Winnipeg

Report to Audit Committee
Status of Audit Recommendations
Quarterly Report Card - Summary
2014 – Quarter 3/4

Leaders in building public trust in civic government

Audit Department

TABLE OF CONTENTS

Quarterly Report Card – 2014 Quarter 3/4

What is the Quarterly Report Card? 5

How is the Quarterly Report Card produced? 5

Status of Audit Recommendations 6

3rd/4th Quarter 2014 Commitments 7

Recommendations Implemented 8

Audit Observations on Recommendations Implemented 8

Status of Audit Recommendations
Quarterly Report Card – 2014 Quarter 3/4

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. Starting in 2015, documentation supporting the implementation of recommendations is reviewed by the Audit Department to confirm implementation has occurred. 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 review the supporting documentation to confirm that recommendations have been implemented. 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 – 2014 Quarter 3/4
Status of Audit Recommendations

AUDIT REPORTS	RECOMMENDATIONS				TARGET DATE FOR COMPLETION			
	Total	Complete	Percent Complete	Not to be implemented	1st Qtr 2015	2nd Qtr 2015	3rd Qtr 2015 or later	Target Date Unknown
Capital Projects Management, 2009	6	4	67%	2				
	23	17	74%			6		
Building Permits and Inspections Service Audit, 2009	6	4	67%				2	
Local Improvements Audit, 2010	9	7	78%				2	
Traffic Signals Branch Performance Audit, 2011	19	14	74%	1			4	
Operational Review of the Winnipeg Parking Authority, 2011	27	23	85%	2			2	
Animal Services By-law Enforcement Audit, 2011	13	10	77%	1			2	
Review of the Winnipeg Public Library Services, 2012	9	6	67%	1	1			1
Contract with Winnipeg Airports Authority, 2012	13	12	92%		1			
Review of the Hired Equipment Process, 2012	9	1	11%				8	
Safety Review of Aquatics Services, 2013	15	12	80%	1		1	1	
WPS Civilianization, 2012	7	3	43%				4	
Non-Monetary Real Estate Grants Audit, 2013	12	10	92%		1	1		
TOTAL	168	123	73%	8	3	8	25	1

Quarterly Report Card – 2014 Quarter 3/4
3rd/4th Quarter 2014 Commitments

AUDIT REPORTS	3rd/4th Qtr Target for Implementation	Complete	NEW TARGET	
			Recommendation	Date
Local Improvements Audit, 2010	1	1		
Non-Monetary Real Estate Grants Audit, 2013	5	4	#2	1st Qtr 2015
TOTAL	6	5		

This table summarizes the status of the 6 recommendations targeted for review in the 3rd and 4th Quarter of 2014, including new target dates for implementation.

Quarterly Report Card – 2014 Quarter 3/4

Recommendations Implemented

Local Improvements Audit, 2010	
#9	We recommend that the Assessment and Taxation Department evaluate options to create electronic back-up records for all historic, current and future local improvement projects.
Non-Monetary Real Estate Grants, 2013	
#7	We recommend that information about real estate grant availability and application processes be published in a manner similar to other types of grants offered by the City of Winnipeg.
#8	We recommend that the Manager of Real Estate and the Superintendent of Property Management work with the Director of PP&D to develop application and selection procedures for the consideration of Council to amend the "Policy of the Sales/Lease of City Lands to Non-Profit Organizations".
#10	We recommend that a valuation methodology for leases be documented in the policies and procedures documentation for the Municipal Accommodations Division to be properly tracked in the Division's information systems.
#11	We recommend that grant accountability reporting be added to the lease agreements to ensure that granted properties are being used for the intended purposes of the grants, and that a monitoring mechanism be added to the information systems to alert staff about when to follow up.

Audit Observations on Recommendations Implemented

Five recommendations have been implemented in the 3rd and 4th Quarter of 2014. One recommendation was implemented from the *Local Improvements Audit*, and four from the *Non-Monetary Real Estate Grants Audit.* As at December 31, 2014, 123 of the 168 (66%) contained in this Report Card have been implemented and there are 37 recommendations in progress.

Recommendation #2 from *the Non-Monetary Real Estate Grants Audit it* missed the 3rd/4th Quarter 2014 target date for implementation. This recommendation deals with clarification of Policy on the Sale/Lease of City Lands to non-profit organizations. An Administrative Report to Council dealing with clarification of the Policy is expected in the 1st Quarter of 2015.

The Public Service has reported that 3 of the 37 recommendations in progress should be implemented by March 31, 2015. The status of these 3 recommendations will be the focus of our next report card.