Minute No. 210
Report – Executive Policy Committee – February 11, 2009

Item No. 8 Office of the City Auditor - 2006-2008 Report on Performance
eFile FA-2

COUNCIL DECISION:

Council concurred in the recommendation of the Executive Policy Committee and adopted the following:

1. That the 2006 - 2008 Report on Performance for the Office of the City Auditor dated October 2008 be received as information.

2. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

Report – Executive Policy Committee – February 11, 2009

DECISION MAKING HISTORY:

Moved by His Worship Mayor Katz,
That the recommendation of the Executive Policy Committee be adopted by consent.

Carried

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On February 11, 2009, the Executive Policy Committee concurred in the recommendation of the Audit Committee and submitted the matter to Council.

AUDIT COMMITTEE RECOMMENDATION:

On February 9, 2009, the Audit Committee received as information the 2006-2008 Report on Performance for the Office of the City Auditor dated October 2008, and submitted the matter to the Executive Policy Committee and Council.

Winnipeg

Office of the City Auditor



2006-2008 Report on Performance

Reflections of the City Auditor

This will be my final report as your City Auditor. As a native Winnipegger, it has indeed been my privilege to serve as your Auditor for the past two terms. During this time, I have witnessed many changes to the City under the leadership of three Mayors and Councils. I was appointed to the position of City Auditor in May 1998. It was a time of significant change. The City's governance structure was undergoing a major transformation. The Board of Commissioners had been replaced by a new Chief Administrative Officer and, within my first year, a new Mayor and Council were elected. Like many governments, the City was grappling with an increasingly global and competitive environment. The City faced severe financial constraints and was under pressure to reduce the costs of service delivery to become more affordable, responsive and innovative. The City launched a project to integrate, streamline and refocus on core services. A comprehensive planning framework was introduced and new accountability structures proposed. The City began to actively pursue alternative delivery options. The extent and pace of change envisioned was both exciting and challenging. From a risk perspective, the magnitude of change had major implications for the control environment as Councillors and managers tried to embrace new ways of conducting business while continuing to meet their ongoing commitments.

As the new City Auditor, it was clear to me that the Audit Department also had to change. Audit does not exist in a vacuum; it both responds to and helps to shape the culture of its organization. In fact, the Audit Department had advocated many of the significant reforms that the City was now embracing. Auditors have sometimes been accused of *driving the car by looking in the rear view mirror.* I realized that this simply wouldn't work in the current dynamic environment. To be effective, Audit had to be strategic, proactive and focused on results. While the primary role of the City Auditor is to provide independent reports on public services to City Council, it was clear to me that our recommendations would not lever positive change unless we maintained a cooperative role with the Public Service. At the same time, with the high risk environment that substantial change produces, there was never a more important time for independent assurance. Balancing these two roles would require a highly professional approach with clear priorities and competent resources. This provided my first challenge. I was the fourth City Auditor in four years and recognized that the department lacked the appropriate skills, knowledge and processes to accomplish this shift. We set to work. Our small team developed an ambitious business plan with a clear vision and shared values. I re-structured the organization and created new positions with appropriate competencies. We established new service lines to recognize our dual mandate and, to guide and focus our work, we established three strategic goals. Over the years, I have reported to you on the results of individual projects. I am proud of each of our accomplishments. As I leave office, however, it is timely to review how well we have met our overall goals. You, of course, will be the final judge.

Goal 1: To provide independent and objective assurance on the efficiency and effectiveness of City operations as well as timely, relevant and value-added recommendations for improvement.

Our value to our primary client, City Council, is the ability to use credible reports to make better decisions and to hold the Public Service accountable. Our citizens are the beneficiaries of more open, transparent and accountable government. Over the past ten years, through our Assurance Services business line, we have conducted audits that have resulted in hundreds of recommendations to improve the efficiency and effectiveness of City services including several that resulted in significant cost savings. We focused on results – the extent to which services achieved their business objectives and delivered value for

money; the effectiveness of processes to identify and manage risk; and the reliability, relevance and transparency of information. Some of the more memorable performance reviews included the Main-Norwood Bridges Project; the Real Estate Management, Property Assessment and Handi-transit functions; a review of the Winnipeg Police Service Communications Centre and the Photo Enforcement program; two audits of Asset Management - Roadway Construction and Facilities Maintenance; and reviews of the City's Use of Consultants, Reserves Administration, Workforce Planning, and Capital Project Management. As practices evolved, we evaluated the City's investment in alternative service delivery through the audit of the Special Operating Agencies initiative and our review of CentreVenture, the agency charged with revitalization of the Downtown.

Several investigations were also undertaken and reported to our Audit Committee. By working with managers to ensure that our recommendations are realistic and value-added, we are proud of our record of over 95% acceptance of our recommendations at the date of report issuance. Furthermore, we have tracked the implementation of all of our recommendations, initially on an annual basis, and, for the past couple of years, on a quarterly basis. According to our latest *Quarterly Report Card*, the implementation rate for recommendations after three years is 78%.

Goal 2: To influence organizational outcomes and accountability by promoting good governance, effective risk management and controllership, and comprehensive and transparent performance information.

I believe that Audit can play an important role in organizational learning. To do so, we had to align our assurance work with our strategic areas of focus. One way to achieve this was through the development of a comprehensive planning process based on broad consultation with both political and administrative leaders as well as an in depth risk assessment process to ensure that our scarce resources were focused on key risk areas. I can report that 86% of recommendations made in the last three years were related to our areas of focus. We also changed the format of our audit reports. Each major review now begins with a *Report on Performance* that explicitly captures and analyzes key data to provide a snapshot of the audit entity at that point in time. Both our Audit Committee and citizens demonstrated a keen interest in receiving this information. Through this process, a recurrent theme has been the improvement of the quality of information for decision makers.

We also achieved this goal through our Advisory Services business line whereby auditors participated proactively on matters of mutual interest. We introduced new Audit Committee *Terms of Reference* and developed a *Quarterly Report Card* to ensure effective follow-up of audit recommendations. We streamlined the process for reporting on the assumptions associated with proposed collective bargaining agreements and amended the policy and audit protocols for Councillors' expenditures. We presented a report on the Auditor General Model that demonstrated the City's leadership in this area. Early on, I engaged a group of corporate managers including the Corporate Controller and Risk Manager in a process to develop a common language for risk and control to help educate service managers in these concepts. We built on this expertise to pilot risk and control self-assessment exercises that recognize that business managers are the ones most familiar with the risks associated with their operations. On a corporate level, we worked with the Chief Administrative Officer to launch an Integrated Risk Management framework to identify, manage and communicate risks that are within the City's control and position it to better respond to risks that are beyond its

control. Audit staff subsequently developed and delivered corporate training on risk for new managers. We also contributed our expertise and perspective to develop the governance structure for Y2K; implement the Management Reference Model, which established the first comprehensive list of public services; provide project leadership for the Connexus project to implement a new Finance and Human Resource system; and implement a directive to provide a protocol for the identification and investigation of fraud. This past year, we worked with a private sector partner to identify potential financial improvement initiatives for the City's consideration.

Goal 3: To deliver high quality, cost-effective Audit services.

The Audit Department today is much different from what it was in 1998. We have a well trained, professional staff who are all qualified in their field. We have a formal business plan with defined goals and strategies, a comprehensive audit planning process and a Balanced Scorecard to measure and report our results. We have a sophisticated performance management framework with a competency model that shapes our recruitment, staff appraisal and succession plans. We have leveraged our resources through adoption of a co-sourcing model that allows us to efficiently partner with Private Sector experts where we believe that it will be advantageous for our clients to obtain outside expertise or perspective. We have appropriate quality assurance standards and processes and systems in place to support our services. We have implemented new approaches to delivering our services that provide broader assurance at less cost. We have promoted 'best practices' through our own operations and are recognized as a leader in implementing effective audit practices by the organizations we benchmark. Our staff are well represented as directors and instructors on professional associations and are frequently invited to speak to professional organizations across the country. The Association of Local Government Auditors, which represents audit groups in the USA and Canada, has formally recognized our audit reports as outstanding on three occasions.

Over the years, as your City Auditor, I have had the privilege of asking the questions that citizens have about the workings of their government and demanding answers on your behalf. My team and I have tackled some tough issues and tried our best to provide realistic recommendations to strengthen the City's services and provide value for your dollars spent. While it has been my role and responsibility to bring to your attention many concerns, I have also been pleased to report many successes as City staff have stepped up to address those concerns. As the City moves forward to accept new challenges, we are fortunate to be able to claim a large number of very talented and loyal citizens, politicians, and public servants who are united in their efforts to enhance the quality of life in our shared home. There is no doubt that the City has faced some tough challenges in the past. It is also true that the next few years will be even tougher as Council and the Public Service manage the current financial crisis, severe infrastructure deficit, newly created private sector delivery models and a shrinking experienced civic workforce in a competitive labour market while, at the same time, maintaining public services and avoiding tax increases. These challenges have had, and will continue to have, a substantial impact on the organization and increased the risks associated with the delivery of City services. In this context, I believe that a strong, independent Audit function will be particularly important to provide assurance to citizens that appropriate trade-offs are being made so that important quality of life goals such as safety, health and environmental sustainability are not being compromised to achieve financial targets.

As I leave this office, I want to thank my Audit Committee members, other Councillors, and managers and staff of the Public Service who have supported me in doing my work. I want to thank citizens who took the time to alert me to their concerns. I also want to say a special thank you to the professionals who served with me; I very much appreciate the dedication, commitment and unique skills that each and every one brought to our department. The goals we set for ourselves were ambitious, and any accomplishments we may have had are due in large part to their efforts. Finally, I want to thank you once again for the honour of serving as your City Auditor for the past decade. Although there is certainly much work to be done, I truly believe that Winnipeg is poised to come into its own in the next few years. Although it may be from the sidelines, you can be certain that I will share your excitement at watching this unfold.

