City of Saskatoon

# AUDIT RECOMMENDATION FOLLOW-UP & STATUS UPDATE

**As of March 31, 2026**

**Independent Office of the City Auditor**

May 6, 2026

# CONTENTS

# EXECUTIVE SUMMARY

## Background

In accordance with the approved Internal Audit Charter, the Independent Office of the City Auditor (Office) obtains regular updates from the Administration on the implementation status of prior audit recommendations and performs follow-up procedures to assess effectiveness of implementation.

The last Audit Recommendation Follow-up & Status Update was reported to the Standing Policy Committee on Finance on April 2, 2025.

## Objective and Scope

The objective of the follow-up procedures was to assess the effectiveness of the actions taken by the Administration to address previous audit recommendations.

The scope of the status update includes the following 13 audit reports (sorted by report date) as of March 31, 2026:

- Fusion Wave 1 Implementation – August 2025
- Financial Review – January 2025
- Project Management Processes – May 2024
- Staffing Review – November 2023
- Continuous Assurance – October 2023 (Public and In Camera)
- Fleet Services – April 2023 (Public and In Camera)
- Investigation of Service Disruption in Saskatoon Transit – November 2022
- Fraud Risk Program Assessment – March 2020 (In Camera)
- Infrastructure Investment Evaluation – June 2019
- Access & Privacy of Information – March 2019
- Parks Service Levels & Asset Management – September 2018
- Carbon Dioxide ($CO_2$) Reduction Initiatives – June 2018
- Business Continuity – June 2018

Appendix A includes a list of prior audit reports that are excluded from this status update.

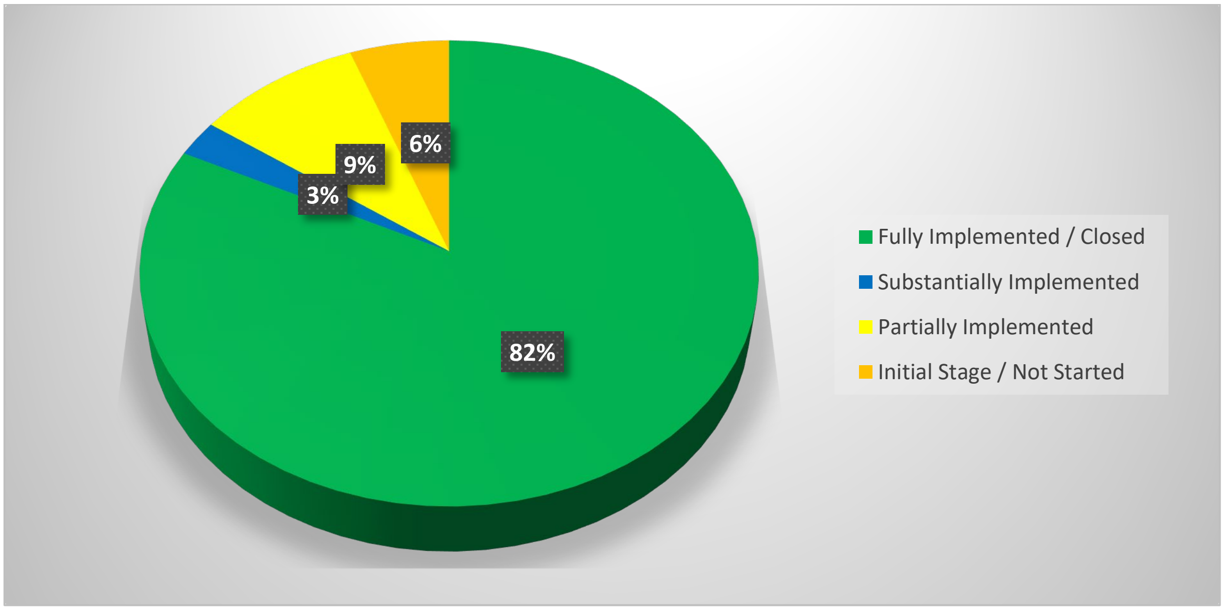
## Approach

Status updates were requested from the Administration related to the audit recommendations and corresponding action plans. The Administration provided explanations and a self-assessment of the implementation status, as defined in Appendix B. Documentation was requested and reviewed to support any recommendation assessed as Fully Implemented. Additional inquiry and/or discussion took place, as needed, to conclude whether the Fully Implemented items were appropriately addressed prior to being considered closed.

## Summary of Follow-up Status

The 13 audit reports in scope included a total of 158 recommendations, of which 130 (82%) were confirmed to be Fully Implemented (Closed) with the remaining 28 (18%) being in progress (Open). The following chart provides a further breakdown of the 158 recommendations by Implementation Status, as defined in Appendix B.

*Total Audit Recommendations by Implementation Status*




Based on the follow-up procedures performed, the following four audit reports with 52 recommendations were assessed as Fully Implemented and are considered closed. No further follow-up is planned for these items, and no details are included in this report:

- Staffing Review – November 2023
- Investigation of Service Disruption in Saskatoon Transit – November 2022[1]
- Access & Privacy of Information – March 2019
- Infrastructure Investment Evaluation – June 2019

[1] Status update reported to the Standing Policy Committee on Transportation (January 13, 2026)

The following table summarizes the recommendation implementation status for the remaining nine audit reports in scope with breakdown of the 28 open recommendations by Risk Rating as defined in Appendix C.

*Implementation Status Summary for Audit Reports with Open Recommendations*

| | Report | Recommendations Status | | | | | Open Items | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| Audit Report | Date | Total | Closed | | Open | | H | M | L | n/a |
| **Initial Follow-up** | | | | | | | | | | |
| Fusion Wave 1 Implementation | Aug-25 | 5 | 1 | 20% | 4 | 80% | - | 2 | 2 | - |
| Financial Review | Jan-25 | 6 | 4 | 67% | 2 | 33% | - | - | - | 2 |
| Project Management Processes | May-24 | 7 | 5 | 71% | 2 | 29% | - | 2 | - | - |
| Continuous Assurance (In Camera) | Oct-23 | 7 | 4 | 57% | 3 | 43% | 3 | - | - | - |
| **Subsequent Follow-up – Previously Reported in Status Update as of Feb-25** | | | | | | | | | | |
| Fleet Services | Apr-23 | 22 | 18 | 82% | 4 | 18% | 4 | - | - | - |
| Fleet Services (In Camera) | Apr-23 | 13 | 9 | 69% | 4 | 31% | 4 | - | - | - |
| Fraud Risk Assessment (In Camera) | Mar-20 | 23 | 22 | 96% | 1 | 4% | - | 1 | - | - |
| Parks Service Levels & Asset Management | Sep-18 | 11 | 10 | 91% | 1 | 9% | 1 | - | - | - |
| Carbon Dioxide (CO2) Reduction Initiatives | Jun-18 | 6 | 5 | 83% | 1 | 17% | - | 1 | - | - |
| Business Continuity | Jun-18 | 6 | 0 | 0% | 6 | 100% | 2 | 2 | 2 | - |
| **Totals** | | **106** | **78** | **74%** | **28** | **26%** | **14** | **8** | **4** | **2** |

The detailed report includes more information on the open recommendations, except for the In Camera items which are reported separately. No details are included for the 78 recommendations determined to be closed.

## Next Steps

The Office will continue to follow-up on the open recommendations with Administration until their action plans are Fully Implemented and/or the risks have been appropriately mitigated.

# DETAILED REPORT

| Risk [2] | Recommendation Summary | Status[3] Prior | Status[3] Mar/26 | Target Date[4] | Comments |
|---|---|---|---|---|---|
| **Fusion Wave 1 Implementation – August 2025** | | | | | |
| M | Improve the overall training strategy and materials for future SAP upgrades / implementations. | n/a | PI | O: Dec-25<br>R: TBD | A new Organizational Change Management resource was to lead this work but was not hired. A temporary Communications employee was engaged to support the 2025 SAP upgrade.<br>Training materials will be updated as needed and as resources are available. This is expected to be a long-term and ongoing initiative. |
| M | Continue efforts to resolve open issues including the use of external service providers for long-standing items. | n/a | SI | O: Dec-25<br>R: Jun-27 | A stabilization project is in progress and is expected to be completed in early 2027. Weekly issues reporting/ meetings and staff upskilling are both ongoing activities. |
| L | Opportunity to improve usability of and access to process documents. | n/a | PI | O: Dec-26<br>R: TBD | Improvements will be as needed and as resources are available. This is expected to be a long-term and ongoing initiative. |
| L | Opportunity to automate periodic user access reviews. | n/a | PI | O: Aug-26<br>R: TBD | |
| **Financial Review – January 2025** | | | | | |
| n/a [5] | Consider process automation such as Python integration for financial data extraction, direct SAP integration to reduce manual work, and a modern financial planning tool for long-term efficiency. | n/a | PI | O: Dec-27 | Improvements have been made to the City's reporting and Power BI initiatives. Improved Power BI variance and capital reporting have been implemented which |

