AUDIT COMMITTEE

Item No. 5 Stores Audit

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 Stores Audit Report be received as information.

DECISION MAKING HISTORY:

Moved by Councillor Browaty,

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

Yea:	Gillingham, Browaty, Lukes, Mayes, Orlikow, Rollins	6
Nay:		0

Carried

ADMINISTRATIVE REPORT

Title: Stores Audit

Critical Path: Audit Committee - Council

AUTHORIZATION

Author	Department Head	CFO	CAO
J. Egert Acting City Auditor	J. Egert Acting City Auditor		

EXECUTIVE SUMMARY

This audit consisted of a high-level review and assessment of five in-scope department store operations with the focus on inventory management and purchasing policies, processes, and controls. The assessment of the sufficiency of the current state operations considered procurement, inventory management, warehouse management and operations compared to leading practices.

A summary of the key observations includes:

- Stores operations of the five departments are consistent with leading practices in a number of key areas: purchase approval, purchase guidelines, and inventory adjustments.
- However, there do exist gaps in some key areas (e.g. manual requisitions, lack of performance targets for reviewing and monitoring inventory management, lack of documented standardized procedures) which should be addressed to ensure stores operations are operated effectively and efficiently with sufficient controls in place to manage the risks, including but not limited to obsolescence and loss.

RECOMMENDATIONS

1. That the Stores Audit 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 three recommendations that the Public Service has agreed to implement.

HISTORY/DISCUSSION

The Stores Audit was included in the Council approved 2021 Audit Plan. The objective of the Stores Audit was to assess the sufficiency of the current state of stores operations as compared to leading practices.

FINANCIAL IMPACT

Financial Impact Statement

Date: September 2, 2022

Project Name:

Stores Audit

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:

Community Services Department
Winnipeg Fire and Paramedic Services Department
Winnipeg Fleet Management Agency
Public Works Department
Winnipeg Transit 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: J. Egert, Acting City Auditor
Date: November 2022

Attachments: