Agenda – Executive Policy Committee – June 24, 2015

AUDIT COMMITTEE

Item No. 9 Real Estate Audit Recommendation Implementation Monitoring

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

That this report be received as information.

ADMINISTRATIVE REPORT

Title: **Real Estate Audit Recommendation Implementation Monitoring**

Critical Path: **Audit Committee – Executive Policy Committee - Council**

AUTHORIZATION

Author	Department Head	CFO	CAO
B. Mansky	B. Mansky (Acting City Auditor)	N/A	N/A

RECOMMENDATIONS

That this report be received as information.

REASON FOR THE REPORT

On July 9, 2014, Special Meeting of Council the following recommendation was adopted:

- That the City Auditor be delegated authority to acquire an external agency, other than Ernst and Young, to oversee the implementation of all the recommendations from Ernst and Young's report by the Public Service in a timely and efficient manner, to report back to Council on the implementation of the recommendations via the Auditor's Report to Council.

In 2015 the Planning, Property & Development Department has initiated a Request for Proposal process to engage a professional consulting firm to assist in the development of a comprehensive real estate management framework and implementation plan to address many of the EY report recommendations.

In 2015 in response to an Audit Committee request the Audit Department has implemented a process to review evidence supporting implementation of recommendations included in the *Status of Audit Recommendations Quarterly Report Card*.

IMPLICATIONS OF THE RECOMMENDATIONS

This report is being submitted as information only.

HISTORY

The above referenced July 9, 2014 Council motion was made following the presentation of the *Real Estate Management Review* by Ernst & Young and the adoption of the 17 recommendations in the report.

The Planning, Property & Development Department has initiated a Request for Proposal process to engage a professional consulting firm to assist in the development of a comprehensive real estate management framework and implementation plan. The scope of services defined in the RFP includes direct reference to 11 of the 17 recommendations. The recommendations not referenced in the RFP have either already been implemented or are not integral to the development of a real estate management framework. The RFP further requests the successful proponent to conduct a current state analysis and best practice / cross jurisdictional research.

At the time of the July 9, 2014 Council motion it may not have been known that the Planning, Property & Development Department would engage external expertise for assistance in implementation of the EY report recommendations.

On January 7, 2015 the Executive Policy Committee requested the City Auditor to provide a written report to its January 21, 2015 meeting, detailing the status of recommendations contained in the audits on the *New Fire Paramedic Stations Construction Project*, the *Winnipeg Police Service Headquarters Construction Project* and the *Real Estate Management Review*. The Audit Department submitted the requested report and will continue to monitor the implementation as part of our *Status of Audit Recommendations Quarterly Report Card* process.

Starting in 2015, evidence supporting the implementation of recommendations included in the *Status of Audit Recommendations Quarterly Report Card* is reviewed by the Audit Department to confirm implementation has occurred. This provides Audit Committee with assurance on management's assertions. The Audit Department will be providing assurance on the implementation of all 17 recommendations.

The Audit Department is preparing to initiate a Request for Proposal process to comply with the July 9, 2014 Council motion. This would result in another external agency overseeing the implementation of all the recommendations from Ernst and Young's report. The successful external firm would also provide assurance on the implementation of all 17 recommendations.

The final outcome of all these initiatives would include an external agency assisting the Planning, Property & Development Department in the implementation of the recommendations, the Audit Department reviewing the implementation of the recommendations and providing assurance that the implementation efforts are in line with the recommendations and another external agency, under contract with the Audit Department to also confirm that implementation efforts address the report's recommendations.

FINANCIAL IMPACT

Financial Impact Statement

Date: April 2, 2015

Project Name:

Real Estate Audit Recommendation Implementation Monitoring

First Year of Program

	0	1	2	3	4
Capital					
Capital Expenditures Required	$ -	$ -	$ -	$ -	$ -
Less: Existing Budgeted Costs	-	-	-	-	-
Additional Capital Budget Required	$ -	$ -	$ -	$ -	$ -
Funding Sources:					
Debt - Internal	$ -	$ -	$ -	$ -	$ -
Debt - External	-	-	-	-	-
Grants (Enter Description Here)	-	-	-	-	-
Reserves, Equity, Surplus	-	-	-	-	-
Other - Enter Description Here	-	-	-	-	-
Total Funding	$ -	$ -	$ -	$ -	$ -
Total Additional Capital Budget Required	$ -				
Total Additional Debt Required	$ -				
Current Expenditures/Revenues					
Direct Costs	$ -	$ -	$ -	$ -	$ -
Less: Incremental Revenue/Recovery	-	-	-	-	-
Net Cost/(Benefit)	$ -	$ -	$ -	$ -	$ -
Less: Existing Budget Amounts	-	-	-	-	-
Net Budget Adjustment Required	$ -	$ -	$ -	$ -	$ -

Additional Comments:

original signed by

Department Controller

CONSULTATION

In preparing this report there was consultation with:

SUBMITTED BY

Department – Audit Department
Division
Prepared by: B. Mansky
Date: April 22, 2015
File No.