will be finalized in collaboration with relevant service area leads.