Winnipeg

Report to Audit Committee
Status of Audit Recommendations
Quarterly Report Card - Summary
2015 – Quarter 1

Leaders in building public trust in civic government

Audit Department

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Status of Audit Recommendations
Quarterly Report Card – 2015 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. 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.

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.

Status of Audit Recommendations
2015 Quarter 1

AUDIT REPORTS	RECOMMENDATIONS				TARGET DATE FOR COMPLETION			
	Total	Complete	Percent Complete	Not to be implemented	2nd Qtr 2015	3rd Qtr 2015	4th Qtr 2015 or later	Target Date Unknown
Capital Projects Management, 2009	6	4	67%	2				
	23	21	91%			2		
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	13	100%					
Review of the Hired Equipment Process, 2012	9	1	11%				8	
Safety Review of Aquatics Services, 2013	15	13	87%	1			1	
Non-Monetary Real Estate Grants Audit, 2013	12	10	92%			2		
Workplace Safety Audit, 2013 *	7	6	86%				1	
311 Contact Centre Audit, 2014 *	13	9	69%		1		3	
TOTAL	181	141	78%	8	2	4	26	0

* First QRC Update

1st Quarter 2015 Commitments

AUDIT REPORTS	1st Qtr Target for Implementation	Complete	NEW TARGET	
			Recommendation	Date
Review of Winnipeg Public Library Services	Rec #2	-	Rec #2	2015 Qtr 2
Contract with Winnipeg Airports Authority	Rec #1	Rec # 1		
Non-Monetary Real Estate Grants Audit	Rec #2	-	Rec #2	2015 Qtr 3
TOTAL Number of Recommendations	3	1		

This table summarizes the status of the 3 recommendations targeted for review in the 1st Quarter of 2015, including new target dates for implementation.

UPDATE – WPS Civilianization Audit

The Winnipeg Police Service has indicated that they will no longer be supplying updates on the implementation status of recommendations proposed in the *WPS Civilianization Audit*. As at December 31, 2014, the WPS noted that 3 out of the 7 recommendations were implemented.

The WPS has indicated the following progress to date:

- A civilianization strategy to identify sworn officer positions for possible conversion as outlined in Recommendation #2 has been completed.
- A strategy has been adopted for Recommendation #3 – *undertake a work load analysis to determine the optimal number of civilian staff to deliver the desired level of service*.
- Also a strategy has been adopted for Recommendation #4 – *establish a performance management system*

WPS management has noted that the new WPS Strategic Plan identifies civilianization as a priority for the Service. Within the plan, a reporting mechanism will ensure action items are progressing. With the implementation of the new Strategic Plan the WPS will shift the reporting on these matters to the Police Board.

The Director of the Police Board has communicated that the Board will be monitoring implementation and will require satisfactory evidence of implementation in accordance with good governance practices.

The Audit Department will no longer include the status of audit recommendations for the *WPS Civilianization Audit*.

