Winnipeg

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

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Audit Department

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Status of Audit Recommendations
Quarterly Report Card - December 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	1st Quarter 2011	2nd Quarter 2011	3rd Quarter 2011 or later
Public Works Asset Management Performance Audit - Part 1, 2005 (Roadway Construction & Maintenance)	35	31	89%	1		1	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	11	100%				
Capital Projects Management, 2009	6	1	16%	These five recommendations require EPC's approval.			
	23	10	43%		1		12
Winnipeg Fire Paramedic Service Overtime and Sick Leave Audit, 2009	10	6	60%		1		3
Building Permits and Inspections Service Audit, 2009	6	2	33%			4	
Winnipeg Fleet Management Performance Audit 2010	10	2	20%		4	1	3
Business Resumption Planning Audit 2010	5	1	20%		1		3
TOTAL	153	105	69%	2	10	6	25

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4th Quarter 2010 Commitments

AUDIT REPORTS	4th Quarter Target for Implementation	Complete	NEW TARGET	
			Recommendation	Date
Public Works Asset Management Performance Audit - Part 1, 2005 (Roadway Construction & Maintenance)	2	1	#20	2nd Qtr/2011
Photo Enforcement Program Review, 2006	1*	0	#15	1st Qtr/2011
Ambulance Revenue Audit, 2008	1 *	0	#18	1st Qtr/2011
Winnipeg Police Service Overtime 2009	3	3		
Capital Projects Management, 2009	5	3	#19 #20	3rd Qtr 2011 1st Qtr 2011
Building Permits and Inspections Service Audit, 2009	2	0	#1 #6	2nd Qtr/2011 2nd Qtr/2011
Business Resumption Planning Audit 2010	1	0	#2	1st Qtr/2011
TOTAL	15	7	8	

* Monitored on a quarterly basis - Implementation date unknown

This table summarizes the status of the fifteen recommendations targeted for review in the 4th quarter of 2010. Seven 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 recommendations 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 4th quarter of 2010, were implemented. One recommendation from the *Public Works Asset Management Performance Audit* and three recommendations from the *Capital Projects Management Audit* were also implemented.

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Audit Observations

Twelve recommendations have been implemented since the September 2010 Report Card. Seven recommendations planned for implementation in the fourth quarter of 2010 were completed. In addition, five other recommendations were also implemented. This is the first report card to include the *Winnipeg Fleet Management Performance Audit.* Two of the ten recommendations from the *Winnipeg Fleet Management Performance Audit* were implemented. This is the last report card for the *Winnipeg Police Service Overtime Audit* as the WPS has reported all eleven recommendations have been implemented. Currently, 105 of the 153 recommendations (69%) contained in this report card have been implemented and there are 46 recommendations in progress.

The one recommendation that we are reporting on each quarter comes from the *Ambulance Revenue Audit.* Recommendation #18 deals with First Nations accounts receivable. The Winnipeg Fire Paramedic Service was instructed to include an additional $600,000 in its November projections as the City's share of potential bad debts arising from these accounts. Acting CAO Mike Ruta is attempting to resolve the status of the $2.8 million in accounts that the Provincial Government has paid and is seeking reimbursement from the Federal Government.

The seven recommendations that missed the target date came from the *Public Works Asset Management Performance Audit – Part 1,* the *Photo Enforcement Program Review*, the *Capital Projects Management Audit,* the *Building Permits and Inspections Audit* and the *Business Resumption Planning Audit.* Recommendation #20 from the *Public Works Asset Management Performance Audit – Part 1* deals with capital project reporting has been delayed due to conflicting priorities and is expected to be implemented in the second quarter of 2011. Recommendation #15 from *Photo Enforcement Program Review* deals with the completion of a study on the effect of the program on driving behaviour. The expected completion date for the study was November 2010. WPS has not received the report from the Traffic Injury Research Foundation to date. Two recommendations come from the *Capital Projects Management Audit.* Recommendation #19 deals with staff resources for the Manager of Capital Projects Office. No additional staff has been provided. One full time FTE has been proposed to be added in 2012 Budget. Recommendation #20 deals with clarifying the roles of Materials Management and Legal Services in the bid evaluation and the review of the Award Report. The Administrative Standard FM-002 is in the final stage of revision and should be complete in March 2011. Two recommendations come from the *Building Permits and Inspections Audit.* Recommendation #1 deals with adopting a more risk-based plan examination and inspection methodology. Recommendation #6 deals with establishing measurable performance goals and service standards. Vacancies in key positions have lead to an anticipated three month delay in implementation of these recommendations. Recommendation #2 from the *Business Resumption Planning Audit* deals with defining the roles and responsibilities of senior management with respect to the Business Resumption Planning Program. The implementation has been delayed one quarter as a result of other initiatives that have required the assistance of key resources that are also necessary for business resumption work.

The Public Service has reported that ten of the 46 recommendations in progress should be implemented by March 31, 2011. 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.