City of Winnipeg – Audit Department

Quarterly Report Card – Audit Recommendations

2019 – Quarter 4 Summary

For more information visit: Winnipeg.ca/audit

Quarterly Report Card– 2019 Quarter Four- Summary

Audit Recommendations

Once an Audit is complete, the next step is implementation of the recommendations. The Audit Department provides a list of the audit recommendations to the Public Service Director of the department that was audited. The Public Service prepares an action plan and target for completion date. The implementation of the audit recommendations is the responsibility of the Public Service.

The Public Service provides status updates quarterly for all recommendations. For recommendations in progress this includes a target completion date. Documentation supporting implementation and progress is reviewed by the Audit Department for confirmation. If the Public Service indicates that a recommendation will not be implemented, residual risk is identified and discussed with the Department and reported to Audit Committee.

After presentation to the Audit Committee these are posted at: Audit Quarterly Reports

The Quarterly Report Card summarizes the status of:

- recommendations targeted for completion in the current quarter (as indicated by the Public Service)
- recommendations currently in progress and the target date for completion
- the number of recommendations implemented to date

Quarterly reports are typically completed for five years following the issue date of an audit report.

Recommendations in Progress –2019 Quarter 4

Audit Report	Recommendation numbers implemented	Recommendation numbers not to be implemented	Recommendation numbers in Progress	Target dates for implementation of recommendations in progress					
				2020 Qtr 1	2020 Qtr 2	2020 Qtr 3	2020 Qtr 4	2021 Qtr 1	2021 Qtr 2 &beyond
By-Law Amalgamation Audit, 2018	-	-	1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11	11	8,9,10			1,3,4 6	2, 5, 7
Independent Fairness Commissioner-Summary Report Recommendations-July2019	1.1, 1.2, 1.4, 1.5, 1.8, 1.10, 1.11, 2.1, 2.3, 4.1, 4.2, 5.5	1.3, 1.6, 2.2, 5.2	1.7, 1.9, 3.1, 5.1, 5.3, 5.4	1.7, 5.3,	1.9,5.1 5.4	3.1			
Legal Services Department Audit, 2018	1, 2, 5, 8, 9	-	3, 4, 6, 7		3,		4, 6, 7		
Non-Monetary Real Estate Grants Audit, 2013	1, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12	-	2		2				
Review of the Hired Equipment Process, 2012	1, 3, 7, 8, 9	-	2, 4, 5, 6* **Final report**						
Safety Review of the City of Winnipeg Outdoor Aquatic Facilities Audit, 2018	3, 5, 7, 8, 9, 10, 21, 23, 25, 27, 28, 29, 32	6, 16 ,17, 19, 24, 34	1, 2, 4, 11,12,13, 14,15, 18, 20, 22, 26, 30, 31, 33, 35, 36		12,13, 18	1,2,4, 11,14,15, 20,22,26, 30,31,33, 35,36			
Traffic Signals Branch Performance Audit, 2011	1, 2, 4, 5, 7, 8, 9, 10, 11, 12,13, 14, 15, 16, 17, 18, 19	3	6			6			
William R. Clement Parkway / Sterling Lyon Parkway Extension Project Audit, 2018	1, 3, 4, 5, 6, 7, 13, 15	-	2, 8, 9, 10, 11, 12, 14,		8, 9,10, 11,12, 14		2		
TOTAL	**71**	**11**	**47*** **does not include Review of the Hired Equipment Process**	**3**	**17**	**16**	**4**	**4**	**3**

Review of the Hired Equipment Process, 2012

The Review of the Hired Equipment Process was completed in June 2012. The report made nine recommendations which Public Works management planned to implement. As of December 31, 2019 five recommendations have been implemented. The Audit Department has been tracking the implementation of the Audit recommendations for 7.5 years, 30 quarters. The Department advised that due to competing priorities, workload and employee churn four recommendations have not been implemented. The Audit Department will no longer be tracking the status of these recommendations.

With these four recommendations not being implemented the Department is operating with an increased level of risk in this area. Systems are susceptible to data entry errors due to a lack of preventative controls and the absence of review by a senior foreman reduces the likelihood of timely identification of errors. Further, employee decisions may not be consistent due to a lack of documented substitution and replacement procedures.

"Recommendation 2: We recommend that changes to TKMMS be made to incorporate sufficient preventive controls in order to reduce the potential for errors. Specifically, these controls should include:

- *displaying a notification when data for the same piece of equipment indicates continuous work at different locations*
- *prevent the same piece of equipment from being billed for more than one job at the same time*
- *allow a maximum of 24 billable hours per unit per day*
- *automate the calculation of the overtime premium*

Recommendation 4:
We recommend that management investigate the feasibility of integrating the Equipment Scheduler and TKMMS applications

Recommendation 5:
We recommend that management implement a process where the senior foreman would sign-off on a review of the hired equipment summary transactions and include regular trend analysis and exception reporting to detect potential errors or fraudulent work tickets.

Recommendation 6:
We recommend that formal procedures be created to manage substitutions and replacements as defined in the Bid Opportunity, and that the process is properly documented."