Shannon Hunt, FCGA, CFE
City Auditor

City of Winnipeg Audit Department 2006-2008 Report on Performance

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Our Mandate

City of Winnipeg Charter

The Audit Department is headed by the City Auditor who is a statutory officer reporting to City Council through the Audit Committee. Sections 102 to 106 of the City of Winnipeg Charter establish the position and mandate of the City Auditor. In 1989, City Council made the decision to contract out the annual financial statement audit to a firm of chartered accountants while expanding the scope of responsibilities for the City Audit Department. The current audit mandate includes the following duties:

- To examine and evaluate the adequacy of the City's systems of internal control, both financial and operational.
- To determine whether applicable sections of the City of Winnipeg Act, by-laws, regulations, orders of Council, and administrative directives have been complied with, as well as applicable federal and provincial legislation.
- To review the performance of operations to ensure money was expended with due regard to economy and efficiency.
- To review whether satisfactory procedures were established to measure and report to Council on program effectiveness.
- To review the results of programs to determine the benefits and whether the program met established objectives.
- To act as an internal consulting group to provide information and help to civic departments within the capabilities and resources of the Audit Department.
- To examine problem areas, within the capabilities of the Audit Department, which are brought to the City Auditor's attention by taxpayers, department heads, employees, Council, Standing Committees of Council, members of Council and the CAO.

Independence and Objectivity

Independence has been called the cornerstone of legislative auditing. To be credible, we must maintain an independent position within the organization as well as bring an objective state of mind to all of our work. Mechanisms in place to promote independence and objectivity include:

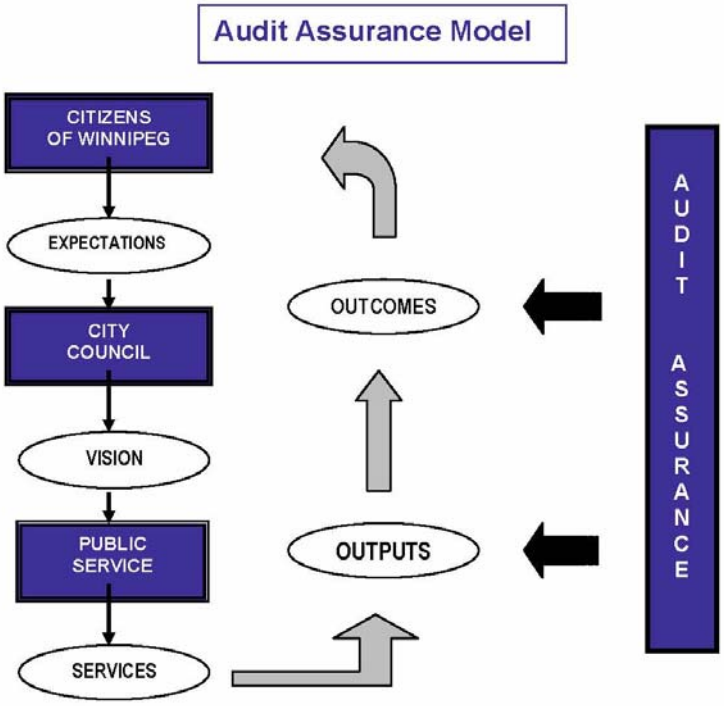
- The City Auditor is appointed by City Council and can only be suspended or dismissed by virtue of a resolution supported by two-thirds of all members.
- The City Auditor is directly accountable to City Council through the Audit Committee comprised of Executive Policy Committee members.
- The City Auditor is solely responsible for the staff and internal operations of the department within the budget approved by City Council.
- The City Auditor has broad and defined powers of access to information and City staff by virtue of the City Charter.
- Auditors are required to follow strict standards established by their professional associations and the department including the requirement to adhere to a Code of Ethics and Professional Conduct.
- Quality assurance practices have been implemented to ensure that Audit reports present information that is reliable, fair and balanced.

Our Service Value

Plan Winnipeg . . . 2020 Vision, the City's strategic plan, captures the community's vision, expectations and aspirations. City Council works with the Public Service to translate the vision into strategy to shape the services delivered. The outputs each service provides in the short-term should contribute, over the longer term, to the outcomes envisioned in the plan. The citizens of Winnipeg perceive value in the services the City provides if those services are aligned with the community's vision and produce the desired outcomes. The ultimate measure of success lies in perceived improvements to the quality of life of Winnipeggers.

A key role of the Audit Department is to provide independent assurance on the performance of civic services in support of open, transparent and accountable government. Our primary client is City Council, through the Audit Committee. The value to Council is the ability to use credible information to make better decisions and to hold the Public Service accountable. Our stakeholders are civic managers and citizens who are the recipients of our public reports.

The focus of audit assurance is becoming broader as the City's performance measurement model is maturing. Historically, the City has reported on financial performance and service inputs and outputs. Auditors have used this information to provide assurance on expenditures and the efficiency and cost-effectiveness of services. As departments develop better performance measures to demonstrate the effectiveness of their services, the Audit Department is in a position to provide broader assurance to Council that City services are, in fact, delivering the outcomes that were envisioned by *Plan Winnipeg*.



Our Mission, Vision and Values

Our Mission

To support City Council and the Public Service in the achievement of organizational objectives by providing objective and independent information, advice and assurance with respect to governance, accountability, risk management and performance

Our Vision

To be recognized as leaders in building public trust in civic government in support of our shared vision of a vibrant and healthy city

Our Values

All of the members of our team share a common set of values which influence the manner in which we conduct our work and develop relationships with our client. These values are shown below:



Our Strategic Goals and Key Risks

Strategic Goals

- To provide independent and objective assurance on the efficiency and effectiveness of City operations as well as timely, relevant and value-added recommendations for improvement.
- To influence organizational outcomes and accountability by promoting good governance, effective risk management and controllership, and comprehensive and transparent performance information.
- To deliver high quality, cost-effective Audit services.

Key Risks

Credibility

Our public reports support the principle of open, transparent and accountable government. Our clients and stakeholders trust and rely on the assurance and advice that we provide. Our office must maintain high standards of competence and professionalism to ensure that our credibility is not compromised.

Independence and Objectivity

Anything that impedes the perception of independence or objectivity can undermine public confidence in the credibility of our work. In our advisory role, it is important that we balance collaboration with Public Service partners with our primary role of providing independent assurance on operations. We must also ensure that our reports are perceived as fair and balanced.

Relevance

Our recommendations will only be implemented if our clients perceive value in the results. We have to select projects that are based upon transparent and objective criteria and that are meaningful to our clients and stakeholders. We must also present high quality reports that clearly demonstrate the benefits to be realized from our recommended improvements.

Resources

Our audit universe is broad, complex, and diverse. To provide an appropriate level of assurance to Council on the civic services within our scope, as well as be able to resource our advisory and investigation roles, an adequate level of resources must be maintained. Current staffing levels are already significantly lower than comparable organizations, and a further reduction would jeopardize the ability of the department to achieve its mandate. The department must continue to satisfy Council that the value of audit services justifies its share of civic resources.

Capacity

The quality of our assurance and advice is dependent upon the knowledge, skills and ability of our staff. Staff turnover has made it difficult to retain appropriate competencies. The local market of qualified audit professionals to draw on is small, and new audit partners require extensive orientation. The department must rely on innovative partnerships, re-engineered audit processes and technological solutions to supplement staff resources and optimize audit coverage and productivity.

Our Service Lines

Advisory Services

Activities carried out under this service line are proactive and concerned with *getting it right the first time*. As resources permit, we deliver this discretionary service through

- Educational initiatives
- Research activities
- Consulting services

Assurance Services

Assurance services are defined as *independent professional services that improve the quality of information or its context for decision makers*. Assurance can be provided on both financial and non-financial performance, or it can be provided with respect to the strength of risk management strategies and controls. Assurance services provided by the department include

- Performance audits
- Compliance audits
- Business Process Audits
- Due Diligence Reviews

Investigation Services

Under this service line, we conduct reviews in response to a request from an external party or as a result of information being brought to the attention of the City Auditor under the *City of Winnipeg Fraud, Theft or Related Irregularities Directive*. Reviews are typically limited in scope.

Our Resources

The office had an authorized complement of 10 full-time equivalent positions through the years 2006 to 2008.

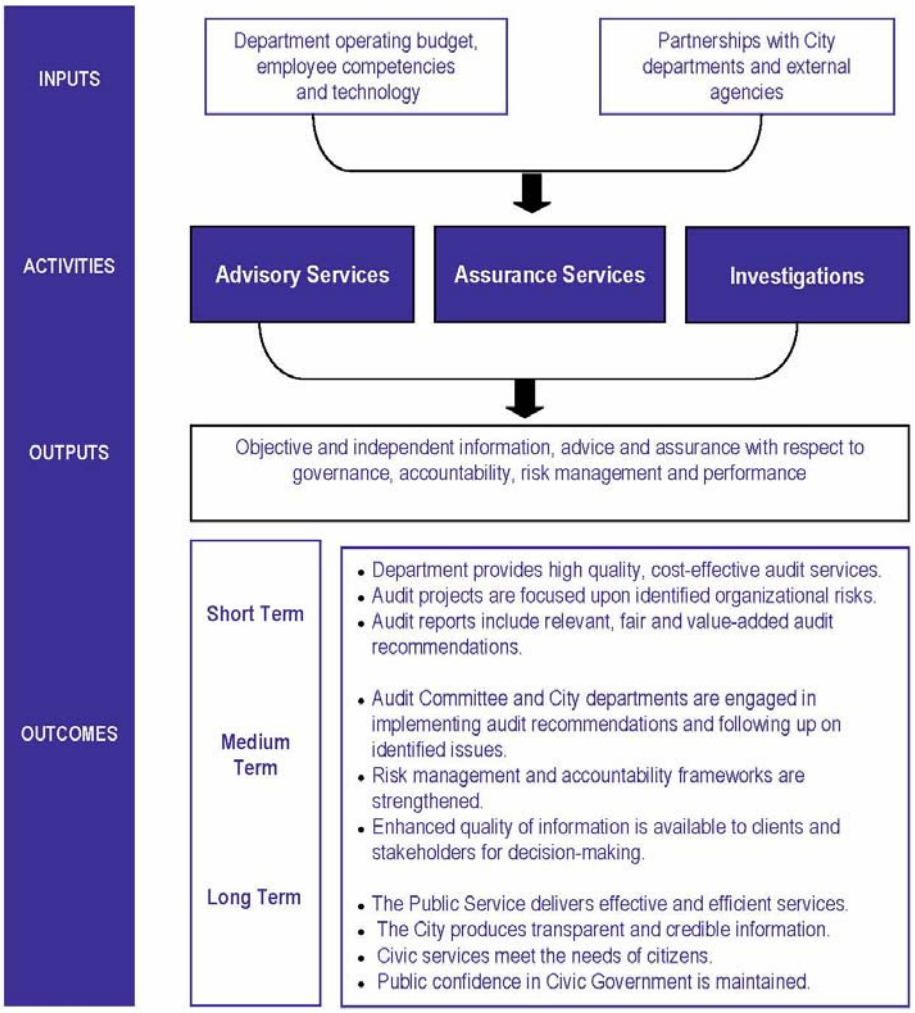
The Audit Department budget and expenditures are shown below:

Description	Fiscal Year 2005	2006	2007
Budget	$ 1,031,782	$ 1,065,526	$ 1,512,077
Expenditures	$ 1,027,383	$ 960,060	$ 1,510,256
	$ 4,399	$ 10,466	$ 1,821

Our Intended Outcomes

The Audit Department's *Logic Model* describes the linkages between our resources and our activities, our outputs and our desired outcomes. To achieve our vision, our work must ultimately contribute to delivering valued services that clearly meet the needs and expectations of our citizens and result in a high level of public confidence in civic government.

