Minutes – Executive Policy Committee – September 14, 2022

AUDIT COMMITTEE

Item No. 5 Water and Waste Department Investigation – Brady Road Resource Management Facility

EXECUTIVE POLICY COMMITTEE RECOMMENDATION:

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

1. That the Water and Waste Department Investigation – Brady Road Resource Management Facility Report be received as information.

DECISION MAKING HISTORY:

Moved by Councillor Allard,

That the recommendation of the Winnipeg Public Service be concurred in and forwarded to Council.

Yea:	Bowman, Allard, Chambers, Mayes, Rollins	5
Nay:		0

Carried

ADMINISTRATIVE REPORT

Title: Water and Waste Department Investigation – Brady Road Resource Management Facility

Critical Path: Audit Committee - Council

AUTHORIZATION

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

EXECUTIVE SUMMARY

In 2020, the CAO's office received and forwarded nine allegations to the Audit Department related to the Brady Road Resource Management Facility (BRRMF). The BRRMF managed by the Solid Waste Division within the Water and Waste Department. During the investigation, the Audit Department received an additional allegation, for a total of ten individual allegations. The allegations related to BRRMF contracts and existing processes.

Our project focused on investigating the allegations by obtaining information and evidence to evaluate the merits of each allegation. There were ten allegations in total; five were substantiated and two of those involved other City Departments, in which the Water and Waste Department had limited control or influence over the subject matter area. The remaining five allegations were determined to be unsubstantiated based on the work performed.

A summary of the key observations includes:

- The BRRMF does not accept enough waste and other landfill materials to justify the current capacity of the dozer inventory. BRRMF management was unable to provide an analysis to support the decision to procure the current dozer capacity/inventory.
- We were unable to obtain information to support the approach for bird control implemented by previous management, however, BRRMF's current management is exploring other methods for bird control.
- The allegation suggesting that the Solid Waste Division's plans to build a roadway for an employee to avoid parking fees was unsubstantiated. The roadway is being built to provide an internal all-weather access route between the administration building and a refurbished storage building where operational equipment is stored.
- BRRMF's composting toilets installed in 2019 were removed and replaced in 2020 with conventional ones due to health and safety concerns
- The majority of the transactions tested for the heavy equipment contractors had proper supporting documentation during the periods reviewed.
- The estimated volume usage was overestimated in the 2019 potable water contract (Bid Opportunity #105-2019)

- There is limited industry guidance to identify optimal specifications for litter control fences.
- The Solid Waste Division rehired retired employees in compliance with City protocols, however, the current Human Resource Service templates were not aligned with Collective Agreements.
- BRRMF has processes to accept clean fill, but the screening processes are not documented.

RECOMMENDATIONS

1. That the Water and Waste Department Investigation – Brady Road Resource Management Facility 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 report includes four recommendations that the Public Service has agreed to implement.

HISTORY/DISCUSSION

The focus of the 2021 Audit Plan includes a number of investigations. The investigations are based on the areas identified as high-priority through preliminary examinations of previous year's Fraud and Waste Hotline reports.

FINANCIAL IMPACT

Financial Impact Statement

Date: September 2, 2022

Project Name:

Water and Waste Department Investigation – Brady Road Resource Management Facility

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:

Water and Waste Department
Human Resource Services
Corporate Finance
Asset and Project Management Department
Winnipeg Parking Authority
Winnipeg Fleet Management Agency

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

Attachments: