Minute No. 74
Report – Executive Policy Committee – November 23, 2016

Item No. 4 Capital Project Estimates

COUNCIL DECISION:

Council concurred in the recommendation of the Executive Policy Committee and adopted the following:

1. That the Capital Project Estimates be received as information.

Report – Executive Policy Committee – November 23, 2016

DECISION MAKING HISTORY:

Moved by His Worship Mayor Bowman,

That the recommendation of the Executive Policy Committee be adopted by consent.

Carried

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On November 23, 2016, the Executive Policy Committee concurred in the recommendation of the Winnipeg Public Service and submitted the matter to Council.

ADMINISTRATIVE REPORT

Title: **Capital Project Estimates**

Critical Path: **Audit Committee - Council**

AUTHORIZATION

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

RECOMMENDATIONS

That this report be received as information.

REASON FOR THE REPORT

An audit of Capital Project Estimates was endorsed by the Audit Committee in the City Auditor's *Audit Plan 2015–2018*.

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 purpose of these audits is to provide Council with assurance that the estimate classes have been appropriately determined and disclosed for new major capital projects requiring approval in the 2017 Preliminary Capital Budget. Two projects met the threshold for review this year:

1. Expansion of Transit Vehicle Overhaul and Maintenance Facilities (Winnipeg Transit)
2. North District Police Station (Winnipeg Police Service)

Preparation of the estimates and disclosure of the estimate classes for the capital projects is the responsibility of the Public Service. The classification system used by the Public Service is based on the recommended practices of the Association for the Advancement of Cost Engineering (AACE). Those recommended practices provide a system for classifying cost estimates that is primarily determined by the level of design work that supports the estimates, and secondarily by the costing methodology used to develop the estimates.

In our opinion, the project detail sheets of the above-noted capital projects included in the 2017 Preliminary Capital Budget present the estimate classes for the projected costs based on the recommended practices of the AACE, and the Public Service's Asset Management Initiative framework. The timeframe provided to audit the Expansion of Transit Vehicle Overhaul and Maintenance Facilities estimate allowed us to conclude on the estimate class based on the level of design work completed, but not to sufficiently assess the reasonability of the costs presented. This has been outlined in our audit report on the project.

IMPLICATIONS OF THE RECOMMENDATIONS

There are no implications to the recommendation that the report be received as information.

HISTORY

An audit of Capital Project Estimates was included in the City Auditor's *Audit Plan 2015–2018*.

FINANCIAL IMPACT

Financial Impact Statement **Date:** November 18, 2016

Project Name:

Capital Project Estimates

COMMENTS:

This report is received as information only and has no financial impact.

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

CONSULTATION

n/a

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: November 18, 2016

ATTACHMENT:



Capital Project Estimate Report - Exp



Capital Estimate Audit Report - North