Audit Logic Model



Audit Department 2006 - 2008 Report on Performance

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Our Accountability for Performance

Plan Winnipeg Policy Area

- Government and the Economy

Our Mission and Vision

- **Mission** - To support City Council and the Public Service in the achievement of organizational objectives by providing objective and independent information, advice and assurance with respect to governance, accountability, risk management and performance
- **Vision** - To be recognized as leaders in building public trust in civic government in support of our shared vision of a vibrant and healthy city

Our Strategic Goals

- To provide independent and objective assurance on the efficiency and effectiveness of City operations as well as timely, relevant and value-added recommendations for improvement
- To influence organizational outcomes and accountability by promoting good governance, effective risk management and controllership, and comprehensive and transparent performance information
- To deliver high quality, cost-effective Audit services

Our Key Strategies

- Deliver timely, value-added and relevant audit reports
- Educate clients and stakeholders on strategic areas of focus
- Improve quality of information for clients and stakeholders
- Maintain departmental capacity and a professional workforce
- Prudently manage financial resources
- Deliver cost-effective and innovative audit services
- Ensure an effective performance management model

Our Performance Measures & Results

In the remainder of our *Report on Performance*, we will present the results of our work. We will summarize our significant projects, the key conclusions reached and management's response. We will update the status of recommendations on key audit reports. Finally, we will provide our own performance measures and results against industry standards and departmental targets in our *Balanced Scorecard for 2005 - 2007*.

Our Project Summaries

Advisory Services

Councillors' Briefings

City Council both provides direction to the Audit Department and serves as the recipient of our final reports. Each year, we also provide a Report on Performance to City Council which summarizes our results and benchmarks our activities against best practices and industry standards. While we survey our Public Service clients after the completion of each audit project and present our reports to Audit Committee, periodically we also are interested in obtaining feedback directly from each of our Councillors.

In the fall of 2006, subsequent to the municipal election, we embarked on a series of interviews with each City Councillor. For new Councillors, it provided an opportunity for us to describe our mandate, vision and services. For all Councillors, we were able to provide an update on significant activities that we have performed over the last couple of years and obtain feedback on our performance. And, most importantly, we were able to discuss each Councillor's priorities and discuss how they reconciled with our draft audit plan.

We were pleased to receive strong support from all Councillors and positive feedback on our activities and project reports. Our general direction and future audit plans were endorsed, and we were able to develop clearer priorities, based upon our discussions. We used the information that we had gathered to build our *Audit Plan 2007 to 2009,* which is discussed below.

Audit Plan 2007 to 2009

The purpose of a formal audit plan is to provide a disciplined approach to the identification of potential audit projects. The City Auditor's 2007 to 2009 Audit Plan was developed through a comprehensive process that involved broad consultation with Councillors, senior members of the Public Service and managers across the organization. Utilizing our Integrated Risk Management model, risk profiles were updated for all key services and a Corporate Risk Profile was created to provide context for our plan.

The Audit Plan described the selection criteria for projects under each of our service lines along with the resources required. Projects were proposed for each year that would address the key risks identified. The plan was tabled at Audit Committee in February 2007 and subsequently communicated to City Council.

Quarterly Report Card

The Audit Department's work does not end when an audit report is presented to City Council. The most important component of an audit recommendation is its implementation. The Public Service provides a response to each audit recommendation in the Audit Report along with an action plan. The subsequent implementation of the audit recommendations in accordance with the action plans is the responsibility of the Public Service.

Traditionally, the City Auditor provided a status report on the all outstanding audit recommendations in the Audit Department's annual Report on Performance.

In 2006, the Status of Audit Recommendations Quarterly Report Card was introduced at the request of Audit Committee to address the members' dissatisfaction with the pace of implementation. We worked with the staff of the CAO Secretariat to development a process to meet the needs of Audit Committee. The Quarterly Report Card is produced at the end of March, June, September and December and is presented at the next Audit Committee. While the Audit Department facilitates the process, the Quarterly Report Card presents management's representations as to the status of recommendations implemented, in progress, or not to be implemented. For recommendations in progress, an implementation strategy and timeframe is provided. For recommendations not to be implemented, an explanation is provided. The Audit Department does not audit the responses but does provide an opinion on the completeness of the responses and the reasonableness of action plans proposed. The CAO and appropriate departmental staff attend Audit Committee to respond to any questions members may raise regarding the project updates.

Audit Committee Terms of Reference

An audit committee performs a crucial financial and risk management oversight role for an organization. Effective terms of reference for the audit committee clearly establish the roles and responsibilities of its members so that the members understand and recognize what is necessary to successfully perform their governance role. The terms of reference should be consistent with "best practices" for audit committees while being aligned with the organization's structure and culture. In addition, effective terms of reference act as a transparent reference to hold audit committee members accountable.

In 2007, we reviewed the current terms of reference for the City of Winnipeg Audit Committee which is chaired by the Mayor and comprised of Executive Policy Committee members. We approached the review by obtaining audit committee terms of reference from four Canadian cities—Edmonton, Calgary, Ottawa and Toronto. In addition, we obtained audit committee terms of reference from other public and private organizations through an internet search. We also obtained recommended practices and guidelines for audit committees published by the Office of the Auditor General of Manitoba and articles and professional guidance on audit committees published by professional associations such as the Institute of Internal Auditors and Government Finance Officers Association. We reviewed these documents to identify areas where the City of Winnipeg *Audit Committee Terms of Reference* could be amended to incorporate best practices for audit committees. The results of the review were tabled at Audit Committee for consideration by members.

Financial and Operational Improvement Opportunities

On March 19, 2007, the Audit Committee directed the City Auditor to include a new project in the 2007 Audit Plan to identify efficiency savings and potential new revenue opportunities to complement the work being done by the Economic Opportunity Commission established by the Mayor.

The City Auditor engaged a consultant to work collaboratively with the City Auditor and members of the Public Service to

- identify new opportunities for efficiency or revenue generation based their experience with other jurisdictions;
- develop and apply an assessment framework to narrow down the

opportunities identified to three to five high potential opportunities not currently being actively pursued that would be realistic, implementable over the shorter term (1-2 years) and would provide a significant benefit; and
- develop detailed business cases for each high potential initiative identified.

The consultant compiled an initial universe of opportunities from among those ideas already identified by the City, augmented by their perspectives and ideas based on their experience with other similar jurisdictions. The consultant developed a process to filter the list of 116 ideas to four. A business case was developed for each of the four high impact initiatives.

In March 2008, the CFO was presented with four business cases for consideration. These initiatives, if implemented, would provide the City with significant financial and operational benefits.

Councillors' Representation Allowance (CRA) Policy - Review of the Audit Department's Role

While conducting the 2007 annual reviews of the Councillors' Representation Allowance Fund, we examined the relative risks and the resources allocated to the audit, to assess whether it is cost effective to continue the audits on an annual basis. We also reviewed methods of disclosure currently being used by other levels of government to determine if there are alternatives to an annual audit process or other ways to create efficiencies within the process.

The role of the Audit Department as outlined in the CRA Fund Policy Requirements is to conduct an annual review of Councillors' expenditures and provide an opinion to the Secretariat Committee and Council on whether CRA fund expenditures comply, in all significant respects, with the provisions of the policy. A separate audit opinion is required for each Councillor.

We have been conducting this review for the past 10 years. As a result, several revisions have been made to the policy to strengthen the control framework over the administration of the fund. In addition, significant resources have been devoted to the review contributing to improvements made in the administration of the expenditures. The costs to perform the review on an annual basis have continued to increase. However, from a financial perspective, the CRA Fund has remained a low risk relative to other programs in the City. Conducting this review on an annual basis diverts audit resources away from higher risk audits that could be undertaken by the department.

Our review of the methods of disclosure used by other levels of government disclosed that information on expenses has become more accessible, clear and visible. Specific to the disclosure of allowance expenditures, we identified that the travel and hospitality expenses for both the ministers at the federal level and at the Province of Manitoba are published and available to the public. The City currently publishes only summary information on Councillors' expenditures on an annual basis.

Our report with our recommendations will be presented to the Secretariat Committee later in 2008 for their consideration.

Assurance Services

Due Diligence Reviews

Collective Bargaining Agreements

Council policy requires that, prior to ratification, the City Auditor and External Auditor report on the full and long-term costs of collective bargaining agreements presented by the Public Service. Our role is to ensure that the net incremental costs and/or savings to the City of Winnipeg have been completely and appropriately identified, calculated and summarized and that all significant assumptions are disclosed.

During 2006-2008, we completed reviews of 12 collective bargaining agreements. Together, these agreements include several hundred million dollars in labour costs.

311 Business Case Analysis

We conducted a due diligence review of the *311 Business Case Analysis* for the City of Winnipeg (*311 Report*). The purpose of the *311 Report* was to recommend to Council the most cost-effective model to implement for the delivery of a 311 service for the City of Winnipeg. The objective of our review was to provide independent assurance that the *311 Report* prepared by the 311 Project Manager was fairly stated and complete in all material respects.