[2] Risk Ratings defined in Appendix C
[3] Implementation Status defined in Appendix B
[4] O = Original / R = Revised
[5] Financial Review Report did not include Risk Ratings for the Findings.

| Risk[2] | Recommendation Summary | Status[3] Prior | Status[3] Mar/26 | Target Date[4] | Comments |
|---|---|---|---|---|---|
| n/a | Adopt a driver-based model using integrated Excel templates and automation tools like Python, with a long-term goal of transitioning to modern planning software. | n/a | PI | O: Dec-26<br>R: Dec-27 | integrates into SAP improving data access and usability. In addition, the City is working with the Government Finance Officers Association to further review the recommendations and determine next steps. |
| **Project Management Processes – May 2024** | | | | | |
| M | Assess cost/benefit of implementing a project management system. | n/a | PI | O: Mar-26<br>R: Dec-26 | Enterprise Project Management System (EPMS) project initiated in 2025 and implementation expected by Q4 2026. |
| M | Enhance compliance with project management standard and framework through awareness, training and monitoring procedures. | n/a | PI | O: Jun-25<br>R: Dec-26 | Project Management Office (PMO) structure and Project Tiers were approved and established in 2025. PMO will assemble required Tier 1 and 2 project documentation. |
| **Fleet Services (Saskatoon Fire Department) – April 2023** | | | | | |
| H | Implement the Fusion Enterprise Asset Management (EAM) module to digitize workflows for asset management and maintenance scheduling. | PI | PI | O: Jun-24<br>R: TBD | The SFD has a general direction established for how to proceed, but the Asset Manager is required to complete this work effectively.<br>The Asset Manager position was deferred until the 2025 Budget. It is currently in the final stages of negotiation between the Administration and the IAFF and is expected to be hired in the next few months.<br>Once hired, it is expected to take approximately 18 months to implement these recommendations. |
| H | Once EAM is implemented, gather and analyze data over a sufficient period to assess resources required to maintain Fire fleet. | PI | PI | O: Sep-24<br>R: TBD | |
| H | Develop a formal Asset Management Plan. | PI | PI | O: Sep-24<br>R: TBD | |
| H | Ensure key assumptions (ex. inflation, exchange rate) are considered when developing long-term capital asset requirements. | PI | PI | O: Sep-23<br>R: TBD | |
| **Parks Service Levels & Asset Management – September 2018** | | | | | |
| H | Develop a process to escalate and obtain approval of development of new parks. | IS | SI | O: Sep-20<br>R: Jun-27 | The Parks Department currently operates using the existing Park Development |

| Risk[2] | Recommendation Summary | Status[3] Prior | Mar/26 | Target Date[4] | Comments |
|---|---|---|---|---|---|
| | | | | | Guidelines, Landscape Development Guidelines and the Standard Construction Specifications for parks. They are developing an overarching document – the Park Development Standards – that will consolidate these existing resources. Additionally, this comprehensive document will formalize the process to escalate and obtain approval for the development of new parks. |
| **Carbon Dioxide (CO2) Reduction Initiatives – June 2018** | | | | | |
| M | Develop an environmental management system (EMS) that includes high level goals, objectives and targets, including those related to deep decarbonization. | IS | IS | O: Dec-18<br>R: Dec-27 | Implementation plan is drafted. Rollout phase is being scoped in coordination with other corporate activities. A new Environmental Protection Program Plan is being developed to support EMS integration. |
| **Business Continuity – June 2018** | | | | | |
| H | Develop a Business Continuity Management System (BCMS) including governance (Charter, Sponsor and Committee) and supporting policies and procedures. | NS[6] | IS | O: Dec-19<br>R: Mar-27 | Implementation of these action items were delayed due to lack of dedicated resources. The Corporate Service Continuity Lead position was filled in July 2025.<br>A decision report for the implementation of a Business Continuity Steering Committee will be taken to the Operations and Services Standing Committee in Q2 2026. If approved, the Committee will begin in Q3 2026. |

[6] Status of the Business Continuity Audit was last reported as of September 30, 2021.

