Winnipeg

Report to Audit Committee
Status of Audit Recommendations
Quarterly Report Card - Summary
2013 – Quarter 3

Leaders in building public trust in civic government

Audit Department

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Status of Audit Recommendations
Quarterly Report Card – 2013 Quarter 3

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 3
Status of Audit Recommendations

AUDIT REPORTS	RECOMMENDATIONS				TARGET DATE FOR COMPLETION			
	Total	Complete	Percent Complete	Not to be implemented	4th Qtr 2013	1st Qtr 2014	2nd Qtr 2014 or later	Target Date Unknown
Capital Projects Management, 2009	6	3	50%	.			1	2
	23	16	70%				7	
Building Permits and Inspections Service Audit, 2009	6	2	33%		2	1	1	
Local Improvements Audit, 2010	9	5	56%		1		3	
Traffic Signals Branch Performance Audit, 2011	19	13	68%			2	4	
Operational Review of the Winnipeg Parking Authority, 2011	27	22	81%	1	1	1	1	1
Operational Review of Winnipeg Golf Services, 2011	11	1	9%	7		1	2	
Animal Services By-law Enforcement Audit, 2011	13	10	77%		1		2	
Risk Management Audit, 2011	16	15	94%	1				
Corporate Leadership Training & Development Audit, 2012	6	4	67%				2	
Review of the Winnipeg Public Library Services, 2012	9	6	67%	1		1	1	
Contract with Winnipeg Airports Authority, 2012	13	3	23%		10			
Review of the Hired Equipment Process, 2012	9	1	11%		4	2	2	
Safety Review of Aquatics Services, 2013	15	10	67%	1	2		2	
WPS Civilianization, 2012	7	3	43%					4
TOTAL	189	114	60%	11	21	8	28	7

Quarterly Report Card – 2013 Quarter 3
3rd Quarter 2013 Commitments

AUDIT REPORTS	3rd Qtr Target for Implementation	Complete	NEW TARGET	
			Recommendation	Date
Capital Projects Management, 2009	6	0	#21 #23 #24 #25 #26 #28	2nd Qtr 2014 2nd Qtr 2014 2nd Qtr 2014 2nd Qtr 2014 2nd Qtr 2014 2nd Qtr 2014
Building Permits and Inspections Service Audit, 2009	2	0	#2a #4d	2nd Qtr 2014 4th Qtr 2013
Local Improvements Audit, 2010	3	0	#1 #3 #8	2nd Qtr 2014 2nd Qtr 2014 4th Qtr 2013
Operational Review of the Winnipeg Parking Authority, 2011	1	0	#27	4th Qtr 2013
Contract with Winnipeg Airports Authority, 2012	10	0	#1, 2, 3, 4 #8, 9, 10, 11 #12, 13	4th Qtr 2013
TOTAL	22	0		

This table summarizes the status of the 22 recommendations targeted for review in the 3rd Quarter of 2013, including new target dates for implementation.

Quarterly Report Card – 2013 Quarter 3

Audit Observations

No recommendations have been implemented in the 3rd Quarter of 2013. As at September 30, 2013, 114 of the 189 (60%) contained in this Report Card have been implemented and there are 64 recommendations in progress.

Twenty-two recommendations missed the 2nd Quarter 2013 target date for implementation:

- Ten recommendations 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. Contract negotiations are currently in progress.
- Six recommendations came from *Capital Projects Management Audit*. These six recommendations deal with the completion of the Project Management Manual. The review and collaboration process has been prolonged due to high workloads on staff involved resulting in little availability for this project, the result of other higher priorities. The Project Management Manual is expected to be completed in the 2nd Quarter of 2014.
- Three recommendations come from the *Local Improvements Audit*. Two deal with amendments to the Local Improvement Regulation By-law. The amended by-law is expected to be approved in the 2nd of 2014. The other recommendation deals with the development of quality review process on projects before the imposition of the Local Improvement By-law. This has been delayed until the 4th Quarter of 2013.
- Two come from *the Building Permits and Inspections Service Audit*. One recommendation deals with establishing follow-up procedures on permits with known violations. Some procedures are in place and it is expected that all procedures will in place in the 2nd Quarter of 2014. One recommendation deals with the establishment of adequate supervision. Lack of resources has delayed implementation until the 4th Quarter of 2013.
- One recommendation comes from the *Operational Review of the Winnipeg Parking Authority* which deals with the documentation of revenue accounting process is expected to be implemented in the 4th Quarter of 2013.

The Public Service has reported that 21 of the 64 recommendations in progress should be implemented by December 31, 2013. The status of these 21 recommendations will be the focus of our next report card.