We believe the approach that would add the most value to the City is one where we would conduct the review concurrently with the development of the business cases. To facilitate this, we reviewed each project deliverable as it was completed and provided comments to the 311 Project Manager at the completion of each stage of our review. The gathering of information for this review was limited to the review of documents provided to us by the 311 Project Team and interviews conducted with project staff, external consultants, Legal Services and others as considered necessary.

We reported that the 311 Project Team conducted a fair and reasonable evaluation of the four business cases. In our opinion, the *311 Report* was fairly stated and complete in all material respects, including the appropriate disclosure of all significant assumptions used to support the recommendations within the report. At the same time, given the potential variability inherent in some of the assumptions, continued progress will be dependent upon recognition by the 311 Project Team that the approved business case and implementation plans will need to be reviewed and changed to take into account better information and new issues that arise as the project moves forward.

West End Water Pollution Control Centre Process Upgrading – Review of Over-expenditures

The Standing Committee on Finance referred a June 19, 2007 report from the Director of Water and Waste on the over-expenditures at the West End Water Pollution Control Centre Process Upgrading Project for review by the City Auditor, the CFO, the City Solicitor and Director of Water and Waste with a requirement to report back to the Standing Committee on Finance on October 9, 2007.

The City Auditor met with the Chair of the Standing Policy Committee on Finance to discuss his concerns. The City Auditor then developed a list of six questions for the Public Service that provided the framework for the review. The City Auditor and Deputy City Auditor reviewed the June 19, 2007report and met with Public Service officials to review the questions.

The City Auditor reported on the results of the review on October 2, 2007, and the Deputy City Auditor presented the report to an in camera meeting of the Standing Policy Committee on Finance on October 9, 2007.

Compliance Audits

Councillors' Representation Allowance (CRA) Fund

We audited the expenditures incurred under the CRA Policy for the years 2005, 2006 and 2007 to ensure they complied with the policy requirements and principles of the fund. The CRA provides funds to be used by City of Winnipeg Councillors to pay for goods and services that are required for the functioning of their offices, to communicate with their constituents, and represent and support their wards.

For 2005, expenditures for fifteen City Councillors were found to be in compliance with the Policy in all significant respects and received unqualified audit opinions. In the case of the sixteenth City Councillor, the City Auditor was unable to provide an unqualified audit opinion due to the personal expenditures charged to the CRA Fund.

During 2006, a fall election was held and the department provided an opinion for all twenty past and present Councillors. Expenditures for all twenty City Councillors were found to be in compliance and all were provided an unqualified audit opinion.

For the year 2007, unqualified audit opinions were issued for all fifteen Councillors who were in office during the year. In addition, recommendations for policy revisions were presented to the Secretariat Committee for their consideration.

Capital Asset Review

What did we conclude?
In 2006, the Controllership Division of Corporate Finance initiated the tangible capital asset project with the objective of ensuring the City would be in compliance with the Public Sector Accounting Board (PSAB) accounting standards for tangible capital assets (Section PS 3150 – Tangible Capital Assets in the Public Sector Accounting Handbook) for the fiscal year ended 2006, well ahead of the 2009 deadline. To accomplish this task, the Controllership Division with the assistance of the departments had to identify and list all assets, determine the cost of the assets and determine estimated useful life and amortization method for all of the City's tangible capital assets. This was a considerable challenge given that the City had not maintained an inventory of all of its capital assets.

The City's tangible capital assets represent a very significant asset, with a book value of $5.9 billion and a net book value of $3.7 billion. Due to the significant impact on the financial statements of implementing these new accounting guidelines and the potential impact on the delivery of services the Corporate Controller requested the Audit Department to perform a review of the project in addition to the audit work being performed by the City's external auditors. We reviewed the processes, practices and policies in place for the identification,

measurement, amortization and reporting of the City of Winnipeg's capital assets for the purposes of preparing the financial statements. We also reviewed the audit work of the City's external auditor's, Ernst & Young, with respect to the City's compliance with Section PS 3150 of the Handbook.

We concluded that the Controllership Division had the appropriate processes in place to ensure the accuracy and completeness of the information reported on capital assets in the financial statements. The information reported on capital assets was in compliance Section with PS 3150 – Tangible Capital Assets of the Public Sector Accounting Handbook. We did note in our review that land valuations were conservative in nature, in part due to lack of historical data, and in some instances, amortization periods were also conservative.

We also observed that, overall the information on capital assets collected and developed through this project has established the basic foundation within the City to begin to build a corporate-wide, effective and sustainable asset management plan.

What was the response?
The Controllership Division agreed with all of the recommendations and is working towards addressing them.

Performance Audits

CentreVenture

What did we conclude?
In 1999 the City created *CentreVenture*, a non-profit, arm's length corporation to provide leadership in the revitalization of the downtown. *CentreVenture* was created to be an action-oriented development corporation and to provide clear direction, coordination, planning and implementation, and strong leadership for the downtown The City committed to $3 million in endowment funding and a three-year, annual operating grant of $250,000 as well as an *Asset Agreement* to provide *CentreVenture* options to acquire an interest in all surplus city-owned properties in the downtown.

In its first mandate, *CentreVenture* focused on sales of surplus assets through its *Asset Agreement* and leveraging project-level private investment through its Urban Development Bank and Heritage incentive programs. Several of the tools employed were creative and resulted in tangible results.

In the second mandate, however, there was a general perception that the agency lost momentum. While still focused on property development and the completion of exciting projects such as Waterfront Drive that had been initiated during the first mandate, *CentreVenture* had very little role in new development planning for the downtown, did not sustain or build on partnerships that had been created in the first mandate, and did not develop a broader marketing strategy for business and economic investment. There were expectations that the agency would have developed new programs and incentives and become more proactive in creating opportunities in the downtown.

In conducting the audit, we interviewed a broad range of interested stakeholders. For many, *CentreVenture* is a real success story. For others, the agency has not lived up to initial expectations. It was clear that *CentreVenture* had achieved some tangible results in its first two mandates. It was equally clear that much still needed to be done to revitalize the City's downtown. *CentreVenture's* focus had shifted to some extent since presentation of its *Start-up Business Plan,* and the agency's role within its broad mandate needed to be reviewed and confirmed. *CentreVenture* was not seen as the leader among the downtown agencies and was perceived to be transactional rather than strategic in its focus. It had continued to rely

upon the City's annual grant to fund its operations and did not develop the private sector partnerships or new funding models anticipated. The organization's governance and management practices had not matured to the level expected for an agency entering its third mandate, and stakeholders were concerned about the lack of transparent business plans and performance reports.

We recommended that *CentreVenture* needed to develop and communicate a new Strategic Plan to articulate its unique role within the broad mandate of downtown revitalization, describes its programs, resources and intended outcomes, and establish performance targets and measures. In addition, *CentreVenture* needed to strengthen its governance and management frameworks and practices, particularly in the area of performance reporting.

What was the response?
Subsequent to the completion of the audit, The Board of *CentreVenture* has reported that they have implemented all the recommendations.

Use of Consultants

What did we conclude?
The procurement of goods and services is a high profile and sensitive public process, complex in nature. Therefore, the City's procurement process must be open, accessible and transparent and must adhere to legal and legislative requirements. In addition, the procurement process must add value both to the City of Winnipeg in terms of quality and economy and to the business community in terms of opportunity and accessibility.

Procurement and Contract Administration was identified in the 2004-05 Audit Plan endorsed by Audit Committee in September 2004. The City's use of consultant services has grown in recent years due, in part, to the downsizing of its permanent workforce and the number of infrastructure projects being undertaken. In 2000, the City spent approximately $18 million on external consultant services. By 2004 that number had grown to $39 million.

The process to contract with a consultant within the City of Winnipeg is governed by the Materials Management Policy adopted in March 2004 and its accompanying administrative directive. We found that the type of engagement that constitutes a 'consultant service' can be very broad and is not clearly understood by City staff, decision-makers and the public. In fact, approximately 72% of consultant services expenditures in 2000 to 2004 were paid to consulting engineers who planned, designed and acted as the contract administrators for various City capital projects. Only about 5% of the total amounts paid for consultant services in the five years reviewed were for consulting (advisory) engagements.

Given that the majority of consultant services expenditures are paid to consulting engineers, along with the 50% increase in the capital budget since 2004, we recommended that the City conduct a study to evaluate alternative delivery models for infrastructure development and renewal projects. Models such as Private-Public Partnerships (P3s) and Special-Operating Agencies (SOAs) that have evolved in recent years are worthy of consideration.

We also observed that the Public Works Department had not issued a competitive bid for streets work in the last three years, making it difficult to demonstrate that the City is paying competitive rates. Fees paid were based on a percentage of construction cost, not an hourly billing rate as recommended by the Association of Professional Engineers and Geoscientists of the Province of Manitoba. In a volatile market, with costs continually increasing, fees will increase even though the amount of work remains unchanged.

In a sample of transactions we reviewed, we noted that 70% did not have an adequate contract. In cases where a proper contract did exist, 60% of the engagements were not signed by the appropriate authority (usually the Chief Financial Officer). Also, the City did not always ensure that consultants carried adequate insurance to indemnify the City. These issues jeopardize the enforceability of the contract, potentially requiring the City to incur additional costs for a court action to settle any disputes.

Finally, we observed that the quality of information available to senior management and Council on the use of consultants was insufficient. Quarterly reports on the use of consultants contained inaccurate and misleading information and it was not possible to determine the volume or magnitude of all consultant services contracts awarded.

What was the response?
We made eleven recommendations to improve the procurement process that will improve the value received from consultants services and the quality of information forwarded to Council. The Public Service agreed to implement the recommendations.

Reserves Administration Audit

What did we conclude?
Reserves are funds that have been set aside for designated purposes; prudent administration of reserves represents an important component of sound financial management. Maintaining adequate reserves provides the City with the ability to respond to unexpected events, maintain stable taxes, and ensure that sufficient funds are available for major capital projects. Reserves can only be created with Council approval.

Reserves represent a significant financial asset for the City. In 2005, the balance in the reserves was approximately $292 million, which is equal to 28% of the City's budgeted expenses for the year.