Recommendations Implemented 2015 Qtr 1

Capital Projects Management, 2009	
# 21	We recommend that the Manager of Capital Projects in consultation with the departments responsible for administering the City's capital projects update the project management manual by deleting outdated procedures, while at the same time identifying gaps or internal inconsistencies in procedures which should be filled or corrected. (See Review of Capital Project Procedures and Practices against PMBOK® sections for specific recommendation # 23 on changes to the content of the manual.) The Manager of Capital Projects should ensure that the body of capital project procedures is codified to enable the production of a comprehensive index of those procedures for easy identification and access. The Manager of Capital Projects should develop and maintain a "Procedure Control" system which will enable him to periodically conduct reviews, updates and re-alignment of procedures as needed and necessary. The Manager of Capital Projects should establish document control and retention procedures for capital projects.
# 23a	We recommend that the Manager of Capital Projects should oversee the revisions to the Draft Manual of Project Administration Practice to establish procedures pertaining to: • project scope planning, scope definition, work breakdown structure (relative to scope definition), scope verification and scope control. These procedures should be aligned with the administrative directives governing capital projects and with bid opportunity documents and contracts.
# 23b	We recommend that the Manager of Capital Projects should oversee the revisions to the Draft Manual of Project Administration Practice to establish procedures pertaining to: • project schedule management and control processes. The existing procedures should be updated to reflect contemporary scheduling methodology. These procedures should be aligned with corporate project schedule management and control procedures and procurement documents.
# 23c	We recommend that the Manager of Capital Projects should oversee the revisions to the Draft Manual of Project Administration Practice to provide guidance pertaining to: • project estimates by both the departments and its contractors and consultants. This guidance should be based on current industry standards for the preparation of capital construction estimates and be consistent with administrative directives governing cost management and control.
# 23d	We recommend that the Manager of Capital Projects should oversee the revisions to the Draft Manual of Project Administration Practice to establish procedures pertaining to: • quality control and quality assurance.
# 23e	We recommend that the Manager of Capital Projects should oversee the revisions to the Draft Manual of Project Administration Practice to establish procedures pertaining to: • project management staffing from a function and process perspective.
# 23f	We recommend that the Manager of Capital Projects should oversee the revisions to the Draft Manual of Project Administration Practice to establish procedures pertaining to: • project communications that reflect currently accepted capital construction industry standards for progress reporting. The Administrative Directive FM-004 and project manual should be amended to include a section dealing with the responsibilities of the project manager to ensure that the Contract Administrator/Construction Manager provides the required periodic project progress and performance reports.

Recommendations Implemented 2015 Qtr 1

Capital Projects Management, 2009	
# 23g	We recommend that the Manager of Capital Projects should oversee the revisions to the Draft Manual of Project Administration Practice to establish procedures pertaining to: • capital project risk management for departments and project managers.
# 23h	We recommend that the Manager of Capital Projects should oversee the revisions to the Draft Manual of Project Administration Practice to establish procedures pertaining to: • closure of capital construction projects which are linked to specific actions within specific time constraints.
# 23i	We recommend that the Manager of Capital Projects should oversee the revisions to the Draft Manual of Project Administration Practice to establish procedures pertaining to: • an execution plan. The format of the execution plan should be developed with assistance and input of project managers representing each of the departments and a cross section of project types. An execution plan should be required for all capital projects.
# 24	We recommend that the Manager of Capital Projects should examine project delivery methodologies in practice by public sector entities around the world to ascertain which of those methodologies might be beneficially adopted by the City for its particular project composition and inventory. The CFO and the Manager of Capital Projects should amend Administrative Directive FM-004 to include guidance on the selection of a project delivery methodology which will be a fit with the project conditions, goals and objectives. The Manager of Capital Projects needs to establish clear criteria for the selection of a capital project delivery system that is best suited for a particular project. The current procurement procedures promulgated by Materials Management and the contract templates used for capital projects would need to be expanded and/or modified to support the particular systems and methodologies adopted. Contract templates for Design Build and other project delivery methodologies need to be developed to support the choice of appropriate project delivery methods.
# 26	We recommend that the CFO working with the City Solicitor should clarify the City's position on what management and control processes can be ceded to a third party, the role of the owner's project management team in those instances where allocation of management and control has been made to a third party and, finally, the correct alignment of those management and control allocations with the provisions of the contract document set.

Contract with Winnipeg Airports Authority, 2012	
# 1	We recommend that the Materials Management Division work with the CAO to clarify the wording of the Materials Management Policy and prepare a report for the consideration of Council.

Safety Review of Aquatics Services, 2013	
# 7	Conduct a comprehensive review of lighting requirements for all pools and adjacent areas. All areas of the pool, deck and adjacent areas are required to be illuminated by a minimum of 200 Lux of lighting, including evening hours of operation. At the time of the pool inspections, lighting levels varied significantly throughout the facility (140-240 lux). Lighting levels must be maintained at this level so that lifeguards and instructors have sufficient light to monitor all areas of the swimming pool. Multiple facilities were noted as being non-compliant with this recommendation; refer to Table 1 for a listing.

