Agenda – Executive Policy Committee – June 8, 2016

AUDIT COMMITTEE

Item No. 5 Emergency Mechanical Services Branch Audit

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

That the Emergency Mechanical Services Branch Audit be received as information.

ADMINISTRATIVE REPORT

Title: **Emergency Mechanical Services Branch Audit**

Critical Path: **Audit Committee - Council**

AUTHORIZATION

Author	Department Head	CFO	CAO/COO
M. Giles	B. Mansky City Auditor	N/A	N/A

RECOMMENDATIONS

That the Emergency Mechanical Services Branch Audit be received as information.

REASON FOR THE REPORT

The report is being submitted in accordance with the City Organization By-law 7100/97 section 19(d)(iv) that the Audit Committee will "receive and review audit reports, and table such reports with its recommendations at a regular meeting of Executive Policy Committee."

EXECUTIVE SUMMARY

The objectives of the audit were:

- To evaluate the efficiency and effectiveness of the Emergency Mechanical Services Branch of the Winnipeg Fire Paramedic Service.
- To evaluate whether adequate systems, processes, resources and controls are in place at the Branch.

The most significant observations of the audit include:

1. Positive aspects of Branch operations and management included:
    a. consistent performance and documentation of *annual* maintenance and mandatory government inspections on heavy fleet vehicles; and
    b. shop space and equipment that was well-maintained, and observed general compliance with regulatory requirements, industry standards, and City policies and standards.
2. The lack of a performance measurement system in the Branch prevented us from being able to fully evaluate and conclude on the effectiveness and efficiency of the Branch. A performance measurement system must be developed for the Branch, and targets should be set for service levels such as vehicle turnaround time, rework levels, and allowable downtime. A software platform that has the capacity to report on these key industry service metrics must also be obtained.

3. Improvements to maintenance operations are required in records keeping, including scheduling and tracking of periodic maintenance inspections; tracking of labour hours; quality control on work performed; and inventory management procedures, including performance of periodic inventory counts.
4. Current human resource information requires enhancement to properly define all Branch positions and position requirements. This will better enable management to identify and plan training opportunities for staff to facilitate progression within the Branch.
5. The Branch keeps copies of technical repair manuals to instruct mechanics on how to repair vehicles. However, readily available standard operating procedures and functional information should also be made available to staff to adequately communicate Branch responsibilities and expectations outside of repair processes.
6. During periods of staffing shortages, the Acting Director forewent several management functions including ensuring information was properly recorded in the Branch's information systems, ensuring quality control reviews of repairs were completed, and performance tracking and analysis, in order to assist with mechanical repairs. A risk management plan should be developed to prepare strategies for maintaining important management function during periods when the Branch may not have a full complement.

IMPLICATIONS OF THE RECOMMENDATIONS

The most important component of an audit recommendation is its implementation. The Public Service is responsible for a response to our audit report that states whether the recommendations of the audit will be implemented or not. The responses to our audit recommendations have been included in this audit report. In the event that the Public Service does not agree to implement our recommendations, the City Auditor's responsibility is to report to Council on what the residual risk to the City is for not implementing the recommendations.

The Public Service has reviewed and responded to our audit report, and has agreed to implement all 15 of the recommendations of our audit. These recommendations are addressed to the following fleet management areas:

1. Further development of a performance management system and enhancements to information management processes including development of internal performance measures for the Branch, and sourcing an information system that will be able to report on these key recognized industry performance metrics.
2. Enhancements to shop operation management including the development and implementation of a quality control program for work performed, of a Standard Operating Procedures manual for employees, and development of a decision model for when work should be outsourced.
3. Enhancements to financial and asset management processes including the development of a life-cycle costing framework for vehicles, involvement of the Director of EMSB in the annual budget development process, as well as the reinstatement of annual parts inventory counts, and accounting for parts inventory in accordance with generally accepted accounting principles.
4. Enhancements to human resource and professional development management processes including update and revisions to all Branch job descriptions.
5. Development of a risk management plan for the Branch.

HISTORY

An audit of the Emergency Mechanical Services Branch (noted as "Winnipeg Fire Paramedic Heavy Fleet Operations") was endorsed by the Audit Committee in the City Auditor's *Audit Plan 2011-2014: 2012 Update* adopted by Council on May 30, 2012.

FINANCIAL IMPACT

Financial Impact Statement **Date:** March 30, 2016

Project Name:

Emergency Mechanical Services Branch Audit

Comments:

This report is submitted as information and as such there is no associated financial impact.

Original signed by R. Hodges
Ramona Hodges
Manager of Finance (Campus)
Corporate Finance Department

CONSULTATION

Winnipeg Fire Paramedic Service

OURWINNIPEG POLICY ALIGNMENT

01-3 Prosperity - Direction 1 - Provide Efficient and Focused Civic Administration and Governance

This report supports the demonstration of accountability through reporting and to continuously pursue innovative, streamlined service delivery and decision-making processes.

SUBMITTED BY

Department: Audit Department
Prepared by: M. Giles, Deputy City Auditor
Date: March 24, 2016
ATTACHMENT:



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