Winnipeg

Audit Department
Service de vérification

Audit Plan 2015 – 2018

2016 Update

March 2016

To be leaders in building public trust in our civic government

AUDIT PLAN DEVELOPMENT

Purpose of an Audit Plan

The purpose of a formal audit plan is to provide a disciplined approach to the identification of potential audit projects. Formal planning has several benefits:

- It focuses scarce resources on priority or high-risk areas.
- It provides the basis for the involvement of clients and stakeholders in the audit planning process.
- It ensures that all business units (and associated risks) are considered for audit attention during the planning process.
- It serves as a standard against which to measure the performance of the Audit Department.

Audit Planning Process

The Audit Department developed a 2015–2018 Audit Plan that was endorsed by the Audit Committee and approved by Council. The process to develop the four year plan is comprehensive and comprises the following activities:

- identification and classification of auditable entities;
- evaluation of audit entities against standard criteria and risk factors;
- consultation with City Councillors and Senior Administrators;
- update of *Service Risk Profiles*;
- creation of a *Corporate Risk Profile*;
- consideration of resources available and required by project type;
- selection of departmental projects;
- presentation of our proposed Audit Plan to Audit Committee for endorsement; and
- communication of our endorsed Audit Plan to City Council for approval.

The plan is based upon the risks and priorities that exist at a certain point in time. Since we operate in a dynamic environment, organizational risks and priorities constantly change and emerge. The Department updates the Audit Plan annually and changes are reported to Audit Committee each year. The following pages highlight the status of our 2015 projects and the projects proposed for the years 2016-2018.

2015 Project Status

Name	Overview	Status
Collective Agreements Due Diligence	Council policy requires that prior to ratification of an agreement, the City Auditor and the external auditor review the projected costs of collective bargaining agreements reported by the Public Service.	Complete. Three Review Engagement Reports submitted in 2015.
Councillors' Representation Allowance	The City Auditor is required to audit the expenditures incurred under the CRA Fund Policy annually to ensure compliance with the policy requirements and principles of the fund.	Complete. Report submitted to Governance Committee of Council on June 18, 2015.
Quarterly Report Card	Follow-up on the implementation status of past audit recommendations.	Complete. Four report cards submitted in 2015.
By-Law Enforcement	To assess the efficiency, effectiveness and whether adequate systems, processes, practices and controls are in place for the of the Community By-law Enforcement Services Division to achieve its goals and objectives.	Complete. Report submitted to Audit Committee on October 21, 2015.
Capital Project Estimates	The capital budget estimate documentation supporting a new major capital project is reviewed to confirm it supports the identified estimate class (AACE).	Complete. Two Audit reports related to the 2016 Capital Budget submitted to Audit Committee on February 23, 2016.
Contract / Vendor Management	Review processes to ensure contracts contain adequate provisions for oversight, and that contractors are held accountable for compliance with requirements.	Project postponed. Replaced by two projects related to the Pedestrian and Cycling Strategy.
Emergency Mechanical Services Branch – WFPS	To assess the efficiency, effectiveness and whether adequate systems, processes, practices, and controls are in place for the branch to achieve its goals and objectives.	Complete. Report expected to be presented to Audit Committee by Q3 - 2016.
Ethics Commissioner	Report to identify possible options for the mandate, model and the financial resources required for the operation of an Ethics Commissioner. A report is to be developed cooperatively with City Clerks.	Complete. Report submitted by City Clerks to Executive Policy Committee on January 6, 2016.
Independent Fairness Commissioner	Report to identify possible options for the mandate, model and the financial resources required for the implementation and operation of an Independent Fairness Commissioner role.	Report submitted to Audit Committee on June 24, 2015. Recruitment process conducted, but did not identify a suitably qualified candidate. New report detailing revised model/mandate/cost expected to be presented in Q3 - 2016.

2015 Project Status (Continued)

Name	Overview	Status
Liabilities for Contaminated Sites	To ensure the appropriate processes are in place to report liabilities for contaminated sites in the City's financial statements in compliance with Section PS 3260 – Liability for Contaminated Sites under Canadian Public Sector Accounting Standards.	Complete. Report expected to be presented to Audit Committee by Q3 - 2016.
Pedestrian and Cycling Strategies – Review of Consultant Contracts – Employee Code of Conduct [1]	Review of the procurement of the contract and subcontracts related to the Pedestrian and Cycling Strategy to ensure that all aspects of the City of Winnipeg Code of Conduct have been upheld.	In progress. Finalizing draft report. Report expected to be presented to Audit Committee by Q3 - 2016.
Pedestrian and Cycling Strategies – Review of Procurement of Contract and Subcontract [1]	Review of consultant contracts with regards to the Pedestrian and Cycling Strategy, so as to ensure all aspects of the contracts contain necessary protections to the City of Winnipeg and all aspects of the contracts are being enforced.	Complete. Report expected to be presented to Audit Committee by Q3 - 2016.
Real Estate Management Report Implementation Monitoring	Procurement and contract management of an external agency to oversee the implementation of recommendations from the Real Estate Management Review.	Complete. Report submitted to Audit Committee on June 24, 2015. Contract awarded to Deloitte LLP based on RFP 750-2015.
Southwest Transitway Capital Project	Limited scope engagement to provide assurance on a proactive basis of specific aspects of the capital project.	In progress. Project planning complete. First status report to be submitted to Audit Committee in Q3 – 2016.

Note 1: New Addition to Audit Plan. Approved by Council September 30, 2015.

Projects Proposed for 2016

Mandatory Projects

Assurance	Collective Agreements Due Diligence	Council policy requires that prior to ratification of an agreement, the City Auditor and the external auditor review the full and long-term costs of collective bargaining agreements reported by the Public Service.
	Councillors' Ward Allowance	The City Auditor is required to audit the expenditures incurred under the CWA Fund Policy annually to ensure compliance with the policy requirements and principles of the fund.
	Quarterly Report Card	Follow-up on the implementation status of past audit recommendations.

New Projects

Advisory	Fraud & Waste Hotline Performance Review	To evaluate program effectiveness and also explore opportunities to provide the same service at a reduced cost.
	Peer Review [1]	To obtain an industry opinion on whether the Department's quality control system is suitably designed and operating effectively. A peer review also provides assurance that the Department is following its established policies and procedures and generally accepted auditing standards.
Assurance	Capital Project Estimates	The capital budget estimate documentation supporting a new major capital project is reviewed to confirm it supports the identified estimate class (AACE).
	Continuous Monitoring [1]	To evaluate the opportunity to implement continuous monitoring to proactively monitor financial transactions, detect unusual expenses and identify areas where internal controls should be strengthened.
	Development Agreement Parameters	Project dropped. In 2015 the Planning Property & Development Department initiated a clause by clause review of the Development Agreement Parameters. The scope of the project involved consultation with industry representatives and included an oversight committee comprised of elected representatives.
	Southwest Transitway Capital Project	Limited scope engagement to provide assurance on a proactive basis of specific aspects of the capital project.
	Winnipeg Police Board Effectiveness Evaluation [2]	Section 50 of the Police Board's Rules of Practice and Procedure requires a formal, comprehensive evaluation of the board's effectiveness every three years to be conducted by the City's Chief Performance Officer.

Note 1: New Addition to Audit Plan. These two projects replace Development Agreement Parameters.
Note 2: The final report to be delivered upon completion of this project will be communicated initially to the Risk Management and Audit Committee of the Winnipeg Police Board. The report will also be communicated to Audit Committee for the next scheduled meeting following project completion.

Projects Proposed for 2017

Mandatory Projects

Assurance	Collective Agreements Due Diligence	Council policy requires that prior to ratification of an agreement, the City Auditor and the external auditor review the full and long-term costs of collective bargaining agreements reported by the Public Service.
	Councillors' Ward Allowance	The City Auditor is required to audit the expenditures incurred under the CWA Fund Policy annually to ensure compliance with the policy requirements and principles of the fund.
	Quarterly Report Card	Follow-up on the implementation status of past audit recommendations.

New Projects

Assurance	Capital Project Estimates	The capital budget estimate documentation supporting a new major capital project is reviewed to confirm it supports the identified estimate class (AACE).
	Continuous Monitoring	Review of regular reports to assist in proactively monitoring financial transactions, detecting unusual expenses and identifying areas where internal controls should be strengthened.
	Contract / Vendor Management [1]	Review processes to ensure contracts contain adequate provisions for oversight, that contractors are held accountable for compliance with requirements.
	Grant Accountability Follow-up	To evaluate if the provision of grants are made in accordance with Council policies and By-laws. To determine if the accountability framework (administration, measurement, reporting) provides sufficient oversight and if grantees are held accountable for compliance with established terms and conditions.
	Neighbourhood Revitalization	To assess the efficiency, effectiveness and whether adequate systems, processes, practices and controls are in place to support achievement of the goals and objectives identified for the Neighbourhood Revitalization Service.
	Outdoor Aquatics Safety Review [2]	To review of the safety processes and practices in place for the aquatics services provided at all outdoor aquatic facilities.
	Southwest Transitway Capital Project	Limited scope engagement to provide assurance on a proactive basis of specific aspects of the capital project.

Note 1: Project moved from 2015.
Note 2: Additional consulting budget will be required to engage external consultants.

Projects Proposed for 2018

Mandatory Projects

Assurance	Collective Agreements Due Diligence	Council policy requires that prior to ratification of an agreement, the City Auditor and the external auditor review the full and long-term costs of collective bargaining agreements reported by the Public Service.
	Councillors' Ward Allowance	The City Auditor is required to audit the expenditures incurred under the CWA Fund Policy annually to ensure compliance with the policy requirements and principles of the fund.
	Quarterly Report Card	Follow-up on the implementation status of past audit recommendations.

New Projects

Assurance	Disaster Management Planning	To evaluate the adequacy of the current corporate governance structure and coordination of disaster recovery planning for the City's citizens, staff, facilities and critical systems in the event of a large scale disaster.
	Parks & Urban Forestry	To assess the efficiency, effectiveness and whether adequate systems, processes, practices and controls are in place to achieve the goals and objectives of the parks and Open Space Division and to maintain and preserve the City's green assets.
	Recycling & Waste Minimization	To assess the efficiency, effectiveness and whether adequate systems, processes, practices and controls are in place to achieve the goals and objectives of the Solid waste Division and the Garbage and Recycling Master Plan.
	Southwest Transitway Capital Project	Limited scope engagement to provide assurance on a proactive basis of specific aspects of the capital project.

Projects Proposed for Subsequent Years

The following projects have also been identified as potential projects. They will be considered for 2016 and subsequent years. All projects will be re-evaluated annually to ensure continued relevance and priority.

- Archives and Records Management
- Assiniboine Park Conservancy
- Auto Allowance
- Bridge Asset Management
- Building Operations and Security
- Business Improvement Zone Financial Reporting
- Campus Accommodation Strategic Planning
- CentreVenture
- Crime Prevention Initiatives
- Corporate Planning
- Employee Benefits
- Emergency Medical Response
- Exception Reporting
- Procurement and Contract Management
- Property Asset Management
- Recreation Services
- Records Management
- Recruitment
- Shared Services Model Implementation
- Sidewalk Asset Management
- Survey Infrastructure
- Transit Fleet Asset Management
- Water Supply and Distribution
- Winnipeg Convention Centre