The Review of the Hired Equipment Process Audit recommendation implementation tracking is finished.

Recommendations implemented in 2019 Quarter 4:

Independent Fairness Commissioner-Summary Report Recommendations-July2019		
No. **1.8**	**Recommendation** Management should consider formalized and documented guidelines that are clear as to the required recipients of Information Circulars under various applicable circumstances. The RETMF Complete Reporting Checklists should be amended to include documentation of responses received to Information Circulars.	**Action** Circulars are standardized and do not change from property to property or from staff to staff. The circulation is addressed through an email mailing list which cannot be altered by staff.
No. **2.3**	**Recommendation** Management should consider an amendment to the Framework which removes this criterion (4.01), and consider the implementation of an alternate process, if required, to ensure compliance with the criterion.	**Action** The RETMF did not specifically identify 4.01 as a requirement. Appendix B & P identifies who approves a particular type of report and the checklists identifies who needs to approve a transaction. The checklists identify the approval after the report review and submission.
No. **4.1**	**Recommendation** In future instances where PP&D attributes non-compliance to in-process improvements related to the RETMF, Management should provide a clear implementation timeline with respect to the deficient item(s) in their unaudited responses. This implementation timeline should be formalized and progress against it monitored by City Audit.	**Action** The quarterly report card updates provide evidence of the implementation timeline.
No. **4.2**	**Recommendation** A review of the current status of the Tracking Database and requirements to complete and implement the database should be undertaken. This implementation process should be formalized and progress against it monitored by City Audit.	**Action** Tracking databases have been developed and are updated monthly.

No.	Recommendation	Action
5.5	The Complete Reporting requirements within the RETMF (Appendix B) should be amended to require disclosure of the rationale for not completing an appraisal to be reported to SPCPDHDD/Council.	Management has elected to order appraisals for all transactions, including non-profit leases/sales. Management does not intend to bring forward administrative reports without an appraised value. It is noted that appraisals are not required where Council has a preapproved rent/price (e.g. Fees and Charges Schedule).

William R. Clement Parkway / Sterling Lyon Parkway Extension Project Audit, 2018		
No.	**Recommendation:**	**Action**
6	We recommend the Chief Administrative Officer direct Corporate Human Resources to developing courses for report writers to provide guidance and hands on training through classroom sessions.	The Administrative Writing Basics course is finalized and is posted to our Employee Development intranet site for employees to access.

Traffic Signals Branch Performance Audit, 2011		
No. 9	**Recommendation:** We recommend the Traffic Signals Branch develop and report on, a comprehensive set of performance measures for each key area of the business. The performance measures should be linked to the Branch's goals and objectives and targets should be established for each measure.	**Action** The 2018 Annual report is complete and will be published shortly.
No. 10	**Recommendation:** The Traffic Signals Branch should implement a comprehensive preventative maintenance program. Resources should be reviewed and analyzed to ensure adequate staffing either internally or externally exist to implement the program.	**Action** Traffic Signals Operations have created a preventative maintenance schedule, which is tied into the allocated budgetary amount to ensure a fully resourced proactive maintenance program is planned with regards to our available resources.

Recommendations Targeted for Completion in 2019 Quarter 4:

Audit Report	Recommendation # Targeted for Completion in Quarter 4	Revised implementation date
By-Law Amalgamation Audit, 2018	11	2020 Qtr 1
Independent Fairness Commissioner-Summary Report Recommendations-July2019	1.9	2020 Qtr 2
Independent Fairness Commissioner-Summary Report Recommendations-July2019	3.1	2020 Qtr 3
Independent Fairness Commissioner-Summary Report Recommendations-July2019	5.4	2020 Qtr 2
Non-Monetary Real Estate Grants Audit, 2013	2	2020 Qtr 2
Review of the Hired Equipment Process, 2012	2, 4, 5, 6	City Auditor will no longer be tracking implementation status of these recommendations.
Safety Review of the City of Winnipeg Outdoor Aquatic Facilities Audit, 2018	12	2020 Qtr 2
Safety Review of the City of Winnipeg Outdoor Aquatic Facilities Audit, 2018	18	2020 Qtr 2
Traffic Signals Branch Performance Audit, 2011	6	2020 Qtr 3

Summary of Audit Recommendations

Report	Number of Recommendations	Recommendations Implemented	Recommendations Not to be Implemented	Percent Complete
By-Law Amalgamation Audit, 2018	11			0%
Independent Fairness Commissioner-Summary Report Recommendations-July2019	22	12	6	82%
Legal Services Department Audit, 2018	9	5		56%
Non-Monetary Real Estate Grants Audit, 2013	12	11		92%
Review of the Hired Equipment Process, 2012	9	5		56%
Safety Review of the City of Winnipeg Outdoor Aquatic Facilities Audit, 2018	36	13	6	50%
Traffic Signals Performance Audit, 2011	19	17	1	94%
William R. Clement Parkway/Sterling Lyon Parkway Extension Project Audit, 2018	15	8		53%
TOTAL	**133**	**73**	**11**	**63%**