Winnipeg

Report to Audit Committee
Status of Audit Recommendations
Quarterly Report Card
June 2011

Audit Department

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Status of Audit Recommendations
Quarterly Report Card - June 2011

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.

Quarterly Report Card – June 2011
Status of Audit Recommendations

AUDIT REPORTS	RECOMMENDATIONS				TARGET DATE FOR COMPLETION		
	Total	Complete	Percent Complete	Not to be implemented	3rd Quarter 2011	4th Quarter 2011	1st Quarter 2012 or later
Public Works Asset Management Performance Audit - Part 1, 2005 (Roadway Construction & Maintenance)	35	31	89%	1	3		
Photo Enforcement Program Review, 2006	15	15	100%				
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
Capital Projects Management, 2009	6	2	33%	These four recommendations require EPC's approval.			
	23	10	43%		1		12
Winnipeg Fire Paramedic Service Overtime and Sick Leave Audit, 2009	10	7	70%			2	1
Building Permits and Inspections Service Audit, 2009	6 *	2	33%				
Winnipeg Fleet Management Performance Audit 2010	10	5	50%		3		2
Business Resumption Planning Audit 2010	5	2	20%			3	
Local Improvements Audit, 2010	9	3	33%				6
TOTAL	**151**	**104**	**69%**	**2**	**9**	**5**	**23**

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2nd Quarter 2011 Commitments

AUDIT REPORTS	1st Quarter Target for Implementation	Complete	NEW TARGET	
			Recommendation	Date
Photo Enforcement Program Review, 2006	1	1		
Ambulance Revenue Audit, 2008	1 *	0	#18	3rd Qtr/2011
Building Permits and Inspections Service Audit, 2009	1	**	#1	**
Winnipeg Fleet Management Performance Audit, 2010	1	1		
Business Resumption Planning Audit 2010	1	1		
TOTAL	**4**	**3**	**1**	

* Monitored on a quarterly basis - Implementation date unknown

This table summarizes the status of the five recommendations targeted for review in the 2nd quarter of 2011. Three 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 status of the implementation of the recommendation from the *Building Permit and Inspection Service Audit* is not known because the Department was not able to respond to our follow-up request at the time due to changes underway to the composition of the Department Management Team. We will follow-up on that status of this recommendation in our next report card.

Quarterly Report Card – June 2011

Audit Observations

Six recommendations have been implemented since the March 2011 Report Card. Currently, 104 of the 151 recommendations (69%) contained in this report card have been implemented and there are 45 recommendations in progress. This is the final report card for the Photo Enforcement Program Review as all fifteen recommendations have been implemented. This the first report card to include the *Local Improvements Audit* and we are pleased to report that three recommendations have been implemented.

We are reporting on the status of Recommendation #18 from the *Ambulance Revenue Audit* each quarter. Recommendation #18 deals with First Nations accounts receivable. The Winnipeg Fire Paramedic Service is working with the Province on resolving the status of $3.4 million in FNIHB accounts for the period 2007-2010.

One recommendation scheduled for implementation in the second quarter came from the *Building Permits and Inspection Service Audit*. We were unable to determine the status of the recommendation because the Department was unable to respond to our follow-up request due to changes occurring at the time to the Department Management Team. We will follow-up on the status of this recommendation in our next report card.

The Public Service has reported that nine of the 45 recommendations in progress should be implemented by September 30, 2011. We are continuing to monitor progress on the ambulance accounts receivable on a quarterly basis. The status of these nine recommendations will be the focus of our next report card.