Winnipeg | Audit

Audit Plan 2019 – 2020

2020 Update

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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 2019–2020 Audit Plan that was endorsed by the Audit Committee and approved by Council. The process to develop the two 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 Elected Officials and Senior Administrators;
- update of *Service Risk Profiles*;
- 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 review and updates the Audit Plan each year and changes are reported to Audit Committee. The following pages highlight the status of our 2019 projects and the projects proposed for the year 2020.

2019 Project Status

Name	Overview	Status
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 NEWPCC Capital Project submitted to Audit Committee on September 17, 2019.
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. One Review Engagement Report submitted on October 17, 2019.
Councillors' Ward Allowance & Mayor's Office Expenditure Policies	The City Auditor is required to audit the expenditures incurred under the CWA Fund and Mayor's Office Expenditure policies annually to ensure compliance with the policy requirements and principles of the funds.	Complete. Annual CWA reports were presented to Governance Committee on June 13, 2019. The Mayor's Office Expenditure Policy report was presented to Audit Committee on July 2, 2019.
Independent Fairness Commissioner	The IFC is required to conduct a compliance review of real estate transactions and management services which require presentation to SPCPDHDD or Council. The IFC submits an independent report prior to political approval and concurrently with the related administrative report.	Ongoing. Thirty-eight (38) transaction audit reports submitted in 2019 to SPCPDHDD as of October 31, 2019.
Quarterly Report Card	Follow-up on the implementation status of past audit recommendations.	Complete. A total of twenty (20) report cards were submitted in 2019.
Southwest Transitway Capital Project	Limited scope engagement to provide assurance on a proactive basis of specific aspects of the capital project. Reports are submitted reviewing quarterly operations.	Ongoing. Three (3) quarterly audit reports were submitted in 2019.
Board of Revision	Performance audit to review the property assessment appeal process by evaluating the quality of information and support provided to the Board, adherence to governing authorities, and communication and consistency of rendered decisions.	Not yet started. Planning to commence in Q1 – 2020.
Continuous Monitoring (Phase 2)	To implement proactive continuous monitoring on select financial transactions to detect unusual expenses and identify where supporting internal controls should be strengthened.	In-progress. Finalizing draft report. Report expected to be presented to Audit Committee in Q1 - 2020.

2019 Project Status (Continued)

Name	Overview	Status
Contract / Vendor Management	Review processes to ensure contracts contain adequate provisions for oversight, and that contractors are held accountable for compliance with requirements.	In-progress. Fieldwork commenced, report expected in Q2 – 2020.
Peer Review	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.	Complete. Peer review assessment conducted October 15-18, 2019. Report to be submitted to Audit Committee for Q4 - 2019.
Special Operating Agency (SOA) Governance	Achieve the *City Charter* requirement to review the process for developing, implementing, operating and evaluating the special service units.	Not yet started. Planning to commence in Q1 – 2020.
Winnipeg Police Board Effectiveness Evaluation [1]	Section 50 of the Police Board's Rules of Practice and Procedure requires that a formal, comprehensive evaluation of the Board's effectiveness be requested every three years of the City's Chief Performance Officer. The last effectiveness evaluation was presented to the Board in January 2017.	In-progress. Report expected by Q2 – 2020.

Note 1: 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 2020		
Mandatory Projects		
Investigations	Fraud & Waste Hotline	Conduct investigations arising from reports submitted to the Fraud and Waste Hotline.
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.
	Independent Fairness Commissioner	The IFC is required to conduct a compliance review of real estate transactions and management services which require presentation SPCPDHDD. The IFC will submit an independent report on each compliance review prior to political approval and concurrently with the related administrative report.
	Quarterly Report Card	Follow-up on the implementation status of past audit recommendations.
New Projects		
Advisory	Enterprise Risk Management	Audit staff will support the Public Service in evaluating the feasibility of implementing an organization-wide enterprise risk management program.
Assurance	Business Improvement Zones (BIZ)	Examine mechanisms in place against best practices to provide Council assurance that BIZ Associations are fulfilling their legislated roles and providing value to members.
	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 Improvement Review Plan	Council motion dated July 18, 2019 directed that the CFO and City Auditor submit a continuous improvement review plan, complete with targets, review tool per project, evaluation reporting timeline on improvements implemented and benefits achieved and associated budget as part of the 2020 multi-year budget.
	Fleet Management	Performance audit to evaluate the size, economic value, utilization, and care/maintenance of the City's fleet assets throughout all departments.
	Southwest Transitway Capital Project	Limited scope engagement to provide assurance on a proactive basis of specific aspects of the capital project.