Minutes – Executive Policy Committee – September 14, 2022

AUDIT COMMITTEE

Item No. 1 Intersection Signal Infrastructure Investigation

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

The Executive Policy Committee, in its capacity as the Audit Committee, concurred in the recommendation of the Winnipeg Public Service, as amended, and recommended to Council:

1. That the Intersection Signal Infrastructure Investigation Report be received as information.

2. That the City Auditor be directed to report back on the 19 recommendations made by the City Auditor to Council in November 2010.

3. That the City Auditor be directed to report back on the last five years of contracting and procurement activities related to the traffic signals branch.

4. That the City Auditor be directed to report back in December, 2022, regarding the resources required to perform a standard government audit of those procurement and contracting activities and the time-frame necessary to complete the audit and include recommendations.

5. That the Proper Officers of the City do all things necessary to implement the intent of the foregoing.

DECISION MAKING HISTORY:

Moved by Councillor Allard,

That the recommendation of the Winnipeg Public Service be concurred in with the following amendment:

- Add the following new recommendations:

    "2. That the City Auditor be directed to report back on the 19 recommendations made by the City Auditor to Council in November 2010.

    3. That the City Auditor be directed to report back on the last five years of contracting and procurement activities related to the traffic signals branch.

    4. That the City Auditor be directed to report back in December, 2022, regarding the resources required to perform a standard government audit of those procurement and contracting activities and the time-frame necessary to complete the audit and include recommendations.

    5. That the Proper Officers of the City do all things necessary to implement the intent of the foregoing."

and forwarded to Council.

Yea:	Bowman, Allard, Chambers, Mayes, Rollins	5
Nay:	Browaty	1

Carried

Christian Sweryda submitted a communication in opposition to the matter.

COUNCIL DECISION:

On June 23, 2022, Council concurred in the recommendation of the Executive Policy Committee and adopted the following:

1. That a 90-day extension of time be granted for the Audit Department to report back. The Department will submit a report to Council through the Audit Committee at the September 14, 2022 meeting.

David Grant submitted a communication in opposition to the matter.

DECISION MAKING HISTORY (continued):

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

On June 15, 2022, the Executive Policy Committee, in its capacity as the Audit Committee, concurred in the recommendation of the Winnipeg Public Service and submitted the matter to Council.

David Grant submitted a communication dated June 14, 2022, with respect to the matter.

COUNCIL DECISION:

On February 24, 2022, Council passed the following motion:

Moved by Councillor Allard,
Seconded by Councillor Gillingham,

WHEREAS the Riel Community Committee passed the following motion on February 23, 2022;

WHEREAS there is significant concern in the public and on Council regarding potential waste and mismanagement of City of Winnipeg signal infrastructure;

AND WHEREAS information has recently been shared with the City Auditor regarding potential waste and mismanagement of the City of Winnipeg intersection signal infrastructure;

AND WHEREAS some of this information may suggest intersection signal infrastructure is being replaced before end of life, or intersection signal infrastructure is being relocated inconsistently, or that other intersection signal infrastructure work is being undertaken that does not appear to be necessary, or an efficient use of taxpayer monies;

THEREFORE BE IT RESOLVED that Council direct the City Auditor to initiate an investigation into the allegations of potential waste and mismanagement surrounding intersection signal infrastructure;

AND BE IT FURTHER RESOLVED that if the preliminary investigation suggests an expanded scope of investigation is appropriate and exceeds the current resource capacity and will require additional resources of the Audit Department that this be communicated to Council to secure the required resources to complete the investigation in a thorough and timely manner;

AND BE IT FURTHER RESOLVED that the City Auditor report back to Council in 120 days with the results of the preliminary investigation;

DECISION MAKING HISTORY (continued):

COUNCIL DECISION (continued):

AND BE IT FURTHER RESOLVED that in the event that intersection signal infrastructure is being replaced before end of life, or intersection signal infrastructure is being relocated inconsistently or that other intersection signal infrastructure work is being undertaken that does not appear to be necessary or an efficient use of taxpayer monies, that the auditor provide recommendations for Council to consider for implementation to ensure signals installed are necessary and an efficient use of taxpayers monies.

ADMINISTRATIVE REPORT

Title: Intersection Signal Infrastructure Investigation

Critical Path: Audit Committee - Council

AUTHORIZATION

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

EXECUTIVE SUMMARY

On February 24, 2022, Council adopted a motion directing the City Auditor to initiate an investigation into the allegations of potential waste and mismanagement surrounding intersection signal infrastructure.

Our investigation focused on developing an understanding of the applicable governing laws, the Traffic Signals Branch's information systems, policies, procedures and practice and industry and technological factors that influence the design and construction of intersection signal infrastructure. This background information was used to assess a sample of work performed at selected intersections, which were among those evaluated with the highest risk while ensuring a wide coverage of potential issue types and applicable signal components. The samples selected for testing were non-statistical, the results should not be used to draw any further conclusions.

A summary of the key observations includes:

- The Traffic Signals Branch has not developed asset management plans for the intersection signal intersection infrastructure. The intent of an asset management plan is to outline how infrastructure investment can be directed to minimize lifecycle costs, at an acceptable level of risk, while delivering an expected level of service.
- The Traffic Signals Branch lacks full documentation to support decisions on changes to the existing intersection signal infrastructure.

RECOMMENDATIONS

1. That the Intersection Signal Infrastructure Investigation Report 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) 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

The most important component of an audit recommendation is its implementation. The Public Service is responsible for providing a management response to the report; their responses have been included in the attached report.

The Public Service has agreed to implement all three of the recommendations.

HISTORY/DISCUSSION

The February 24, 2022 Council motion directed the City Auditor to initiate an investigation into the allegations of potential waste and mismanagement surrounding intersection signal infrastructure. The City Auditor was to report back to Council in 120 days, at the Council meeting on June 23, 2022 the City Auditor was granted an extension of an additional 90 days to report back to Council through the Audit Committee on the September 14, 2022 meeting.

FINANCIAL IMPACT

Financial Impact Statement **Date:** September 2, 2022

Project Name:

Intersection Signal Infrastructure Investigation

Comments:

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

Jason Duke - September 2, 2022
Jason Duke, CPA, CGA
Acting Mgr. of Finance & Administration(Campus)

CONSULTATION

This Report has been prepared in consultation with:

Public Works Department

OURWINNIPEG POLICY ALIGNMENT

Leadership and Good Governance

1. Establish and implement priority actions through evidence-informed decision-making processes.

2. Promote trust and government responsiveness through meaningful, inclusive and informed community engagement.

3. Achieve community-responsive service delivery through an aligned, integrated, collaborative and results-oriented organizational culture.

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.

WINNIPEG POVERTY REDUCTION STRATEGY ALIGNMENT

N/A

SUBMITTED BY

Department: Audit Department
Prepared by: Bryan Mansky, City Auditor
Date: September 2022

Attachment