



Follow up on Outstanding Audit Recommendations September 2011 Report

Background:

Western Economic Diversification Canada (WD) began a comprehensive follow up process on outstanding audit recommendations in 2008. At that time, all outstanding recommendations from previous audits were reviewed to determine whether or not there was evidence to confirm their implementation. Internal Audit now coordinates with management to conduct regular follow-up reviews every six months to assess progress towards agreed-upon action plans. Internal Audit presents an update to the Departmental Audit Committee and the Deputy Minister every six months, currently in March and September of each year.

Since April 1, 2006, 186 recommendations have been issued and followed up. Internal Audit determined that 180 of those 186 recommendations examined were complete, for a completion rate of 96.8% over the past five years.

Current Results:

Of the 15 recommendations with expected implementation by June 30, 2011, 12 were completed and 3 had their completion dates extended by the Deputy Minister. The original completion dates for 3 other recommendations were set beyond this reporting period.

Risk Analysis:

1. Of the 12 recommendations completed, 3 were considered to be high risk, 6 were medium risk and 3 were low risk.
2. The 3 recommendations that were due for implementation by June 30, 2011 are ranked as follows:
 - 1 high risk relating to the Audit of IT security
 - 2 low risk.

Management is actively working on implementing these recommendations, and approvals for time extensions from the Deputy Minister have been obtained to provide additional time to fully implement these recommendations. The time extensions obtained range from December 2011 to March 2012.