Minutes – Executive Policy Committee – April 11, 2018

AUDIT COMMITTEE

Item No. 1 Audit of the Effectiveness of Current Systems and Processes in Relation to the Sterling Lyon / William Clement Parkway Study

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 an extension of time be granted for the Winnipeg Public Service to report back to Council through the Audit Committee at the June 13, 2018 meeting of Executive Policy Committee.

2. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

DECISION MAKING HISTORY:

Moved by Councillor Pagtakhan,

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

Carried

COUNCIL DECISION:

On January 25, 2018, Council concurred in the recommendation of the Executive Policy Committee, as amended, and adopted the following:

1. That Council request the City Auditor / Chief Performance Officer conduct an audit of the effectiveness of the current systems and processes in place to support city staff and Council for identifying and communicating relevant and material information to decision makers through the City of Winnipeg report process; giving specific attention to the adherence of such current systems and processes by individuals in relation to the Sterling Lyon / William Clement Parkway study, with a particular focus on the accountability of elected and non-elected City officials that were either directly or indirectly involved in this study from its inception to the present time.

2. That the City Auditor / Chief Performance Officer conduct an audit of the file on the William R. Clement Parkway and the surrounding study area also referred to as the "Extension of the Sterling Lyon Parkway", "Expansion of Wilkes" or "East/West Alignment" with a chronological timeline, identifying authorizations and knowledge of and direction for planning and engagement of Public Service members, external consultants and elected officials.

3. That the City Auditor / Chief Performance Officer conduct an audit of the capital expenditures with timeline, authorization of, and size and scope of the William R Clement Parkway file and study area referred to as the "Extension of the Sterling Lyon Parkway", "Expansion of Wilkes" or "East/West Alignment"

4. That the City Auditor / Chief Performance Officer conduct an audit of the scope and execution of work performed by WSP/MMM starting November 25th, 2014, until current, focusing on who provided direction to WSP/MMM from the Public Service.

5. That the City Auditor / Chief Performance Officer complete and report back to Council by May 1st, 2018 (90 days).

DECISION MAKING HISTORY (continued):

COUNCIL DECISION (continued):

6. That the Proper Officers of the City be authorized to do all things necessary to implement the intent of the foregoing.

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On January 17, 2018, the Executive Policy Committee passed the following motion:

WHEREAS questions have been raised regarding the processes and overall management pertaining to the Sterling Lyon / William Clement Parkway extension study

AND WHEREAS specific questions have been raised about what details are sufficiently material to be highlighted in documents for consideration by the public service, Council and the public.

AND WHEREAS The City Auditor / Chief Performance Officer is a Statutory Officer appointed by City Council under The City of Winnipeg Charter.

AND WHEREAS The City Auditor / Chief Performance Officer reports to Council through the Audit Committee (Executive Policy Committee) and is independent of the City's Public Service.

AND WHEREAS The City Auditor / Chief Performance Officer conducts examinations of the operations of the City and its affiliated bodies to assist Council in its governance role of ensuring the Public Service's accountability for the quality of stewardship over public funds and for the achievement of value for money in City operations.

AND WHEREAS after communication to City Council, an audit report becomes a public document.

THEREFORE BE IT RESOLVED that Council request the City Auditor / Chief Performance Officer conduct an audit of the effectiveness of the current systems and processes in place to support city staff and Council for identifying and communicating relevant and material information to decision makers through the City of Winnipeg report process; giving specific attention to the adherence of such current systems and processes by individuals in relation to the Sterling Lyon / William Clement Parkway study.

THEREFORE BE IT FURTHER RESOLVED that the City Auditor / Chief Performance Officer immediately propose a revised schedule for 2018 audits to prioritize this audit.

and submitted the matter to Council.

ADMINISTRATIVE REPORT

Title: Audit of the Effectiveness of Current Systems and Processes in Relation to the Sterling Lyon / William Clement Parkway Study

Critical Path: Audit Committee - Council

AUTHORIZATION

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

EXECUTIVE SUMMARY

The Council motion required the City Auditor to report back to Council by May 1, 2018 (ninety (90) days). The scope of the motion is extensive and an extension of time is required to allow the Audit Department sufficient time to complete the necessary audit work and develop a report that addresses the scope of the Council motion.