Recommendations Implemented 2015 Qtr 1

Workplace Safety Audit, 2013	
# 1	Director of CSS should ensure Administrative Standard HR-010 is re-communicated to all organization and departmental leaders with emphasis on the respective roles and responsibilities and further defining the expectations for oversight.
# 3	Director of CSS should ensure the Organizational Safety and Occupational Hygiene Branch perform the expanded oversight responsibilities as defined in Administrative Standard HR-010.
# 4	Director of CSS to require regular reporting of safety performance information by the departmental human resource leaders to the Organizational Safety Branch. Departmental human resource leaders should work with departmental safety resources, where applicable, and their Department Heads to ensure organizational safety initiatives are implemented and performance information reported to demonstrate the departments' compliance with the Workplace Safety and Health Act.
# 5	Director of CSS ensure that the Organizational Safety Code of Practice be updated to include the above noted safety responsibilities for a supervisor and communicated throughout the organization.
# 6	The Organizational Safety Code of Practice should be amended to include departmental and organizational safety resources as contacts for escalating a safety concern.
# 7	Director of CSS, with input from the users of the performance information, should establish minimum standards for the type of information to be collected and reported, guidance to ensure data integrity and mechanisms to ensure the right staff receive the right information at the right interval. This will allow the departments and the organization to proactively manage the performance and cost of the safety programs throughout the City.

Recommendations Implemented 2015 Qtr 1

311 Contact Centre Audit, 2014	
# 1	311 Management should aggregate the quality evaluation of CSR calls to create a series of performance metrics that would provide information on the level of quality achieved by the organization and to monitor and report on those metrics to ensure the level of quality is maintained or improved.
# 4	We recommend 311 Management continue to review scripts to ensure all are in compliance with FIPPA.
# 5	We recommend that the 311 Contact Centre use the City performance evaluation framework to formally document the performance evaluation of all staff, including senior staff.
# 6	We recommend that Contact Centre management continue to work with their own staff and departments to further refine processes to identify and group multiple service requests.
# 7	We recommend that the Contact Centre periodically test the application to ensure that the recording functionality is operating as intended.
# 8	We recommend that electronic forms contain data validation controls to reduce the potential for errors and that they are reviewed to ensure that mandatory fields are functioning as required.
# 10	We recommend management identify, analyze and report on key efficiency measures, enhance reporting on some effectiveness measures and benchmark against industry standards to assess performance of the 311 Contact Centre. Considerations should be given to publishing the information on their website quarterly.
# 11	We recommend Contact Centre management continue to implement and further develop their high level analysis of flow-backs that can identify trends in relation to individuals, departments and types of errors.
# 12	We recommend management revise the complaint status report to include the following information at a minimum: o classification of the complaints by type o only one instance for each complaint (currently there are multiple instances for each complaint (typically 3) which represents each time there was action taken on the file (i.e. transfer, resolve) o Fields that indicates whether the complaint has been resolved, by whom, and/or the nature of the resolution, if the complainant has been notified (explanation if not), expanded details about the complaint and what specifically was done to address the issue.

Audit Observations

21 recommendations have been implemented in the 1st Quarter of 2015

- 4 recommendations from Capital Projects Management
- 1 recommendation from Contract with Winnipeg Airports Authority
- 1 recommendation from Safety Review of Aquatics Services
- 6 recommendations from Workplace Safety Audit
- 9 recommendations from 311 Contact Centre Audit

The Public Service has reported that all 13 recommendations have been implemented for the *Contract with Winnipeg Airports Authority.*

As at March 31, 2015, 141 of the 181 (78%) contained in this Report Card have been implemented and there are 32 recommendations in progress.

Recommendation #2 from the *Review of the Winnipeg Public Library* Services missed the 1st quarter 2015 target date and is now scheduled to be implemented next quarter. Recommendation #2 from *the Non-Monetary Real Estate Grants Audit it* also missed the 1st quarter 2015 target date and is now scheduled for implementation in the 3rd quarter of 2015.

The Public Service has reported that 2 of the 32 recommendations in progress should be implemented by June 30, 2015. The status of these 2 recommendations will be the focus of our next report card.