Agenda – Executive Policy Committee – March 13, 2013

AUDIT COMMITTEE

Item No. 1 Quarterly Report Card – June 30, 2012

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

That the Executive Policy Committee, in its capacity as the Audit Committee, receive as information the Quarterly Report Card dated June 30, 2012.

Audit Department Report
Quarterly Report Card June 30, 2012

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 164 recommendations from twelve audit reports as at June 30, 2012.

During the 2nd Quarter of 2012 five recommendations were targeted for implementation and two were implemented. Another thirteen recommendations were implemented ahead of schedule. As at June 30, 2012, ninety-four (57%) of the164 recommendations included in this report card have been implemented.

The Public Service has indicated that eight recommendations of the sixty-eight recommendations in progress should be implemented by September 30, 2012. 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 June 30, 2012.



Report to Audit Committee
Status of Audit Recommendations
Quarterly Report Card - Summary
June 2012

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Status of Audit Recommendations Quarterly Report Card

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 2012

Status of Audit Recommendations

AUDIT REPORTS	RECOMMENDATIONS				TARGET DATE FOR COMPLETION		
	Total	Complete	Percent Complete	Not to be implemented	3rd Quarter 2012	4th Quarter 2012	1st Quarter 2013 or later
Reserves Administration Audit, 2007	9	8	89%			1	
Capital Projects Management, 2009	6	2	33%	These four recommendations require EPC's approval. (#3, #12, #13, #28)			
	23	14	61%		1		8
Winnipeg Fire Paramedic Service Overtime and Sick Leave Audit, 2009	10	9	90%				1
Building Permits and Inspections Service Audit, 2009	6	2	33%		1		3
Winnipeg Fleet Management Performance Audit 2010	10	9	90%		1		
Business Resumption Planning Audit 2010	5	5	100%				
Local Improvements Audit, 2010	9	4	44%			5	
Traffic Signals Branch Performance Audit, 2011	19	12	63%			4	3
Operational Review of the Winnipeg Parking Authority, 2011	27	11	41%		4	5	7
Operational Review of Winnipeg Golf Services, 2011	11	1	9%	1			9
Animal Services By-law Enforcement Audit, 2011	13	7	54%				6
Risk Management Audit, 2011	16	10	63%	1	1	2	2
TOTAL	164	94	57%	2	8	17	39

2nd Quarter 2012 Commitments

AUDIT REPORTS	3rd Quarter Target for Implementation	Complete	NEW TARGET	
			Recommendation	Date
Winnipeg Fleet Management Performance Audit, 2010	1	-	#6	3rd Qtr 2012
Operational Review of Winnipeg Parking Authority, 2011	4	2	#5 #11	4th Qtr 2012 4th Qtr 2012
TOTAL	5	2	3	

This table summarizes the status of the five recommendations targeted for review in the 2nd Quarter of 2012. Two recommendations were implemented from the *Operational Review of the Winnipeg Parking Authority*.

Audit Observations

Fifteen recommendations have been implemented since the March 31, 2012 Report Card. This is the final Report Card for the *Business Resumption Planning Audit* as all recommendations have been implemented. Currently, 94 of the 164 (57%) contained in this Report Card have been implemented and there are 68 recommendations in progress.

The three 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 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 3rd Quarter of 2012.

- *Operational Review of the Winnipeg Parking Authority* – Recommendation #5 – deals with publishing an annual report. Completion is anticipated in the 4th Quarter of 2012.

- *Operational Review of the Winnipeg Parking Authority* – Recommendation #11 – Formal training program should be provided for all new employees. Training Program expected to start in the 4th Quarter of 2012.

The Public Service has reported that nine of the 68 recommendations in progress should be implemented by September 30, 2012. The status of these nine recommendations will be the focus of our next report card.