Minutes – Executive Policy Committee – July 10, 2013

AUDIT COMMITTEE

Minute No. 376 Quarterly Report Card – December 31, 2012

EXECUTIVE POLICY COMMITTEE DECISION:

The Executive Policy Committee, in its capacity as the Audit Committee, concurred in the recommendation of the Winnipeg Public Service and received as information the Quarterly Report Card dated December 31, 2012.

Minutes – Executive Policy Committee – July 10, 2013

DECISION MAKING HISTORY:

Moved by Councillor Fielding,

That the recommendation of the Winnipeg Public Service be concurred in.

Carried

Audit Department Report
Quarterly Report Card December 31, 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 196 recommendations from fifteen audit reports as at December 31, 2012.

During the 4th Quarter of 2012 nine recommendations were targeted for implementation and seven were implemented. Another three were implemented ahead of schedule and four were implemented from two audit reports that were added to this report card. As at December 31, 2012, 117 (60%) of the196 recommendations included in this report card have been implemented.

The Public Service has indicated that ten recommendations of the seventy-four recommendations in progress should be implemented by March 31, 2013. The status of these ten 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, 2012.

Report Written By B. Whiteside – May 15, 2013

Report to Audit Committee
Status of Audit Recommendations
Quarterly Report Card - Summary
2012 – Quarter 4

Leaders in building public trust in civic government

Audit Department

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Status of Audit Recommendations
Quarterly Report Card – 2012 Quarter 4

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 – 2012 Quarter 4
Status of Audit Recommendations

AUDIT REPORTS	RECOMMENDATIONS				TARGET DATE FOR COMPLETION			
	Total	Complete	Percent Complete	Not to be implemented	1st Qtr 2013	2nd Qtr 2013	3rd 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	14	61%			8	1	
Winnipeg Fire Paramedic Service Overtime and Sick Leave Audit, 2009	10	9	90%				1	
Building Permits and Inspections Service Audit, 2009	6	2	33%				4	
Winnipeg Fleet Management Performance Audit 2010	10	10	100%					
Local Improvements Audit, 2010	9	5	56%			1	3	
Traffic Signals Branch Performance Audit, 2011	19	12	63%			2	5	
Operational Review of the Winnipeg Parking Authority, 2011	27	18	67%	1		3	5	
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	196	117	60%	5	10	15	39	10

Quarterly Report Card – 2012 Quarter 4
4th Quarter 2012 Commitments

AUDIT REPORTS	4th Quarter Target for Implementation	Complete	NEW TARGET	
			Recommendation	Date
Building Permits & Inspections Service Audit, 2009	1	-	#6	4th Qtr 2013
Winnipeg Fleet Management Performance Audit, 2010	1	1		
Local Improvements Audit, 2010	1	1		
Traffic Signals Branch Performance Audit, 2011	1	1		
Operational Review of Winnipeg Parking Authority, 2011	5	4	#9	3rd Qtr 2013
TOTAL	9	7	2	

This table summarizes the status of the nine recommendations targeted for review in the 4th Quarter of 2012, including new target dates for implementation.

Quarterly Report Card – 2012 Quarter 4

Audit Observations

Fourteen recommendations have been implemented since the September Report Card. We have added two reports to this Report Card: *Audit of the Professional Services Contract with Winnipeg Airports Authority Inc. Administered by the Winnipeg Police Service* and the *Review of the Hired Equipment Process.* Four of the fourteen recommendations implemented this quarter come from these two reports. This is the final Report Card for the *Winnipeg Fleet Management Performance Audit Review* as all the recommendations have been implemented. Currently, 117 of the 196 (60%) contained in this Report Card have been implemented and there are 74 recommendations in progress.

The two recommendations that missed the target date came from the *Building Permits and Inspections Service Audit* and the *Operational Review of Winnipeg Parking Authority*:

- *Building Permits and Inspections Service Audit – Recommendation #6* – deals with the establishment of service performance goals and service standards that are published. Target turnaround times for complete and compliant submissions are to be published in the 4th Quarter of 2013.

- *Operational Review of Winnipeg Parking Authority* – Recommendation #9 – deals with the establishment of a mystery shopper program. The Quality Assurance Coordinator was hired in February 2013 the mystery shopper program is expected to be established in the 3rd Quarter of 2013.

The Public Service has reported that ten of the 74 recommendations in progress should be implemented by March 31, 2013. The status of these ten recommendations will be the focus of our next report card.