For the reserve funds that we reviewed, the fund targets appear to be sufficient to meet the intended objectives. We found that the reserve funds are being managed by the City Treasurer's Division and fund managers in adherence to the appropriate by-laws and Council resolutions.
The City Treasurer's Division, working within the parameters of the City of Winnipeg Investment Policy, has been able to achieve investment performance on the reserve funds that is consistent with accepted industry benchmarks. We did identify, however, an opportunity for fund managers, in consultation with the City Treasurer's Division, to derive better rates of return by segregating reserve funds into short-term and long-term components, depending upon cash flow requirements. Our analysis, using 2005 data, estimated that the opportunity cost of not allocating the idle portions of the pooled reserve funds to longer-term investments ranged from $38,000 to $171,000.

We noted that, in general, the City's policy is consistent with recommended practices and similar to the other cities but could be strengthened by incorporating expectations and standards for performance as well as formal reporting requirements.

We also observed that the City's investment strategy is more conservative than the other cities surveyed. While we endorse the City's goal of preservation of principal, we noted that increasing our risk tolerance by reducing some of the restrictions in the City's Investment Policy has the potential to result in better rates of return. An increase of 5 or 10 basis points in the rate of return would result in additional annual earnings of $146,400 to $292,801, respectively, based on 2005 balances.

With respect to the specific reserves reviewed, we found that, overall, good financial controls were in place to ensure expenditures from the reserves met the intended objectives. However, we also noted that the process to create or amend a reserve and the process to administer a reserve are not formally documented. To ensure continued compliance with the governing documents and to ensure continuity of knowledge of key staff, we recommended the creation of an administrative directive to provide direction to fund managers regarding the creation and on-going administration of reserves.

What was the response?
The Public Service agreed with all of the recommendations and are working towards addressing the recommendations.

Revenue Audits

The City Auditor selected three revenue streams to review based on the potential for control risks and exposures related to the collection of revenue. The three revenue streams audited were aquatics revenue, ambulance revenue and building permit revenue.

Aquatics Revenue

What did we conclude?
The City of Winnipeg receives just over $3 million annually in revenue from the *Learn to Swim* and *Public Swim* Programs. The collection of this revenue is managed by the Community Services Department at several locations throughout the City.

Effective July 1, 2006, the department implemented a new registration and point-of-sale system called the CLASS system. This system is being used in all indoor swimming pool facilities, for serving the public at 395 Main Street and three other leisure and fitness centre locations.

We found, overall, that the controls that are in place are operating as intended. However, the controls over access to the CLASS system need to be strengthened to ensure accountability of users. In addition, evidence of the performance of work, supervisory review and authorizations should be documented and retained to provide assurance to management that the processes and controls are being performed consistently and to allow for more effective monitoring.

What was the response?
We made 15 recommendations to improve the controls over Aquatics revenue. The Community Services Department has agreed to implement the recommendations.

Permit Revenue

What did we conclude?
The City of Winnipeg received approximately $5.6 million in 2005 in revenue generated from electrical, plumbing and sewer, and building and temporary building permit fees. The Planning, Property and Development Department (PP&D) is responsible for the collection of these fees.

We found that PP&D allows some customers to set up trust accounts to pay for current and future permit applications. There currently are no defined policies or procedures over who is eligible to set up a trust account, and there are no controls to limit trust accounts going into arrears requiring collection on these accounts. PP&D should develop formal policies and procedures to administer the authorization and collection of trust accounts.

Overall, we found a number of controls in place over the completeness, validation, existence, safeguarding of assets and compliance with statutory requirements.

However, there were a number of controls identified that did not have evidence documented on the performance of the control. This information will allow management to effectively monitor control activities.

What was the response?
We made 20 recommendations to improve the system of control. The Planning Property & Development has agreed to implement these recommendations.

Ambulance Revenue

What did we conclude?
The City of Winnipeg received just under $14 million in 2005 in revenue generated from ambulance fees. In 2006, the accounts receivable, with respect to ambulance fees, was just over $10 million. The collection of this revenue is managed primarily by the Winnipeg Fire Paramedic Services Department (WFPS). The Water and Waste Department collects fees on behalf of the WFPS as part of its cashier services.

We found that the WFPS has several million dollars in its receivable balance due to certain accounts in dispute. This has created a significant restriction on cash flow and could result in cash flow deficiencies if not resolved in a timely manner. WFPS has had Legal Counsel involved; however, there continues to be uncertainty as to who is responsible for these payments.

Overall, we found a number of good controls in place over the completeness, validation, existence, and safeguarding of assets. A significant number of these controls, however, did not have evidence clearly documented on the performance of the control. For these controls to be effective, the Winnipeg Fire Paramedic Service should consistently document and retain evidence of performance of the controls. This will allow management to effectively monitor the performance of control activities.

What was the response?
We made 20 recommendations to improve the controls over ambulance revenue. The Winnipeg Fire Paramedic Service Department agreed to implement these recommendations.

Follow-up on the Audit of the Special Operating Agencies Initiative

What did we conclude?
The Audit Committee requested that the City Auditor follow up on the recommendations outstanding from the *Audit of the Special Operating Agencies Initiative-February 2006 (SOA Audit)*. Four of seventeen recommendations were not implemented as of March 19, 2007.

When we began our follow-up, the Public Service did not intend to implement two of the four remaining recommendations. These two recommendations related to the inclusion of the SOAs in the City's Operating Budget and Capital Budget. During our review, the Public Service committed to implementing these two recommendations starting with the 2008 budgets.

At the time of the release of the *SOA Audit* the Winnipeg Parking Authority (WPA) had just completed its first year of operation as an SOA. As a result, a review of the operational and financial performance of the Winnipeg Parking Authority was not included in the *SOA Audit* report. We decided to include a review of the first two years of operations of the Winnipeg Parking Authority as a part of the follow-up review.

We found that the WPA did not meet the financial targets established for the first two years of operations. The main reasons were significantly lower revenue from enforcement and significantly higher expenses for materials, supplies and services. The WPA also did not provide the Alternative Service Committee with sufficient information on operational performance.

We found that the WPA did make significant progress in several areas of customer service. It is doubtful these changes would have been achieved under the previous decentralized service delivery model.

As a result of significant transfers of cash to the City in excess of the income earned by the WPA, the WPA is in significantly poorer financial condition than when it commenced operations as an SOA. The financial condition of the WPA and its future financial obligations to the City impair its ability to address the needed repairs to the three City owned parkades. Implementation of our recommendation dealing with transfers of cash to the City (which is one of the four recommendations still in progress at the time) will help the WPA achieve greater financial capacity to deal with its deteriorating parkades.

What was the response?
Our review found the Public Service recommitted to implementing all four of the remaining recommendations from our *Audit of the Special Operating Agencies Initiative.*

Workforce Planning Audit

What did we conclude?
The City, like many other public and private sector organizations, will be faced with an increasing challenge to retain and recruit key talent to deliver City services. The City's workforce is considerably older than the average for Manitoba and, in the past couple years, the City has seen almost a hundred percent turnover in its executive complement.

Looking forward, a full 56% of the City's management staff will not only be eligible to retire within three years but will have surpassed the average years of service for staff in their particular job functions. For these reasons, an audit of Workforce Planning was requested by Audit Committee in 2007 to provide assurance that the City is ready to meet this on-going challenge.

Presently, some occupational groups, such as accountants and engineers, critical to the delivery of City services, are already at full employment levels. Looking to the future, the demand for labour will outstrip the growth in supply meaning that for every new position created there is only one person available. To attract quality staff, the City must be viewed as more attractive than other organizations competing for the same individuals.

"The most important management issue facing federal, provincial and municipal organizations over the next few years is retirement, recruitment, retention and succession planning."
2004 Survey of Federal and Provincial Deputy Ministers and Municipal CAOs
Institute of Public Sector Administration

Corporate HR staff have shown leadership by developing several key tools, such as an award-winning competency framework, a performance management tool, the *Workforce Planning Guide*, and training and development programs to guide and facilitate workforce planning activities in departments. We applaud these efforts. Nevertheless, to date, there appears to have been an insufficient

commitment to monitoring the results of departmental activities, identifying and implementing coordinated solutions to common gaps, and reporting to decision makers on the status of workforce planning from a corporate perspective.

We found during the audit that City departments have developed and implemented workforce plans to varying degrees. Some departments have performed significant analysis, implemented strategies and are monitoring the results. Other departments still need to perform considerable analysis to be able to understand fully the magnitude of their workforce risks.

During a workshop the Audit Department conducted with HR managers from all the departments, 100% of participants either disagreed or strongly disagreed with the statement that, the City is an employer of choice. A further forty-five percent (45%) indicated that it was either difficult or very difficult to retain current staff and a majority (89%) indicated it was either difficult or very difficult to attract staff. A full 100% indicated that they foresee either having a difficult or very difficult time attracting staff in the future.

There is no doubt that there has already been an impact on both service delivery and the morale and productivity of staff across the organization. There is every reason to assume that this situation will not change significantly in the near future.

What was the response?
The Public Service agreed with the recommendations. Management undertook efforts to revise key administrative directives and to gather information on departmental workforce planning initiatives in order to develop an organizational workforce plan. The results of these efforts would then be communicated to Executive Policy Committee and Council on an annual basis.

Grant Administration Audit

What did we conclude?
The City of Winnipeg awards grant monies for a wide variety of purposes. Grants are awarded to community groups, non-profit organizations, and others through grant programs established within the various City departments. An audit of the Grant Oversight process was identified in the department's 2007-2009 Audit Plan and approved by the Audit Committee.

In 2006, the City awarded $26.7million in grants through a variety of different programs. A number of the programs classified as "grants" by City departments included items such as taxes rebates and housing credits. Money distributed through these programs is defined by formula specific eligibility requirements and, therefore, were determined to be out of scope for the purposes of this audit. As a result, four City departments (Corporate Finance, City Clerk's, Community Services, Planning, Property & Development) accounted for $17.1 million of the total grant dollars paid out. In addition to providing monetary grants, the City also provides grants in-kind to organizations, festivals and events. Grants in-kind typically include the use of City property, services and/or facilities. These grants were considered out of scope for this audit.

Overall, we found that all grants were awarded in accordance with the applicable Council minute or by-law. For a number of grants we reviewed, there was either no grant agreement or unclear/undefined terms and conditions. The City must ensure that all grants have a signed grant agreement that defines specific terms and conditions and that City staff document their compliance monitoring of the grantee.

