Minutes – Executive Policy Committee – February 13, 2018

AUDIT COMMITTEE

Item No. 5 Audit of the Legal Services Department

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

The Executive Policy Committee, in its capacity as the Audit Committee, concurred in the recommendation of the Winnipeg Public Service and recommended to Council:

1. That the Audit of the Legal Services Department report be received as information.

DECISION MAKING HISTORY:

Moved by Councillor Pagtakhan,

That the recommendation of the Winnipeg Public Service be concurred in and forwarded to Council.

Carried

ADMINISTRATIVE REPORT

Title: Audit of the Legal Services Department

Critical Path: Audit Committee - Council

AUTHORIZATION

Author	Department Head	CFO	CAO
B. Mansky	B. Mansky City Auditor		

EXECUTIVE SUMMARY

The objective of this audit was to evaluate whether the Legal Services Department has the appropriate systems and processes in place to mitigate the risks of file management errors, including missing critical deadlines in legal processes.

The key observations of the audit include:

- The City Solicitor has initiated several projects to enhance departmental performance. This includes the creation of an Administrative Standard to clarify Legal Services and other City department roles and responsibilities for review, approval, and execution of agreements, practice area templates and checklists, procedure manuals, client satisfaction surveys and meetings and a staff orientation manual to name a few.
- Finalizing formal job descriptions for staff will help clarify internal roles and responsibilities and support delegation and distribution of work.
- The Department's organizational structure has recently been revised by introducing the concept of law practice groups, a structure in place at other Canadian municipalities we contacted. A further revision to the structure should have each practice group formally led by a supervisor / manager level resource. This is an important step to support an effective risk management program.
- Legal Services should further develop a risk management program to identify the potential risks facing service delivery, the systems and processes in place to mitigate those risks and the resulting residual risk facing the Department. Performing a quality control check of key information supported by a risk-based review of other key decisions in the Department's significant files would be another key aspect in an effective risk management program.
- Formal periodic reporting to the Chief Corporate Services Officer on the issues within significant legal files will support corporate risk management efforts.
- The City Solicitor should initiate a workload analysis to ensure that the proper resources are performing the appropriate activities to achieve the best outcomes for the organization. Management will need to implement systems to track and monitor staff workloads and associated overtime. Excessive workloads can lead to staff burnout and increased potential for human error.
- The Legal Services Department should submit a proposal to secure resources for the implementation of a practice management software solution. System benefits have the

potential to be significant and could include reduced direct costs for storage and services, staff efficiencies through reduced time to search for items or re-create documents from scratch, functionality to support task and time tracking and the ability to diarize dates with notification reminders.

RECOMMENDATIONS

1. That the Audit of the Legal Services Department report 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."

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 the attached 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 nine (9) of the recommendations of our audit. The implementation of the recommendations will:

- Create a departmental structure and management systems that supports the further implementation of a risk management program. Practice area templates and checklists are already under development but should be complimented with a practice group structure that includes management leads. Other management oversight systems to be implemented that will further support risk management include file reviews and quality control checks performed on a risk-based approach. Periodic reporting on significant issues to the Chief Corporate Services Officer will ensure corporate senior management is apprised of issues that are potentially critical to the entire organization. The implementation of a modern practice management software solution will contribute to increased operational efficiency and support risk management efforts with their built-in functionality.
- Provide management with information and the context necessary to better understand and plan resourcing for the Department's workload. The provision of legal advice to City departments' is the main focus of the Department but management is also responsible for, and must ensure sufficient time is dedicated to the development of the internal management systems that support the legal staff in the execution of their daily tasks. Currently, management tracks volume metrics identified by the number of tasks completed, but does not track staff hours. A number of solicitors interviewed noted the necessity to work overtime to keep pace with demand for service. Some benchmarking metrics we compiled for this audit do appear to suggest that the Legal Services

Department staffing levels are low, but require more information be gathered and analyzed to support any resourcing decision.

HISTORY/DISCUSSION

On October 25, 2017, Council approved a motion directing the CAO to request the City Auditor to conduct a review of the City's Legal Services Department including an examination of the current systems and processes for pursuing legal action against contractors and develop recommendations to ensure that critical deadlines are not missed in the future.

The project was added to the City Auditor's 2018 Audit Plan which was approved by Audit Committee on December 6, 2017.

FINANCIAL IMPACT

Financial Impact Statement **Date:** January 30, 2018

Project Name:

Audit of the Legal Services Department

Comments:

There are no financial implications related to the recommendation of this report.

original signed by T. Yanchishyn

Tanis Yanchishyn
Manager of Finance (Campus)
Corporate Finance Department

CONSULTATION

This Report has been prepared in consultation with:

Chief Corporate Services Officer
Legal Services Department

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
Prepared by: B. Mansky, City Auditor
Date: January 31, 2018

Attachments: Audit of the Legal Services Department