Agenda – Executive Policy Committee – July 10, 2013

AUDIT COMMITTEE

Item No. 4 Quarterly Report Card – March 31, 2013

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

That the Executive Policy Committee, in its capacity as the Audit Committee, receive as information the Quarterly Report Card dated March 31, 2013.

Audit Department Report
Quarterly Report Card March 31, 2013

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 186 recommendations from fourteen audit reports as at March 31, 2013.

During the 1st Quarter of 2013 ten recommendations were targeted for implementation and none were implemented. All ten recommendations came from the *Audit of the Professional Services Contract with the Winnipeg Airport Authority Inc. Administered by the Winnipeg Police Service*. The contract negotiations were in progress at March 31, 2013. Another four were implemented ahead of schedule. As at March 31, 2013, 111 (60 %) of the186 recommendations included in this report card have been implemented.

The Public Service has indicated that fourteen recommendations of the seventy recommendations in progress should be implemented by June 30, 2013. The status of these fourteen 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 March 31, 2013.

Report Written By B. Whiteside – June 25, 2013

Report to Audit Committee
Status of Audit Recommendations
Quarterly Report Card - Summary
2013 – Quarter 1

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Audit Department

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Status of Audit Recommendations
Quarterly Report Card – 2013 Quarter 1

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 – 2013 Quarter 1
Status of Audit Recommendations

AUDIT REPORTS	RECOMMENDATIONS				TARGET DATE FOR COMPLETION			
	Total	Complete	Percent Complete	Not to be implemented	2nd Qtr 2013	3rd Qtr 2013	4th Qtr 2013 or later	Target Date Unknown
Reserves Administration Audit, 2007	9	8	89%			1		
Capital Projects Management, 2009	6	3	50%	.		1		2
	23	16	70%			5	2	
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	
Local Improvements Audit, 2010	9	5	56%			3	1	
Traffic Signals Branch Performance Audit, 2011	19	12	63%		2		5	
Operational Review of the Winnipeg Parking Authority, 2011	27	20	74%	1	2	1	3	
Operational Review of Winnipeg Golf Services, 2011	11	1	9%	2				8
Animal Services By-law Enforcement Audit, 2011	13	9	69%				4	
Risk Management Audit, 2011	16	13	81%	1			2	
Corporate Leadership Training & Development Audit, 2012	6	3	50%				3	
Review of the Winnipeg Public Library Services, 2012	9	6	67%	1			2	
Contract with Winnipeg Airports Authority, 2012	13	3	23%		10			
Review of the Hired Equipment Process, 2012	9	1	11%				8	
TOTAL	186	111	60%	5	14	12	34	10

Quarterly Report Card – 2013 Quarter 1
1st Quarter 2013 Commitments

AUDIT REPORTS	1st Quarter Target for Implementation	Complete	NEW TARGET	
			Recommendation	Date
Contract with Winnipeg Airports Authority, 2012	10	0	#1, 2, 3, 4, 8, #9, 10, 11, 12, 13	2nd Qtr 2013
TOTAL	10	0		

This table summarizes the status of the ten recommendations targeted for review in the 1st Quarter of 2013, including new target dates for implementation.

Quarterly Report Card – 2013 Quarter 1

Audit Observations

Four recommendations have been implemented in the 1st Quarter of 2013. Two recommendations were implemented from *Capital Project Management* and two were also implemented from the *Operational Review of the Winnipeg Parking Authority*. This is the final report card for the *Reserves Administration Audit* as five years has elapsed since the report was issued. One recommendation remains in progress at the end of March 2013 and is expected to be implemented in the 3rd Quarter of 2013. At March 31, 2013, 111 of the 186 (60%) contained in this Report Card have been implemented and there are 70 recommendations in progress.

The ten recommendations that missed the target date came from the *Winnipeg Police Service Contract with Winnipeg Airports Authority*. The implementation of these recommendations is dependent on successful negotiations of a new contract. The negotiations regarding a new contract are currently in progress.

The Public Service has reported that 14 of the 70 recommendations in progress should be implemented by June 30, 2013. The status of these 14 recommendations will be the focus of our next report card.