Minutes – Executive Policy Committee – May 25, 2012

AUDIT COMMITTEE

Minute No. 266 2011 Quarterly Report Card – Fourth Quarter

EXECUTIVE POLICY COMMITTEE DECISION:

The Executive Policy Committee, in its capacity as the Audit Committee, concurred in the recommendation of the City Auditor and received as information the Quarterly Report Card dated December 31, 2011.

DECISION MAKING HISTORY:

Moved by Councillor Fielding,
That the recommendation of the City Auditor be concurred in.

Carried

Audit Department Report
Quarterly Report Card December 31, 2011

Audit Committee requested the Audit Department to perform a quarterly follow-up of outstanding audit recommendations

Report Summary

The attached report provides summary information on the status of the implementation of 184 recommendations from thirteen audit reports as at December 31, 2011.

During the 4th Quarter of 2011 nine recommendations were targeted for implementation and three were implemented. Another thirty-four recommendations were implemented from five audit reports that were added to this report card. As at December 31, 2011, ninety-nine (54%) of the184 recommendations included in this report card have been implemented.

The Public Service has indicated that two recommendations of the eighty-four recommendations in progress should be implemented by December 31, 2011. The status of these eight recommendations will be the focus of the next Quarterly Report Card.

Policy

The report is being submitted in accordance with the City Organization By-law 7100/97 section 19(d)(iv) that the Audit Committee will "Receive and review audit reports, and table such reports with its recommendations at a regular meeting of Executive Policy Committee."

Recommendation:

That the Executive Policy Committee, in its capacity as the Audit Committee, receive as information the Quarterly Report Card dated December 31, 2011.

Report Written By B. Whiteside – April 24, 2012

Report to Audit Committee
Status of Audit Recommendations
Quarterly Report Card - Summary
December 2011

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Status of Audit Recommendations
Quarterly Report Card - December 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 – December 2011
Status of Audit Recommendations

AUDIT REPORTS	RECOMMENDATIONS				TARGET DATE FOR COMPLETION		
	Total	Complete	Percent Complete	Not to be implemented	1st Quarter 2012	2nd Quarter 2012	3rd Quarter 2012 or later
Reserves Administration Audit, 2007	9	8	89%				1
Ambulance Revenue Audit, 2007	20	20	100%				
Capital Projects Management, 2009	6	2	33%	These four recommendations require EPC's approval. (#3, #12, #13, #28)			
	23	11	48%			10	2
Winnipeg Fire Paramedic Service Overtime and Sick Leave Audit, 2009	10	7	70%			3	
Building Permits and Inspections Service Audit, 2009	6	2	33%			2	2
Winnipeg Fleet Management Performance Audit 2010	10	9	90%		1		
Business Resumption Planning Audit 2010	5	3	30%			2	
Local Improvements Audit, 2010	9	3	33%		1	2	3
Traffic Signals Branch Performance Audit, 2011	19	12	63%				7
Operational Review of the Winnipeg Parking Authority, 2011	27	8	30%			3	16
Operational Review of Winnipeg Golf Services, 2011	11	1	9%			1	9
Animal Services By-law Enforcement Audit, 2011	13	5	38%			1	7
Risk Management Audit, 2011	16	8	50%	1		1	6
TOTAL	**184**	**99**	**54%**	**1**	**2**	**25**	**53**

Quarterly Report Card – December 2011
4th Quarter 2011 Commitments

AUDIT REPORTS	4th Quarter Target for Implementation	Complete	NEW TARGET	
			Recommendation	Date
Ambulance Revenue Audit, 2008	1	1		
Winnipeg Fire Paramedic Service Overtime and Sick Leave Audit, 2009	3	-	#7 #9 #10	2nd Qtr/2012 2nd Qtr/2012 1st Qtr/2012
Winnipeg Fleet Management Performance Audit 2010	2	1	#6	1st Qtr/2012
Business Resumption Planning Audit 2010	3	1	#4 #5	2nd Qtr/2012 2nd Qtr/2012
TOTAL	**9**	**3**	**6**	

This table summarizes the status of the nine recommendations targeted for review in the 4th quarter of 2011. Three recommendations were implemented. One recommendation was implemented from each of the following Audits: *Ambulance Revenue Audit, Winnipeg Fleet Management Performance Audit and Business Resumption Planning Audit.*

Quarterly Report Card – December 2011

Audit Observations

Thirty-seven recommendations have been implemented since the September 2011 Report Card. Thirty-four recommendations come from five Audit Reports that we added to this Report Card and three recommendations implemented came from Audit Reports we have been previously reporting on. This is the final Report Card for the *Ambulance Revenue Audit* as the final recommendation has been implemented. Currently, 99 of the 184 (54%) contained in this Report Card have been implemented and there are 84 recommendations in progress.

The six recommendations that missed the target date came from the *Winnipeg Fire Paramedic Service Overtime and Sick Leave Audit*, *Winnipeg Fleet Management Performance Audit*, and the *Business Resumption Planning Audit*:

- *Winnipeg Fire Paramedic Service Overtime and Sick Leave Audit* - Recommendation #7 - deals with enhanced password security to the Roster system. The new Roster program has been installed. The security functionality appears to be functioning as desired; however, beta testing is not complete yet. It is anticipated that testing and revisions will be complete in the 2nd Quarter of 2012.

- *Winnipeg Fire Paramedic Service Overtime and Sick Leave Audit* - Recommendation #9 – deals with improving the management reporting on attendance. The new Roster program has been installed. All leave and attendance is captured and reportable. The interface with PeopleSoft will not be complete until the 2nd Quarter of 2012.

- *Winnipeg Fire Paramedic Service Overtime and Sick Leave Audit* - Recommendation #10 – deals with implementing an automated notification system to follow-up on employees longer-term leave. During the beta testing phase of the new E-roster system the contractor will build in the ability for the system to alert the supervisor to call the employee for an update on their condition and wellbeing. It is anticipated that testing and revisions will be complete in the 2nd Quarter of 2012.

- *Winnipeg Fleet Management Performance Audit* – Recommendation *#6* – deals with examining the organizational structure to determine if it is appropriate. The Agency has reviewed the organizational structure and is awaiting approval from Corporate Support Services. It is anticipated to be complete in the 1st Quarter of 2012.

- *Business Resumption Planning Audit* – Recommendation #4 – deals with development of Business Resumptions for critical services. Documentation of 36 critical services and 140 critical support systems has been completed. Formal, documented business resumption plans are being created on an enterprise wide basis and will approach 100 in total. Completion is anticipated in the 2nd Quarter of 2012.

- *Business Resumption Planning Audit* – Recommendation #5 – deals with developing processes for the regular review of business resumption plans. The Department will develop a process and timing for regular testing of plans in conjunction with the implementation of Recommendation #4. Completion is anticipated in the 2nd Quarter of 2012.

The Public Service has reported that two of the 84 recommendations in progress should be implemented by March 31, 2012. The status of these two recommendations will be the focus of our next report card.