Agenda – Executive Policy Committee – November 18, 2020

AUDIT COMMITTEE

Item No. 7 Southwest Rapid Transitway (Stage 2) and Pembina Highway Underpass Capital Integration Project Audit – for the period December 1, 2018 – February 28, 2019 (Q4 2018)

WINNIPEG PUBLIC SERVICE RECOMMENDATION:

1. That the Southwest Rapid Transitway (Stage 2) and Pembina Highway Underpass Audit for the Period of December 1, 2018 to February 28, 2019 be received as information.

ADMINISTRATIVE REPORT

Title: **Southwest Rapid Transitway (Stage 2) and Pembina Highway Underpass Capital Integration Project Audit – for the period December 1, 2018 – February 28, 2019 (Q4 2018)**

Critical Path: Audit Committee – Council

AUTHORIZATION

Author	Department Head	CFO	CAO
J. Villena	B. Mansky	N/A	N/A

EXECUTIVE SUMMARY

The objectives of the audit are:

- To provide assurance that appropriate reporting is occurring for the Project based on regulatory requirements, City policies and procedures, and agreements with third parties.
- To provide assurance that appropriate risk management is occurring in the Project.
- To provide assurance that change orders are within project scope, budget and followed established review and approval processes.

The Public Service has produced the appropriate legislated and agreed upon reports for the period of December 1, 2018 to February 28, 2019. Appropriate financial status reporting occurred for the period of December 1, 2018 to February 28, 2019.

Appropriate risk management for this project occurred during the period of December 1, 2018 to February 28, 2019. The City's project management team has used its risk management plan to identify, monitor, communicate and address project risks. We found that project risks were regularly discussed and updated at City project management team and Major Capital Projects Advisory Committee meetings.

The City's project management team has followed established process requirements for the approval and review of change orders, and changes are within project budget and scope during the period of December 1, 2018 to February 28, 2019.

Our analysis considered information after February 28, 2019 until April 27, 2020 (SPC on Finance meeting date and presentation date of the Quarterly Project Status Report No. 20). We considered subsequent information related to existing issues as of February 28, 2019. Therefore, we did not recommend on issues later resolved.

RECOMMENDATIONS

1. That the Southwest Rapid Transitway (Stage 2) and Pembina Highway Underpass Audit for the Period of December 1, 2018 to February 28, 2019 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) which states 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

No recommendations have been made to the Public Service in this report. The report gives our opinion that the Public Service was performing appropriately in the areas audited.

HISTORY/DISCUSSION

An audit of the Southwest Transitway Capital Project was endorsed by the Audit Committee in the City Auditor's *Audit Plan 2015-2018* adopted by Council on July 15, 2015.

Beginning with the first quarter of 2016, the Audit Department has provided quarterly audit reports on the Southwest Rapid Transitway (Stage 2) and Pembina Highway Underpass Capital Integration Project.

In October 2018, the civic election affected the meeting schedules of the City's Standing Policy Committees, and therefore, the reporting schedules to these Committees. As a result, the 2018 third quarter reporting period was extended to November 30, 2018. We were informed by the City's project management team that for the remainder of this project, each quarter will be adjusted forward accordingly.

- Quarter one: March 1 – May 31
- Quarter two: June 1 – August 31
- Quarter three: September 1 – November 30
- Quarter four: December 1 – February 28

This audit report covers the period of December 1, 2018 to February 28, 2019. The Audit Department will be releasing periodic audit reports that provide assurance on the reporting processes and selected key project management areas throughout the construction of the project.

FINANCIAL IMPACT

Financial Impact Statement

Date: July 23, 2020

Project Name:

Southwest Rapid Transitway (Stage 2) and Pembina Highway Underpass Capital Integration Project Audit – Period 4, 2018 (December 1, 2018 – February 28, 2019)

Comments:

There are no financial implications associated with receiving this report as information.

(Original signed by T.Yanchishyn)
Tanis Yanchishyn
Manager of Finance (Campus)
Corporate Finance Department

CONSULTATION

This Report has been prepared in consultation with:

- Winnipeg Transit

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.

WINNIPEG CLIMATE ACTION PLAN ALIGNMENT

The City of Winnipeg Audit Department provides assurance on the efficiency, effectiveness and economy of City programs and activities, thus enabling an organizational operating environment that promotes support of the vision and targets of the Winnipeg Climate Action Plan.

SUBMITTED BY

Department: Audit
Division: N/A
Prepared by: J. Villena, Auditor
Date: July 22, 2020
File No: N/A

Attachments: