Winnipeg

Report to Audit Committee
Status of Audit Recommendations
Quarterly Report Card - Summary
2014 – Quarter 2

Leaders in building public trust in civic government

Audit Department

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Status of Audit Recommendations
Quarterly Report Card – 2014 Quarter 2

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 – 2014 Quarter 2
Status of Audit Recommendations

AUDIT REPORTS	RECOMMENDATIONS				TARGET DATE FOR COMPLETION			
	Total	Complete	Percent Complete	Not to be implemented	3rd Qtr 2014	4th Qtr 2014	1st 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	6	67%			1	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			2	
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			2	
WPS Civilianization, 2012	7	3	43%				4	
Non-Monetary Real Estate Grants Audit, 2013	12	6	50%		1	4	1	
TOTAL	168	118	70%	8	1	5	36	0

Quarterly Report Card – 2014 Quarter 2
2nd Quarter 2014 Commitments

AUDIT REPORTS	2nd Qtr Target for Implementation	Complete	NEW TARGET	
			Recommendation	Date
Operational Review of the Winnipeg Parking Authority, 2011	1	0	#1	4th Qtr 2015
Contract with Winnipeg Airports Authority, 2012	9	9		
Non-Monetary Real Estate Grants, 2013	3	1	#2 #7	3rd Qtr 2014 4th Qtr 2014
TOTAL	13	10		

This table summarizes the status of the 13 recommendations targeted for review in the 2nd Quarter of 2014. Ten recommendations have been implemented. New target dates for implementation have been provided for the three outstanding.

Quarterly Report Card – 2014 Quarter 2

Audit Observations

Twelve recommendations have been implemented in the 2nd of Quarter of 2014. Nine recommendations were implemented from the *Audit of the WPS Contract with the Winnipeg Airports Authority*, and three from the *Non-Monetary Real Estate Grants Audit.* As at June 30, 2014, 118 of the 168 (70%) contained in this Report Card have been implemented and there are 42 recommendations in progress.

Recommendation #1 from the *Operational Review of the Winnipeg Parking Authority* missed the 2nd Quarter 2014 target date for implementation. This recommendation deals with WPA establishing a facility maintenance reserve or retaining sufficient earnings to fund the required future maintenance of parking facilities. Discussions are underway between the WPA, PP&D and Corporate Finance as to who will have responsibility for care and control of the City's parking facilities under the City's new Asset Management Model. WPA is developing an estimate of required repairs on all City owned lots based on the condition (where known). WPA is working with PP&D to determine the overall life cycle costs for surface lots. Implementation of this recommendation is targeted for the 4th Quarter of 2015.

Recommendations #2 and #7 from the *Non-Monetary Real Estate Grants Audit* missed the 2nd Quarter 2014 target date for implementation. Recommendations #2 deals with the clarification of Policy on the Sale/Lease of City Lands to non-profit organizations. An Administrative Report to Council is expected to be completed for 3rd Quarter 2014. Recommendation #7 recommends 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. Web design and application is in progress and is targeted for completion in the 4th Quarter 2014.