**Agenda – Council – March 23, 2011**

**Report "A"– Executive Policy Committee – March 16, 2011**

**Item No. 10 Local Improvements Audit Report**

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On March 16, 2011, the Executive Policy Committee submitted the following to Council:

1. That the recommendations of the City Auditor contained in the Local Improvements Audit Report be concurred in, and the City of Winnipeg Public Service be directed to immediately commence the implementation of such recommendations.

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

## Report "A"– Executive Policy Committee – March 16, 2011

DECISION MAKING HISTORY:

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On March 16, 2011, the Executive Policy Committee recommended to Council that the recommendations of the City Auditor contained in the Local Improvements Audit Report be concurred in, and the City of Winnipeg Public Service be directed to immediately commence the implementation of such recommendations.

On November 17, 2010, the Executive Policy Committee further laid over the matter for 90 days.

On July 14, 2010, the Executive Policy Committee laid over the Local Improvements Audit Report to its meeting in November 2010.

COMMITTEE RECOMMENDATION:

On July 6, 2010, the Audit Committee received as information the Local Improvements Audit Report dated June 25, 2010, and forwarded the matter to the Executive Policy Committee and Council.

# AUDIT REPORT

**ISSUE: Local Improvements Audit**

**Critical Path: Audit Committee – Executive Policy Committee - Council**

## AUTHORIZATION

| Author | City Auditor / Chief Performance Officer | | |
|---|---|---|---|
| B. Mansky | B. Whiteside | | |

## RECOMMENDATIONS

The Audit Report contains 9 recommendations to:

- Strengthen oversight of the local improvement service
- Revise the rate methodology for some improvement projects so that the taxes imposed better approximate the actual project costs.
- Adjust accounting treatments so they are consistent and in accordance with GAAP.

The report is attached as an Adobe PDF.



Local Improvements Audit Final Report.pd

## IMPLICATIONS OF THE RECOMMENDATIONS

The responsibility for delivery of the service was a collaboration of effort between six departments. We recommended the Assessment and Taxation Department expand their oversight role and implement a more thorough quality review processes. The responsibility for implementation of the recommendations contained within the Audit Report resides with these departments. When implemented the implications of the recommendations should be:

- to ensure local improvement taxes imposed are consistent with the *Charter*
- to ensure local improvement projects are consistent with the *Charter*
- provide back-ups of local improvement project files that critical to administering the service
- to ensure the taxes imposed reflect the actual costs of the local improvement project

## HISTORY

An audit of Local Improvements was included in the City Auditor's 2009-2010 Audit Plan that was approved by Audit Committee.

## FINANCIAL IMPACT

**Financial Impact Statement** **Date:** June 28, 2010

**Project Name:** **First Year of Program**

Local Improvements Audit

| | 0 | 1 | 2 | 3 | 4 |
|---|---|---|---|---|---|
| **Capital** | | | | | |
| Capital Expenditures Required | $ - | $ - | $ - | $ - | $ - |
| Less: Existing Budgeted Costs | - | - | - | - | - |
| Additional Capital Budget Required | $ - | $ - | $ - | $ - | $ - |
| **Funding Sources:** | | | | | |
| Debt - Internal | $ - | $ - | $ - | $ - | $ - |
| Debt - External | - | - | - | - | - |
| Grants (Enter Description Here) | - | - | - | - | - |
| Reserves, Equity, Surplus | - | - | - | - | - |
| Other - Enter Description Here | - | - | - | - | - |
| Total Funding | $ - | $ - | $ - | $ - | $ - |
| Total Additional Capital Budget Required | $ - | | | | |
| Total Additional Debt Required | $ - | | | | |
| **Current Expenditures/Revenues** | | | | | |
| Direct Costs | $ - | $ - | $ - | $ - | $ - |
| Less: Incremental Revenue/Recovery | - | - | - | - | - |
| Net Cost/(Benefit) | $ - | $ - | $ - | $ - | $ - |
| Less: Existing Budget Amounts | - | - | - | - | - |
| Net Budget Adjustment Required | $ - | $ - | $ - | $ - | $ - |

**Additional Comments: The financial impact cannot be quantified at this time. Financial benefits should be realized as the Audit recommendations are implemented.**



Department Controller

## CONSULTATION

**In preparing this Report there was consultation with:**

The management and staff of the Assessment and Taxation Department, Public Works Department, Water and Waste Department, Property, Planning and Development Department, City Clerk's Department and the Legal Services Department.

## SUBMITTED BY

Department: Audit Department
Division
Prepared by: B. Mansky
Date: June 25, 2010
File No.