RECOMMENDATIONS

That an extension of time be granted to report back to Council through the Audit Committee at the June 13, 2018 meeting.

REASON FOR THE REPORT

The report is being submitted in accordance with the City Organization By-law 7100/97 section 4 19(c)(ii) that Audit Committee will “Receive and review such Special Studies and forward such Reports, either in full, or in summary, to Council.”

IMPLICATIONS OF THE RECOMMENDATIONS

There are no implications as a result of the recommendation.

HISTORY/DISCUSSION

On January 25, 2018, Council adopted the following motion:

1. That Council request the City Auditor / Chief Performance Officer conduct an audit of the effectiveness of the current systems and processes in place to support city staff and Council for identifying and communicating relevant and material information to decision makers through the City of Winnipeg report process; giving specific attention to the

adherence of such current systems and processes by individuals in relation to the Sterling Lyon / William Clement Parkway study, with a particular focus on the accountability of elected and non-elected City officials that were either directly or indirectly involved in this study from its inception to the present time.

2. That the City Auditor / Chief Performance Officer conduct an audit of the file on the William R. Clement Parkway and the surrounding study area also referred to as the "Extension of the Sterling Lyon Parkway", "Expansion of Wilkes" or "East/West Alignment" with a chronological timeline, identifying authorizations and knowledge of and direction for planning and engagement of Public Service members, external consultants and elected officials.

3. That the City Auditor / Chief Performance Officer conduct an audit of the capital expenditures with timeline, authorization of, and size and scope of the William R Clement Parkway file and study area referred to as the "Extension of the Sterling Lyon Parkway", "Expansion of Wilkes" or "East/West Alignment".

4. That the City Auditor / Chief Performance Officer conduct an audit of the scope and execution of work performed by WSP/MMM starting November 25, 2014, until current, focusing on who provided direction to WSP/MMM from the Public Service.

5. That the City Auditor / Chief Performance Officer complete and report back to Council by May 1, 2018 (ninety (90) days).

The scope of the above motion covered several areas including:

- A review of the systems and processes that support administrative reporting;
- Developing a detailed chronology on the Sterling Lyon / William Clement Parkway study events;
- The accountability of elected and non-elected City officials involved in the project;
- An audit of the capital expenditures of the William R Clement Parkway file; and
- An audit of the scope and execution of work performed by WSP/MMM.

To address this scope, the Audit Department has compiled a significant amount of information that requires careful analysis. An email search of select stakeholders was undertaken and we obtained a total of 40,792 results. We also obtained a sizeable amount of project documentation from multiple City departments. The Audit Department has contracted with Deloitte LLP to provide assistance, including their Discovery Group to analyze the email and document results and identify exact matches to reduce the overall population.

The following table provides an overview of the number of unique documents for potential review:

Population of documents to review:

Total emails to review	17,301
Total email attachments	16,017
Total unique "loose" (i.e. non-email related) documents	357

There is no established “industry average” to reference the amount of time required to properly scan and review documents. Employing a fairly aggressive average review time of two minutes per email thread and five minutes per attachment returns a total of over 1,875 hours effort. The department is utilizing a risk-based approach and continues to work with Deloitte to further decrease the results for review to targeted dates and events. This effort is ongoing but demonstrates the overall level of effort for this project is significant.

An important note is that the above estimated hours are only applicable to one part of the full audit process. The vast majority of the Department’s resources have been diverted to this project as was deemed feasible without abandoning other essential functions.

As a point of reference, in 2014, City Council requested the Audit Department to engage an external auditor to conduct an audit of the Winnipeg Police Headquarters construction project. The timeframe associated with that motion was one hundred fifty (150) days to report back to Council. While the projects themselves differ considerably, the audit project approach, including the execution of an email search, are quite similar. Both involved the review of large volumes of documentation and analysis to determine knowledge, direction and authorization of various project events.

FINANCIAL IMPACT

Financial Impact Statement **Date:** March 21, 2018

Project Name:

Audit of the Effectiveness of Current Systems and Processes in Relation to the Sterling Lyon / William Clement Parkway Study

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:

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
Prepared by: B. Mansky, City Auditor
Date: March 27, 2018

Attachments: None