| Risk[2] | Recommendation Summary | Status[3] Prior | Mar/26 | Target Date[4] | Comments |
| --- | --- | --- | --- | --- | --- |
| H | Document and maintain Business Impact Analysis (BIA) to identify and prioritize sensitive areas, impact of disruption and continuity resource requirements. | NS | IS | O: Dec-20<br>R: Jun-27 | BIA process will be implemented pending the creation of the above items. |
| M | Develop and implement Business Continuity Plans (BCP) including:<br>- Recovery strategy and costing<br>- Stakeholder communications<br>- Spending and cost-tracking<br>- Change and version control<br>- Status reporting<br>- BCP exercises | NS | NS | O: Dec-21<br>R: TBD | The timing and progress of the remaining actions are dependent on the completion of the above items. |
| M | Develop a performance monitoring and reporting process for the BCMS including independent reviews. | NS | NS | O: Dec-23<br>R: TBD | |
| L | Develop a process for conducting post-incident assessments including follow-up on corrective actions. | NS | NS | O: Dec-21<br>R: TBD | |
| L | Raise awareness, provide training and integrate into projects. | NS | NS | O: Dec-20<br>R: TBD | |

# APPENDICES

## Appendix A – Audit Reports Excluded from this Status Update

The following table summarizes the previous audit reports that are excluded from this update (sorted by report date):

| Audit Report | Report Date | Explanation |
|---|---|---|
| Cybersecurity Controls Audit (In Camera) | Mar-26 | Administration’s action plans include target dates throughout 2026 and 2027 with one item targeted for completion in Q1 2028. Follow-up of relevant recommendations will commence in late 2026 or early 2027 and will continue in the future based on the target timelines. Status updates will be provided In Camera when appropriate. |
| Risk Management Program | Oct-25 | Most of Administration’s action plans include target dates throughout 2026 and into 2027. Follow-up of relevant recommendations will commence in late 2026 or early 2027 and will continue in the future based on the target timelines. |

## Appendix B – Implementation Status Guide

The Independent Office of the City Auditor (Office) obtains regular updates from the Administration on the implementation status of prior audit recommendations. The Administration provides a self-assessment of the remediation status based on the guidance in the table below. Prior to considering them Closed, the Office reviews supporting evidence for Fully Implemented recommendations to verify that appropriate action was taken.

<table>
<tr><th>Audit Report</th><th>Definition</th><th>Audit Verification</th></tr>
<tr><td>Fully Implemented (Closed)</td><td>Administration has addressed the risk and recommendation by completing the agreed upon action plan or, upon further evaluation, taken alternative action to appropriately address the risk.</td><td>Administration provides evidence to support the action taken. To be considered Closed, the Office must review evidence and agree that the action taken mitigates the risk.</td></tr>
<tr><td>Substantially Implemented (SI)</td><td>Administration is nearing completion of the agreed upon action plan.</td><td rowspan="3">Inquiry only. No verification performed on Open items until assessed by Administration as Fully Implemented.</td></tr>
<tr><td>Partially Implemented (PI)</td><td>Administration has initiated the action plan and implementation is in progress.</td></tr>
<tr><td>Initial Stage (IS) or Not Started (NS)</td><td>Administration has not initiated the action plan or are in the initial stages of implementation.</td></tr>
</table>

## Appendix C – Risk Rating Guide

The Independent Office of the City Auditor has introduced a risk rating to prioritize the audit recommendations in the report. The benefits of the rating are to:

- Help Administration and the City Council to assess results quickly.
- Help Administration to prioritize implementation of the recommendations.
- Provides the basis for prioritizing audit follow-up.
- Makes cross-organizational comparison easier.

| Criteria | Risk Rating |
|---|---|
| Corporate level loss, material reporting misstatement, critical reputation, or financial impact; critical impact on operational performance, the occurrence of fraudulent activities, critical unethical conduct, or a critical breach in laws and regulations/policies and procedures. Remediation of the finding should be immediately prioritized. | **Critical** |
| Significant impact on the achievement of objectives. Significant risk of service disruption, a threat to timely and effective service delivery affecting clients or a high possibility of occurrence of fraud. High-risk impact on reputation, financial, or operations. A significant breach in laws and regulations and policies and procedures. | **High** |
| Moderate impact on the achievement of objectives. Moderate risk of service disruptions, a threat to timely and effective service delivery affecting clients or occurrence of fraud. Moderate risk impact on reputation, financial, or operations. A moderate breach in laws and regulations/policies and procedures. Requiring process change/improvement to reduce the likelihood or impact of the risk in the future. | **Medium** |
| Minor impact to the achievement of objectives. Low/minimal risk of service disruption, threat to timely and effective service delivery affecting clients. Low risk impact on reputation, financial, or operations or occurrence of fraud. Minor breach in laws and regulations / policies and procedures with limited consequences. Value added process improvement or enhancement. | **Low** |