In any financial program there is a risk of misappropriation of funds. While the City has implemented a number of strong controls over the grant approval and payment

processes, there are no oversight controls that identify potential multiple grant payments to the same organization from different City departments.

Monitoring of grantee performance also needs to be improved. We observed that when terms and conditions were identified, City staff did not always adequately review information to ensure the grantee was in compliance with the terms and conditions. In other cases, when City staff did perform a proper review, adequate evidence of the review was not always available. Through further inspection we did not identify any issues of non-compliance.

For the grants that we reviewed as part of our sample, all financial amounts were properly recorded in the City's financial system.

What was the response?
The Public Service agreed with all the recommendations. The CFO undertook to improve consistency in the documentation and administration of grants across the organization and to provide enhanced reporting to Council. Departments also agreed to implement recommendations specific to their grant programs.

Assessment of Information Security Awareness

What did we conclude?
In today's business environment, information security and protection of information assets are vital to the long-term success of all organizations. IT systems connect every internal department, and also connect the organization with myriad suppliers, partners, customers, citizens and others. For this reason an Assessment of Information Security Awareness was included in the department's 2007-2009 Audit Plan and approved by the Audit Committee.

We observed that responsibility for security has been assigned to the individual, and most City staff are aware of the IT Security directives. The directives are accessible online but some need to be updated to reflect the current organizational structure. Some departments and Special Operating Agencies have augmented the City directives with their own policies, practices and procedures, due to their unique business needs.

The assessment team conducted an electronic survey which was made available to almost 50 percent of the City's workforce. (All staff with internet access were able to participate.) In four days, staff returned over 860 valid responses (20 percent of possible participation).

Results of the eSurvey revealed that nearly 30% of all respondents have only a poor or fair level of understanding of the directives. Further, 26% said security was the responsibility of IT staff which means they don't fully understand the importance of their role for such things as simply locking their workstation when it is left unattended. Also, 50% of respondents were unsure or did not understand what a compromise in IT security would entail.

Currently, there is no formal security awareness or training plan. This is important to ensure all staff have a baseline level of knowledge and skills to enable them to fulfill their responsibilities. The development of an IT security training and awareness program combined with employee sign-off of their understanding of the directives would assist staff in improving their overall knowledge of the directives.

In addition to the above noted opportunities, we made recommendations to create new directives. Evolving technology issues such as the use of portable media devices and the performance of vulnerability assessments require administrative directives to provide guidance to City staff. We also made

recommendations to promote the use of the Security Committee in improving security awareness and understanding city-wide.

What was the response?
The Public Service agreed with the recommendations and was in the process of developing several initiatives to improve staff and management's understanding and awareness of IT security in order to better protect City assets and information.

Winnipeg Police Service Overtime

What did we conclude?
The Winnipeg Police Service provides a critical service to the citizens of Winnipeg. Because this service is provided twenty-four hours a day, 365 days of the year, overtime is a necessity in the line of duty. The 2007 overtime expenditures by the Winnipeg Police Service totalled $7.25 million, which represents 5% of the operating budget of the Police Service and approximately 51% of all overtime paid to City of Winnipeg employees. Due to the proportion of City overtime wages allocated to the Police Service, an overtime audit was included in the 2007-2009 Audit Plan.

Overtime is a complex issue. It does not simply come down to adding more resources in order to reduce overtime. The resources that are in place must be properly managed, before more resources are added, to avoid compounding any inefficiency in the system.

We observed that overtime hours increased by about 15% from 2004 to 2007 at the same time that service demand remained relatively constant and the staff complement increased by about 9% overall and about 12% for officers. While this trend in overtime initially appeared contrary, we were able to obtain reasonable explanations for the increase, which included redeployment of uniformed officers due to internal re-structuring, a more proactive approach to investigating major crimes, and more time devoted to specialized services for other agencies that reimburse the WPS.
These strategies, among others, have helped to gradually level off the costs associated with overtime. We commend the WPS on actions taken to date, in particular, the significant decrease in overtime achieved with respect to court appearances. At the same time, an inability to obtain complete information to support our analyses, due to system limitations, leaves us unable to conclude that the results obtained were the best possible outcome.

We observed that the WPS has an opportunity to consolidate diffused information on overtime into one overarching policy. This will provide the backbone for managing by providing an accessible knowledge base with guidance on the appropriate use of overtime. Improvements can also be made to other policies related to overtime to reduce inappropriate overages in time banking. Also, the WPS needs to perform further analysis on the results of pilot programs to validate their success.

Further development of WPS information systems will reduce duplication of tasks, provide better information for decision making, and allow for proactive analysis and monitoring of overtime. For example, in 2007, an estimated $600,000 in overtime wages coded to various miscellaneous and "unknown" categories provided management with little useful information. Changes will also free up internal resources to perform more value-added analyses.

What was the response?
The WPS agreed with all recommendations and provided an implementation strategy.

Capital Project Management

What did we conclude?
The City is making significant investments in capital projects. The capital budget was $427,323,000 for 2007 and $421,099,000 for 2008. According to the 2009 to 2013 five year forecast, the capital budget is expected to remain at a high level for the foreseeable future. Three departments manage most of the capital construction projects undertaken by the City of Winnipeg: Public Works, Water and Waste and Planning, Property and Development. Successful capital project management is key to providing value for money and demonstrating sound stewardship in service delivery. It is critical that capital projects are planned, budgeted for, and managed successfully. An integrated project control framework that applies across departments and is appropriate for the level of project risk and complexity enhances the likelihood of realizing project outcomes.

We found that the corporate management control framework for the management of capital projects, which includes capital planning, budgeting, monitoring and reporting, needs to be strengthened. While we acknowledge that the City's processes meet accepted, recommended practices in some areas, there still exist some significant gaps in the City's processes. To ensure that the City's capital program is delivered in the most effective and efficient manner there needs to be significant improvement in several areas: the timing and level of public and political input; capital planning and project prioritization; standardization and transparency of capital estimates; and the oversight and reporting functions.

With respect to capital project management, we found that significant revision and development of capital project management procedures and processes are required to bring the City up to contemporary industry standards. Despite this, for the projects reviewed in this audit, the gaps in the processes were filled in many instances by the practices of the City's current complement of skilled and experienced project managers. Reliance on experienced project managers to fill the void in procedures is neither sustainable nor desirable, in part due to the expected shortage of these skilled project managers in the not-too-distant future. In addition, based on the projects reviewed and with some exceptions, project management practices with respect to project planning, quality management, risk management and performance reporting require improvement.

We believe that the implementation of our recommendations should result in more efficient and uniform delivery of capital projects. In addition, better and more transparent information on capital projects will be available for decision makers and citizens. This will result in greater accountability for tax dollars spent on the City's capital program.

What was the response?
We made twenty-nine recommendations to improve Capital Project Management. The Public Service has agreed with our recommendations and plans to implement them.

Audits In Progress

Building Permits and Inspections Service

Over the past several years, the Planning, Property and Development Department has made significant changes and improvements to the permits administration and inspections processes through the Permits X-Press initiative. This has included the implementation of an electronic permit application system for trades and the building industry and several amendments to building codes and permit requirements designed to ensure public safety while limiting the burden of unnecessary permits.

The purpose of this audit is to report to Audit Committee and Council on the efficiency and effectiveness of the Building Permits and Inspections Service and the progress made to date as a result of the Permits X-Press initiative. The objectives of the audit are

- to assess whether the key risks associated with the permits and inspections processes have been identified and managed;
- to assess the efficiency and effectiveness of the permits and inspections processes;
- to assess whether the fees to support the costs of performing the service are appropriately charged and collected; and
- to assess whether service performance is measured, monitored and reported to ensure that service goals are being met.

We are currently conducting the fieldwork portion of the audit and expect to report on our results in early 2009.

Winnipeg Fire Paramedic Service Overtime

The Winnipeg Fire Paramedic Service provides critical fire suppression and medical treatment services to the citizens of Winnipeg. These services are provided twenty-four hours a day, 365 days of the year, thereby making the occurrence of overtime a necessity. In recent years, it appears that the level of overtime incurred has increased. The objectives of the Winnipeg Fire Paramedic Service Overtime Audit are

- to examine the causes in the escalation of WFPS overtime costs in the past 4 years; and
- to determine the effectiveness of the WFPS policies, procedures and practices relative to the control of overtime.

We are currently conducting the fieldwork portion of the audit and expect to report on our results in early 2009.

Investigation Services

In 2005 and 2006, we worked with the Corporate Controller to develop a Fraud Policy and Investigative protocol to deal with reported incidents of fraud, theft or related irregularities. An administrative directive was released in 2006. We provide investigative services at the request of Council, the Public Service pursuant to the Fraud Policy, City managers and citizens, or as a result of information arising from audit projects. While maintaining an independent and objective perspective, we conduct our services using a cooperative approach. As needed, we consult with staff from Human Resources, Legal Services, Corporate Finance and other investigative agencies. We also work closely with management who is responsible for taking appropriate action to resolve concerns raised during a review.

Investigations

From 2006 to 2008, the Audit Department conducted a number of investigations. As per our policy, we do not comment on investigations in progress or those that focus on personnel matters. As a result of our involvement in one investigation, the City was reimbursed monies owed from a local organization.

Status of Audit Recommendations

What is the Quarterly Report Card?

The Audit Department's work does not end when an audit report is presented to City Council. The most important component of an audit recommendation is its implementation. The Public Service provides a response to each audit recommendation in the Audit Report along with an action plan. The subsequent implementation of the audit recommendations in accordance with the action plans is the responsibility of the Public Service. The Audit Department has traditionally provided Audit Committee with an update on the status of the implementation of outstanding audit recommendations in its annual report. In 2006, the Status of Audit Recommendations Quarterly Report Card was introduced at the request of Audit Committee. The Quarterly Report Card is produced at the end of March, June, September and December and is presented at the next Audit Committee. The Quarterly Report Card presents management's representations as to the status of recommendations implemented, in progress or not to be implemented. For recommendations in progress, an implementation strategy and timeframe is provided. For recommendations not to be implemented, an explanation is provided.

How is the Quarterly Report Card produced?

