Winnipeg

Report to Audit Committee
Status of Audit Recommendations
Quarterly Report Card
September 2010

Leaders in building public trust in civic government

Audit Department

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Status of Audit Recommendations
Quarterly Report Card - September 2010

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 Department Director responsible for implementing the recommendation. The templates are forwarded to the Audit Department for review and 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 he may have. The Department Directors attend 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.

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Status of Audit Recommendations

AUDIT REPORTS	RECOMMENDATIONS				TARGET DATE FOR COMPLETION		
	Total	Complete	Percent Complete	Not to be implemented	4th Quarter 2010	1st Quarter 2011	2nd Quarter 2011 or later
Public Works Asset Management Performance Audit - Part 1, 2005 (Roadway Construction & Maintenance)	35	30	86%	1	2		2
Photo Enforcement Program Review, 2006	15	14	93%		1		
Reserves Administration Audit, 2007	9	8	89%				1
Ambulance Revenue Audit, 2007	20	18	90%	1	1		
Capital Asset Review , 2007	3	1	33%			1	1
Winnipeg Police Service Overtime 2009	11	8	73%		3		
Capital Projects Management, 2009	6	0	0%	These six recommendations require EPC's approval.			
	23	6	26%		5		12
Winnipeg Fire Paramedic Service Overtime and Sick Leave Audit, 2009	10	6	60%				4
Building Permits and Inspections Service Audit, 2009	6	1	17%		2	2	1
Winnipeg Fleet Management Performance Audit 2010	10			No update			
Business Resumption Planning Audit 2010	5	1	20%		1		3
TOTAL	153	93	61%	2	15	3	24

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3rd Quarter 2010 Commitments

AUDIT REPORTS	3rd Quarter Target for Implementation	Complete	NEW TARGET	
			Recommendation	Date
Ambulance Revenue Audit, 2008	1 *	0	#18	4th Qtr/2010
Winnipeg Police Service Overtime, 2009	3	3		
Winnipeg Fire Paramedic Service Overtime and Sick Leave, 2009	1	1		
TOTAL	5	4	1	

* Monitored on a quarterly basis - Implementation date unknown

This table summarizes the status of the five recommendations targeted for review in the 3rd quarter of 2010. Four recommendations were implemented. The progress made on the one recommendation from the *Ambulance Revenue Audit* is monitored each quarter. It is not known when this issue will be resolved. The current status of the recommendation can be found in the *Implementation Plan* section of the Report Card. Three recommendations from the *Winnipeg Police Service Overtime Audit*, planned for implementation in the 3rd quarter of 2010, were implemented. The one recommendation with a targeted implementation date for the third quarter of 2010 from the *Winnipeg Fire Paramedic Service Overtime and Sick Leave Audit* was also implemented.

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Audit Observations

Nine recommendations have been implemented since the June 2010 Report Card. Four recommendations planned for implementation in the third quarter were completed. In addition, five other recommendations were also implemented This is the first report card to include the *Business Resumption Planning Audit* One of the five recommendations from the *Business Resumption Planning Audit* was implemented. Currently, 93 of the 153 recommendations (61%) contained in this report card have been implemented and there are 58 recommendations in progress.

We did not get a response to our request for an update for *the Winnipeg Fleet Management Performance Audit*. We are following-up on this and expect to have an update for the December Quarterly Report Card.

The one recommendation that we are updating each quarter comes from the *Ambulance Revenue Audit.* Recommendation #18 deals with First Nations accounts receivable. The Winnipeg Fire Paramedic Service is in discussions with Corporate Finance about the possible write-off of $1.0 to $1.5 million in accounts rejected by the First Nations and Inuit Health Branch (FNIHB). We will continue to report on action taken to collect the accounts receivable in every Quarterly Report Card until the matter is resolved.

The Public Service has reported that fifteen recommendations of the 58 recommendations in progress should be implemented by December 31, 2010. We are continuing to monitor progress on the ambulance accounts receivable on a quarterly basis. The status of these recommendations will be the focus of our next report card.