



ITEM ID: 2023-124-0

TRANSMITTAL DATE: February 17, 2023

MEETING DATE: February 24, 2023

TO: Board of Directors

FROM: Elisabeth Lazuardi, Senior Manager, Audit

SUBJECT: Corrective Action Status Update - Second Quarter Ended December 31, 2022

Issue

The Internal Audit Department (Internal Audit) provides a quarterly report on the status of the corrective actions of prior audits.

Recommendation

AUDIT AND FINANCE COMMITTEE received and filed this report.

Strategic Commitment

This report aligns with the Strategic Business Plan commitment of:

- **Modernizing Business Practices:** We will improve our operational efficiency through transparency, objective metrics and streamlined governance, reducing over-reliance on subsidy while bringing our system into a state of good repair and investing in the development of our employees. By monitoring the status of corrective actions, we are providing transparency as to the status of business process improvements agency wide.

Background

At the July 28, 2017 Board Meeting, the Board directed Internal Audit to provide the Board with

quarterly updates of corrective actions on internal and external audits.

Discussion

For the FY '23 second quarter ended December 31, 2022, there were 7 items implemented and verified, 2 items implemented pending verification, no items past due, and 22 items not yet due.

The reporting of the corrective actions contains two attachments:

Attachment A: Corrective Action Outstanding Items - The attachment includes corrective actions that were not yet due, past due, or implemented pending verification as of December 31, 2022. Corrective actions related to external audit findings will remain on Attachment A until the external auditors clear those findings.

Attachment B: Corrective Action Closed Items - The attachment includes corrective actions that were implemented and verified or closed.

Attachments A and B reflect all Internal and External Audits completed through December 31, 2022. The status of the corrective actions for these audits have been updated through the transmittal date of this report.

Table 1 below summarizes the activities from Attachments A and B through the Second Quarter of FY 2023:

Report Name	Implemented Verified or Closed	Implemented Pending Verification	Past Due	Not Yet Due
Audit Reports Issued in Q2 FY2023				
2022-06-IA Tax Exemption and Exclusion Processes				2
Audit Reports Issued Prior to Q2 FY2023				
2022-05-IA Inventory Tracking and Monitoring	6			3
2022-03-IA Fuel Purchase Policy				1
2022-04-IA: DBELC Monitoring Service		1		2
2021-12-IA: Bench Contract - Vendor Selection Process				11
2021-07-IA: HR Onboarding Process	1			1
2021-04-IA: Performance Audit: Fuel Management & Hedging				2
2021-11-EA: ACFR/Single Audit		1		
Total Q2 FY 2023	7	2	0	22

Next Steps

Internal Audit will continue tracking the status of the corrective actions and will report to the Board on a quarterly basis.

Prepared by: Claudia L. Casasola, Auditor II

Approved by: Elisabeth Lazuardi, Senior Manager, Audit

Attachment(s)

[Attachment A - Corrective Action Outstanding Items](#)

[Attachment B - Corrective Action Closed Items](#)

[Presentation - Corrective Action Status Update - Second Quarter Ended December 31 2022](#)