Winnipeg

Report to Audit Committee
Status of Audit Recommendations
Quarterly Report Card - Summary
2018 – Quarter 2

To be leaders in building public trust in our civic government

Audit Department

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Prepared: July 2018

Status of Audit Recommendations
Quarterly Report Card – 2018 Quarter 2

What is the Quarterly Report Card?

The Audit Department's work does not end when an audit report is presented to City Council. The most important component of an audit recommendation is its implementation. The Public Service provides a response to each audit recommendation in the Audit Report along with an action plan for completion. The subsequent implementation of the audit recommendations in accordance with the action plans is the responsibility of the Public Service.

The Quarterly Report Card summarizes the status of:

- the specific recommendations targeted for completion in the current quarter as indicated by the Public Service;
- the specific recommendations from each Audit report currently in progress and the target date for completion; and
- the number of Audit recommendations implemented to date.

How is the Quarterly Report Card produced?

The Audit Department provides a template of outstanding audit recommendations to the Department Director responsible for implementing the recommendations. The templates are forwarded to the Audit Department for review and compilation. Documentation supporting the implementation of recommendations is reviewed to confirm implementation has occurred. For recommendations in progress, an implementation strategy and timeframe is provided. For recommendations not to be implemented, an explanation is provided. Overall, the *Quarterly Report Card* presents management's representations as to the status of recommendations implemented, in progress or not to be implemented. The *Quarterly Report Card* is produced at the end of March, June, September and December and is presented by the City Auditor at the next Audit Committee meeting along with any observations he may have.

How long does the Audit Department follow up for?

Quarterly Report Cards are typically completed for five (5) years following the issue date of an audit report, which may be extended as circumstances warrant. After the reporting period, the Audit Department prepares a final report to Audit Committee that provides a summary of recommendations implemented, in progress and not to be implemented. Included is a complete history of status updates relating to those recommendations not implemented. After presentation of this final report, the status of audit recommendations will no longer be tracked by the Audit Department. If there are significant concerns that cannot be satisfactorily addressed by the Public Service, the Audit Committee may propose a new audit of the subject entity.

Recommendations Targeted for Completion in 2018 Qtr 2

Audit Report	Recommendation # Targeted for Completion in Current Quarter	Revised Implementation Date
Review of the Hired Equipment Process Audit	5	3rd Qtr
	6	3rd Qtr
	9	Implemented
Review of Winnipeg Public Library Services Audit	1	Not to be Implemented
Waverley West Arterial Roads Project Audit *	5.1	Implemented
	5.5	Implemented

Four (4) recommendations were targeted for implementation in the 2nd Quarter of 2018 and three (3) were implemented in the 2nd Quarter of 2018. Two (2) recommendations were implemented ahead of schedule.

* Both recommendations are subs of a main recommendation.

Recommendations Completed in 2018 Qtr 2

Review of the Hired Equipment Process Audit

Rec #9 We recommend that management create a succession plan for the Equipment Coordinator position and consider the potential to automate certain functions of this position to reduce the reliance on this position.

Waverley West Arterial Roads Project Audit

Rec #5.1 We recommend that the Infrastructure Planning Division of the Corporate Finance Department make the following revisions to the draft Project Management Manual:

Project Integration Management
Project integration processes should be developed and documented, including:
- establishing a process for improving the project management tools on an ongoing basis
- creating a formalized project file format with guidance on file structure and content
- creating processes for including regular updates for critical project performance measures through site meeting agendas and minutes

Rec #5.5 We recommend that the Infrastructure Planning Division of the Corporate Finance Department make the following revisions to the draft Project Management Manual:

Project Communications Management
A process for obtaining required communications from project stakeholders should be developed and documented in the Project Management Manual.

Recommendations Not To Be Implemented in 2018 Qtr 2

Review of Winnipeg Public Library Services

Rec #1 We recommend that the Community Services Department prepare a report for the consideration of City Council reviewing the current role and structure of the Board to determine whether a Governing Board would be more effective to oversee the operations of the library.

City Auditor Comment:
Specific to recommendation #1 of the Review of Winnipeg Public Library Services, Community Services Management indicated that the recommendation will not be implemented. The recommendation reviewed the governance structure of the Winnipeg Public Library Board. At the time of the audit, most other surveyed Canadian jurisdictions had a governing board model, whereas the City has an advisory board model; therefore, a recommendation was made for the department to study the model and report to City Council, as the authority to revise the model of the library board resides with City Council. The department has decided not to prepare and submit the recommended report to Council. The department has stated that they will maintain the advisory board model, as they believe that the current structure and Board has an effective and good working relationship with administration.

The recommendation should not be viewed as a commentary on the functioning of the Board, or that a change in governance structure is necessary. The focus was to evaluate how practices in other municipalities could potentially benefit Winnipeg.

Recommendations in Progress as at 2018 Qtr 2

Audit Report	Recommendation #s Implemented	Recommendation #s Not to be Implemented	Recommendations In Progress			
			Recommendation #s In Progress	Targeted for Completion in:		
				3rd Qtr 2018	4th Qtr 2018	1st Qtr 2019 or later
Traffic Signals Branch Performance Audit, 2011	1, 2, 4, 5, 7, 8, 11, 12, 13, 14, 15, 16, 17, 18, 19	3	6, 9, 10	6	10	9
Review of the Winnipeg Public Library Services, 2012	2, 3, 4, 5, 6, 7, 9	8, 1				
Review of the Hired Equipment Process, 2012	1, 3, 7, 8, 9	-	2, 4, 5, 6	2, 4, 5, 6		
Non-Monetary Real Estate Grants Audit, 2013	1, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12	-	2			2
Waverley West Arterial Road Project Audit, 2014	1, 2, 3, 4, 6	-	5		5	
Community By-law Enforcement Services Audit, 2015	1, 2, 3, 4	6	5	5		
Emergency Mechanical Services Branch Audit, 2015	1, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15	-	2, 3	2		3
TOTAL			**12**	**7**	**2**	**3**

The Public Service has reported that seven (7) of the twelve (12) recommendations in progress should be implemented by September 30, 2018. The status of the recommendations in progress will be the focus of our next report card.

Audit Recommendations Implemented to Date

Report	Total Report Recommendations	Recommendations Implemented		
		Total Implemented	Total Recommendations Not to be Implemented	Percent Complete
Traffic Signals Branch Performance Audit, 2011	19	15	1	84%
Review of the Winnipeg Public Library Services, 2012	9	7	2	100%
Review of the Hired Equipment Process, 2012	9	5		56%
Non-Monetary Real Estate Grants Audit, 2013	12	11		92%
Waverley West Arterial Road Project Audit, 2014	6	5		83%
Community By-law Enforcement Services Audit, 2015	6	4	1	83%
Emergency Mechanical Services Branch Audit, 2015	15	13		87%
TOTAL	**76**	**60**	**4**	**84%**

As at June 30, 2018, sixty (60) of the seventy-six (76) recommendations (84%) contained in this Report Card have been completed.