The Audit Department provides a template of outstanding audit recommendations to the Chief Administrative Officer (CAO) for distribution to departments. Department Heads provide a status update to the CAO for review. When the CAO is satisfied with the responses, the templates are forwarded to the Audit Department for compilation. The Audit Department summarizes the results and prepares a brief overview for Audit Committee. We do not audit the responses provided by the departments. The completed Quarterly Report Card is presented to Audit Committee by the City Auditor along with any observations she may have. The CAO attends the Audit Committee meeting to address concerns or questions regarding the responses raised by Audit Committee members.

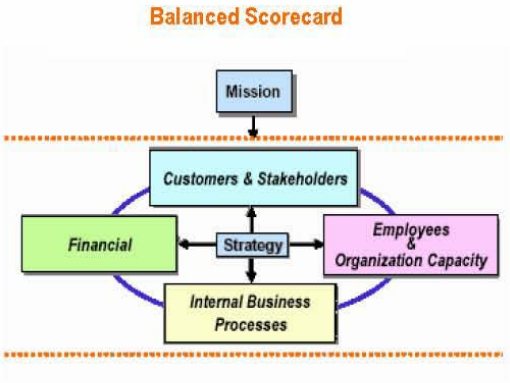
Quarterly Report Cards are completed for five years following the issue date of an audit report. After five years, the Audit Department prepares a final report to Audit Committee that provides a summary of recommendations implemented, in progress and not to be implemented. Included is a complete history of status updates relating to those recommendations not implemented. After presentation of this final report, the status of audit recommendations will no longer be tracked by the Audit Department. If there are significant concerns that cannot be satisfactorily addressed by the Public Service, the Audit Committee may propose a new audit of the subject entity through the annual planning process.

Summary Status Report

Below is a summary of the implementation status of recommendations made in the more significant audit reports issued in the past few years.

AUDIT REPORTS	RECOMMENDATIONS				TARGET DATE FOR COMPLETION		
	Total	Complete	Percent Complete	Not to be implemented	4th Quarter 2008	1st Quarter 2009	2nd Quarter 2009 or later
Performance Audit of CentreVenture, 2006	12	12	100%	N/A			
Use of Consultants, 2006	11	11	100%	N/A			
Reserves Administration Audit, 2007	9	4	44%	N/A	4	1	
Ambulance Revenue Audit, 2007	20	18	90%	1	1		
Aquatics Revenue Audit, 2007	15	15	100%	N/A			
Permit Revenue Audit, 2007	20	17	85%	1	2		
Capital Asset Review , 2007	3	1	33%	N/A			2
Workforce Planning, 2008	3	1	33%	N/A		2	
Grant Administration Audit, 2008	12	Scheduled for follow up 1st quarter of 2009					
Assessment of Information Security Awareness, 2008	14	Scheduled for follow up 1st quarter of 2009					
Winnipeg Police Service Overtime, 2008	11	Scheduled for follow up 1st quarter of 2009					
Capital Project Management, 2008	29	Scheduled for follow up 1st quarter of 2009					

Our Balanced Scorecard



The Balanced Scorecard

We have adopted the Balanced Scorecard model as our framework for performance measurement. The Balanced Scorecard is a performance management system that can be used to align vision and mission with customer requirements, manage and evaluate business strategy, and monitor operational performance and organizational capacity. In the balanced scorecard, vision, mission and strategy are decomposed into different perspectives as seen through the eyes of customers and other stakeholders, managers and process owners, and employees. Three different dimensions of organizational performance can be viewed: results (financial and customer), operations and capacity. For each perspective, we have identified performance measures, targets, and actual results for the prior and current years.

Performance Benchmarks

The Association of Local Government Auditors (ALGA) represents local government audit organizations in both the United States and Canada. Based on annual surveys of members, performance benchmarks are established for audit organizations by size. The City of Winnipeg falls within the group having 6 - 10 auditors and an annual budget of $600,000 to $1,378,000. Results for 2005 to 2007 are included in the Balanced Scorecard for each performance category for which benchmarks are available.

Audit Department Balanced Scorecard

Our Goals

- *To provide independent and objective assurance on the efficiency and effectiveness of City operations as well as timely, relevant and value-added recommendations for improvement.*
- *To influence organizational outcomes and accountability by promoting good governance, effective risk management and controllership, and comprehensive and transparent performance information.*
- *To deliver high quality, cost-effective audit services.*

Strategies	Performance Measure	Actual 2005	Actual 2006	Actual 2007	3 year Average	Industry* Benchmk	Annual Target
Customers & Stakeholders Perspective							
Deliver quality audit reports to clients and stakeholders	• Collaborative risk-based Audit Plan in place	100%	100%	100%	100%	66%	100%
	• # of Audit Committee meetings	2	4	4	3	n/a	4
	• # of reports issued to clients/ stakeholders	7	7	7	7	n/a	6
	• Post project satisfaction rating (out of 5)	3.9	3.9	4.2	4.0	4.3	4.5
	• % of clients/stakeholders who rate the quality of audit reports as 'reliable and credible'	n/a	n/a	100%	100%	n/a	75%
	• % of clients/stakeholders who rate the audit as 'value-added'	n/a	n/a	100%	100%	n/a	75%
Provide timely, value-added and relevant recommendations	• % of projects that met target date	68%	71%	84%	74%	61%	80%
	• Audit recommendations accepted	97%	99%	94%	97%	92%	95%
	• Audit recommendations implemented (3-5 years)	80%	72%	81%	78%	79%	82%
	• % of clients/stakeholders who rate audit recommendations as 'relevant' or 'very relevant'	n/a	n/a	75%	75%	n/a	75%
Educate clients and stakeholders on strategic areas of focus (governance, risk management & controllership, performance information)	• # of advisory projects	5	4	2	4	n/a	2
	• # of presentations and workshops	1	2	2	2	n/a	2
	• % of recommendations dealing with focus areas	77%	83%	98%	86%	n/a	75%
	• % of clients/stakeholders who believe that audit recommendations improved focus areas	n/a	n/a	100%	100%	n/a	75%
Maintain focus on primary assurance role while dedicating some resources to advisory and investigative roles	• % direct hours dedicated to assurance	92%	88%	67.5%	83%	n/a	80+%
	• % direct hours dedicated to advisory	6%	12%	32%	17%	n/a	0-20%
	• % direct hours dedicated to investigations	2%	0%	.5%	1%	n/a	0-20%

Audit Department 2006 - 2008 Report on Performance

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Audit Department Balanced Scorecard

Strategies	Performance Measure	Actual 2005	Actual 2006	Actual 2007	3 year Average	Industry* Benchmk	Annual Target
Financial Perspective							
Prudently manage public resources	• Budget commitment met (within 10%)	100%	100%	100%	100%	n/a	90%
Deliver cost-effective audit services	• Cost of audit services (per billable hour)	$88.53	$102.84	$113.88	$106.26	$98.32	$107.00
Potential cost savings/avoidance or revenue generation opportunities	• Total dollars identified in Audit reports	$10 million	$463,801	$589,260	$3.68 million	$1.46 million	50% of Dept Budget

Strategies	Performance Measure	Actual 2005	Actual 2006	Actual 2007	3 year Average	Industry* Benchmk	Annual Target
Employee and Organizational Perspective							
Maintain staff capacity through recruitment and/or secondment	• Approved staff complement • Audit staff to total organizational staff	10 1:978	10 1:850	10 1:800	10 1:876	6 - 10 1:861	10 1:861
Supplement competencies with external and internal partnerships	• # of collaborative projects	5	2	3	3	n/a	1
Build a competent and diverse workforce	• % of auditors with professional designations • Training hours per year per staff member • % of staff from designated group	100% 39 20%	100% 33 43%	100% 39 30%	100% 37 31%	75% 40 n/a	90% 40 10%
Promote positive working environment	• Average level of staff satisfaction on several attributes per annual survey (out of 5)	4.1	4.2	4.3	4.2	n/a	4
Ensure effective performance management model and process	• On-going feedback at project level • Bi-annual evaluation for each staff member	68% 30%	100% --	100% --	89% 10%	n/a n/a	100% 50%

Audit Department Balanced Scorecard

Strategies	Performance Measure	Actual 2005	Actual 2006	Actual 2007	3 year Average	Industry* Benchmk	Annual Target
Internal Business Processes Perspective							
Assure professional standards are maintained	• Risk assessment for each project	100%	100%	100%	100%	n/a	100%
	• Projects meet quality assurance standards	100%	100%	100%	100%	n/a	100%
	• Peer review standards met (per external review)	n/a	n/a	n/a	n/a	100%	100%
Complete committed projects on budget	• % Target budget met within 10%	88%	71%	84%	81%	74%	80%
	• % Completion of Audit Plan	75%	71%	83%	76%	90%	80%
Implement best practices	• % of industry best practices implemented	88%	88%	88%	88%	n/a	90%
Optimize productivity	• Direct hours to total hours available	67%	64%	68%	66%	69%	65%
	• Audit management software implemented	n/a	n/a	In progress	--	55%	--

* Industry is represented by the Association of Local Government Auditors. The latest comparative year is 2006.

Our Organizational Leadership

The Audit Department occupies a unique role in the City of Winnipeg. As legislative auditors, we report to City Council on the performance of the Public Service. At the same time, to lever positive change, we provide internal audit and advisory services to senior managers across the organization. Members of our department are active in several organizational initiatives, participating as team members, instructors and facilitators.

Integrated Risk Management (IRM)

The course *Making Quality Decisions* supports the development of Competency 17 - *Decision Quality*. Senior Auditors of the Audit Department participate as the instructors of this course whose target audience includes managers, coordinators and supervisors involved in strategic and business planning or who are responsible for a program or service. The course content has also been customized and offered as the risk management portion of the Winnipeg Police Service Major Case Management Course and was also used to conduct a risk workshop with Corporate IT.

Foundations of Supervisory Development

The Deputy City Auditor is an instructor for the *Foundations of Supervisory Development Course* that is offered four times a year. This program provides an overview of the fundamental roles and responsibilities of a supervisor and its target audience is those with direct reports. This course supports the development of Competency 5 - *Business Acumen* and Competency 24 - *Functional/Technical Skills.*

Assessment Tax Communications Task Force

The Assessment Tax Communications Task Force (ACTF) meets monthly and consists of representatives from the Assessment Department, the Corporate Finance Department, the Board of Revision and Legal Services. The ACTF fosters communication, monitors the status of outstanding appeals, discusses strategies, and resolves issues related to appeals. As a member of the ACTF, our Deputy City Auditor ensures that risks related to appeals are identified and that mitigation plans are implemented.

Conference Board of Canada Executive Network

The City Auditor is an active member of the Conference Board of Canada Executive Network. The Conference Board builds leadership capacity for a better Canada by creating and sharing insights on economic trends, public policy and organizational performance. The Executive Network brings executives together to learn from one another and share best and next practices on key issues facing every organization.

Our Professional Support

To build and sustain our capability, we encourage our staff to seek certification with, and membership in, a diverse group of professional associations. Through these relationships, we are able to benchmark our performance, share best practices and foster our reputation as innovators. Our associations include memberships in key organizations that set the standards for our profession: the Association of Local Government Auditors (ALGA) based in the United States and CALGA, the Canadian affiliate, as well as the Institute of Internal Auditors (IIA) and the Information Systems Audit and Control Association (ISACA) which both have global members.

In addition, we support various professional organizations that promote effective public sector management such as the Canadian Comprehensive Auditing Foundation, the Institute of Public Administration of Canada and the Financial Management Institute. The Audit Department recently joined the Canadian Evaluation Society Manitoba Chapter, and, in September 2005, the City Auditor, Shannon Hunt, spoke at their Annual General Meeting on the relationship between evaluation and accountability.

Staff members are required to maintain their accreditation through their professional associations such as the Canadian Institute of Chartered Accountants (CICA), the Certified General Accountants (CGA), the Certified Management Accountants (CMA), the Certified Fraud Examiners (CFE), the Information Systems Audit & Control Association (ISACA) and the Society for Technical Communication (STC).

Institute of Internal Auditors (IIA)

This organization represents internal auditors across the globe and sets standards for the profession. Over the years, our staff have actively participated in several training workshops and seminars offered by the IIA, both as students and as instructors and facilitators. Kevin Milne, one of our senior auditors is a regular instructor for the Tools & Technique course, which was recently offered in Winnipeg. Our involvement in such activities allows us to contribute to the development of the audit profession and to share our successes with our colleagues who are also, of course, our citizens.

Winnipeg Chapter of the IIA activities

Several of our staff have served on boards and committees for the local chapter. This year, Jason Egert, one of our senior auditors, held the position of Director of Education and is currently a Director at Large. Another senior auditor, Kevin Milne, is serving as the President.

Information Systems Audit & Control Association (ISACA)

ISACA has become the pace-setting global organization for information governance, control, security and audit professionals. Its IS auditing and IS control standards are followed by practitioners worldwide. Bryan Mansky, our audit manager, sits on the executive of the local chapter.

Our Awards

Photo Enforcement Audit Report *received an Honourable Mention from the Association of Local Government Auditors (ALGA).*

The Association of Local Government Auditors (ALGA) is a professional organization committed to supporting and improving local government auditing through advocacy, collaboration, education and training, while upholding the highest standards of professional ethics. ALGA was formed in 1989 and has enjoyed a growing membership. There are more than 300 organizational members and over 2,000 individual members of ALGA in the United States and Canada. The Knighton Award is the highest honour presented by the association to its member organizations. It is presented each year for the top-rated performance audit report submitted in each category of Audit shop (small, medium, large). In 2006, the City of Winnipeg Audit Department received an *Honourable Mention* in the medium Audit shop category for our *Report on the Photo Enforcement Program.* In selecting the audit report, the ALGA judges had the following to say:

> *The City of Winnipeg has received an Honourable Mention for its work on the "Audit of the Photo Enforcement Program." The presentation and substance of this audit were impressive. Their skilful use of tables, graphs, and flowcharts provided an easy to read report. The report was extremely thorough and gave the reader information on:*
>
> - *The Financial Performance of the Program,*
> - *Efficiencies and Cost Effectiveness of the Program,*
> - *Effectiveness of the Risk Management and Control Processes, and*
> - *Whether the Program achieved its goal of improving public safety.*
>
> *The audit exposed that within the first two years of operation, gross revenues fell short of initial projections by over $18 million due to a vast over-estimation of the number of traffic violations and processing costs that were more than double the original estimates. The impact of this audit is reflected by the fact that it attracted considerable attention from the local, national and international media. This report is a must read for anyone needing quick information on Photo Enforcement Programs.*

The Audit Department previously won a Knighton Award in 2000 for our *Report on the Real Estate Management Function.* In 2004, we received the Special Projects Award for our Report on the *Integrated Risk Management Model.*

Shannon Hunt, City Auditor, *received a National Fellowship Award from the Certified General Accountants (CGA) Association.*

The FCGA designation is an honour given by CGA Canada to recognize exemplary service by a member to the National Association, the accounting profession and the community at large. CGA, Canada awarded Shannon Hunt, our City Auditor, the National Fellowship Award in 2007. Shannon had been previously honoured by CGA Manitoba with a Pinnacle Award for Outstanding Career Contribution in the Government Sector.

Who We Are

The Audit Department's greatest strength is its people. Our multi-disciplinary team shares common values and is dedicated to the pursuit of excellence. Although our team is small, we possess a wide range of knowledge, skills and experience and take pride in supporting our profession. We are pleased to present brief profiles of our people.

Shannon Hunt, FCGA, CFE
City Auditor

Shannon was appointed City Auditor in 1998. Originally from Winnipeg, Shannon spent twenty years in Toronto in a variety of positions with the federal and provincial governments. Throughout her public service career, she has promoted audit as a catalyst of organizational change and a champion of best practices. Shannon has a Bachelor of Arts in English from Carleton University and a Bachelor of Education from the University of Toronto. She is a frequent speaker and instructor on matters relating to audit and risk management. Shannon is a Certified General Accountant Fellow and Certified Fraud Examiner. Shannon retired at the completion of her second term in 2008.

Brian Whiteside, CA•CIA
Deputy City Auditor

Brian joined the Audit Department in 1997 and was appointed Audit Manager in May 1999. In June 2003, Brian became the Deputy City Auditor. Previously, Brian worked for the Office of the Provincial Auditor of Manitoba in the Value for Money Audit Division. Brian has several years experience in all facets of legislative auditing including value for money, attest and compliance auditing. Brian is a graduate of the University of Manitoba with a Bachelor of Commerce (Honours) with a major in accounting. He holds the designations of Chartered Accountant and Certified Internal Auditor.

Bryan Mansky, MBA, CMA, CIA
Audit Manager

Bryan joined the Audit Department in 1999 as a Senior Auditor and was appointed Audit Manager in 2003. Previously, Bryan worked as a management consultant specializing in the areas of quality management systems (ISO 9000), feasibility analysis, business planning and strategic planning. Prior to that, he worked as a commercial loans manager. Bryan is a graduate of the University of Manitoba with a Master of Business Administration degree. He holds the designations of Certified Management Accountant and Certified Internal Auditor. Bryan is on the executive of the Information Systems Audit and Control Association board in Winnipeg.

Jason Egert, M. ACC, CA•CIA
Senior Auditor

Jason joined the Audit Department as a Senior Auditor in February 2002. Previously, Jason worked as an Internal Auditor for the Canadian Wheat Board and in the private sector as a Controller and Senior Financial Analyst. Jason brings several years of experience in risk-based operational, compliance and attest auditing, financial analysis, controllership and business process reengineering. Jason is a graduate of the University of Manitoba with a Bachelor of Commerce (Honours) degree and a Masters of Accountancy degree. He is a Chartered Accountant and a Certified Internal Auditor. Jason is currently sits on the board of the Winnipeg Chapter of the Institute of Internal Auditors.

Kevin Milne, CGA, CIA
Senior Auditor

Kevin joined the Audit Department in September 2000. As a Senior Auditor, Kevin was responsible for managing assurance services projects to promote, develop, implement and integrate effective control systems throughout the City. Kevin has over 16 years of internal audit experience with various organizations and is also an experienced facilitator. Kevin acted as a guest trainer for the Corporate Services Department where he facilitated courses on facilitation skills development and risk management as well as being a volunteer instructor for the Institute of Internal Auditors (IIA). Kevin is currently the President of the Winnipeg Chapter of the IIA. Kevin is a Certified General Accountant (CGA) and a Certified Internal Auditor (CIA). Kevin resigned from the department in summer of 2008 to assume a management position in the private sector.

Autumn Robbie-Draward, BSA, BA, CIA
Auditor

Autumn began her career with the City in 1984. She joined the Department in 1998 as the Department's Research Analyst and assumed her role as Auditor in 2005. Autumn is experienced in the areas of scientific research and technical communications. She holds a Bachelor of Science in Agriculture and a Bachelor of Arts in Labour Studies from the University of Manitoba as well as a Certificate in Technical Communications from Red River College. She obtained her Certified Internal Auditor designation in 2004. Autumn resigned from the department in the summer of 2007 to pursue her personal goals.

Micheal Giles, CA
Auditor

Micheal joined the Audit Department in early 2008. After moving to Winnipeg in 1998 to complete his Bachelor of Commerce (Hons.) at the University of Manitoba, and attaining his Chartered Accountant designation while articling in a local accounting firm, he joined the Audit Department to use his skills for the city that he has grown to love. The years that Micheal spent in public practice have given him experience with auditing many different types of entities including local government agencies. Micheal is also involved in developing the professional audit and accounting community by facilitating and marking for the Chartered Accountant School of Business.

Larissa Wladyka, CMA
Auditor

Larissa joined the Audit Department as an Auditor in March 2008. Previously, Larissa worked in the private sector as an Internal Auditor for Investors Group. Larissa brings experience in compliance and risk-based operational audits, fraud investigations, business continuity planning and business process analysis. Larissa is a graduate of the University of Manitoba with a Bachelor of Commerce (Honours) with a major in accounting. She holds the designation of Certified Management Accountant.

Donna Woytowich
Administrative Coordinator

Donna has been with the City since 1987 and joined the Audit Department in 1998. In her current role, she is responsible for all of the administrative functions of the department, including financial reporting, budget preparation and all areas related to human resources. In addition to these duties, Donna participates as a team member on various audit projects. She also coordinates the Quarterly Report Card on the status of the implementation of prior audit recommendations.

How to Reach Us

All of our reports become public documents once submitted to City Council; the complete reports are available on our website. If you would like to provide comments or receive more information about our department, please contact us as noted below.

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