Winnipeg | Audit

Audit Plan - 2022-2023
2023 Update (Amended)

January 2023

AUDIT PLAN OVERVIEW

Purpose of an Audit Plan

The purpose of a formal audit plan is to provide a disciplined approach to the identification of potential audit projects. Formal planning has several benefits:

- It focuses limited resources on priority or high-risk areas.
- It provides the basis for the involvement of clients and stakeholders.
- It ensures that all business units (and associated risks) are considered.
- It serves as a standard against which to measure the performance of the Audit Department.

Audit Planning Process

The Department undertakes a comprehensive audit planning process every two years. The process comprises of several activities:

- identification and classification of auditable entities;
- evaluation of audit entities against standard criteria and risk factors;
- consultation with City Councillors and Senior Administrators;
- updating of Service Risk Profiles;
- consideration of resources available and required by project type;
- selection of Audit Projects;
- presentation of our proposed Audit Plan to Audit Committee; and
- communication of our final Audit Plan to City Council.

Projects Proposed for 2023

Mandatory Projects		
Investigations	Fraud & Waste Hotline	Conduct investigations arising from new reports submitted to the Fraud and Waste Hotline.
	New Investigations	Limited scope investigations will be initiated based upon areas identified as high-risk through investigation of previous Fraud and Waste Hotline reports.
Assurance	Collective Agreements Due Diligence	Council policy requires that prior to ratification of an agreement, the City Auditor and the external auditor review the full and long-term costs of collective bargaining agreements reported by the Public Service.
	Implementation of Audit Recommendations - Quarterly Reports	Follow-up reports on the implementation status of previous audit recommendations.
	Independent Fairness Commissioner	The IFC is required to conduct a compliance review of real estate transactions and management services including sales, acquisitions, land exchanges and leases, which require presentation to SPC P&D. The IFC will submit an independent report on each compliance review prior to political approval and concurrently with the related administrative report.
New Projects		
Assurance	Capital Project Estimates	The capital budget estimate documentation supporting a new major capital project is reviewed to confirm it supports the identified estimate class (AACE). This project may be completed at the request of Council.
	Corporate Fraud Risk Assessment	**Deferred to 2024 - 2025 audit planning process** This audit will examine key revenue streams' vulnerabilities to internal (e.g. embezzlement and misappropriation of assets) and external fraud (e.g. hacking and theft of information).
	Organizational Culture Audit	**Will not proceed**. The City's Human Resource Department (HR) is currently in the process of developing and conducting an Employee Engagement and Culture Survey (RFP 76-2022). The City Auditor's objectives for conducting this audit will be met through this HR project.
	Peer Review	A peer is required every three years to obtain an industry opinion on whether the Department's quality control system is suitably designed and operating effectively and in compliance with Government Auditing Standards and with established policies and procedures.
	Traffic Signals Branch - Procurement and Contracting Audit	Council motion directed the Acting City Auditor to conduct a performance audit on the last five years of contracting and procurement activities related to the Traffic Signals Branch.
	Wastewater Collection (Sewer) System	The wastewater collection system comprises a number of elements to collect and treat land drainage and wastewater to mitigate environmental impact. This audit would assess the City's plans to address sewer renewal/capacity issues, adherence to those plans and required reporting and a review of costs incurred to date as well as future projected costs.

STATUS OF PREVIOUSLY APPROVED PROJECTS

2022 Project Status

Name	Overview	Status
Capital Project Estimates	The capital budget estimate documentation supporting a new major capital project is reviewed to confirm it supports the identified estimate class (AACE).	No new major capital projects were identified in 2022.
Collective Agreements Due Diligence	Council policy requires that prior to ratification of an agreement, the City Auditor and the external auditor review the projected costs of collective bargaining agreements reported by the Public Service.	Complete. Two Review Engagement Reports were submitted in 2022.
Continuous Improvement / Lean Initiative	Audit staff will support the Public Service in evaluating and recommending a program, for Council approval, that incorporates continuous improvement / lean principle tools.	Ongoing. In consultation with the CFO and to maintain independence of the Audit Department, Audit involvement is limited to acting in an advisory capacity.
Cybersecurity Audit	Cyberattacks are widely considered to be one of the most critical operational risks facing organizations. Cybersecurity threats are constantly evolving and becoming more sophisticated. With increasing numbers of cyberattacks, in particular ransomware, all types of private and public organizations must ensure they are prepared to ensure critical systems and services are restored. This audit will evaluate the City's ability to minimize the impact and restore its services in the event of a Cyber attack.	In-progress. Preliminary planning has been completed in consultation with the Director of Innovation & Technology Services and external specialists. Report expected to be presented to Audit Committee in Q2 – 2023.
Enterprise Risk Management	Implementing a proactive, corporate-wide and systematic approach to identifying and managing risks assists an organization in the achievement of objectives. An effective risk management system is a key component of management's internal control framework. This audit will evaluate the status of risk management in the City of Winnipeg.	Postponed. In consultation with the CAO, this project will be re-evaluated in early 2023.
Fleet Management Audit	Performance audit to evaluate the size, economic value, utilization, and care/maintenance of the City's light fleet assets. This project supports the City's Green Fleet Plan which is to reduce the environmental impact of the City's vehicle and equipment fleet by reducing fuel consumption, emissions and overall fleet costs through right-sizing the fleet.	Complete. Report submitted to Audit Committee September 14, 2022.

2022 Project Status

Name	Overview	Status
Implementation of Audit Recommendations - Quarterly Report	Follow-up on the implementation status of previous audit recommendations.	Complete. Four quarterly reports following up on 89 recommendations submitted in 2022 as of September 30, 2022.
Independent Fairness Commissioner	The IFC is required to conduct a compliance review of real estate transactions and management services including sales, acquisitions, land exchanges and leases which require presentation to SPC P&D or Council. The IFC submits an independent report prior to political approval and concurrently with the related administrative report.	Ongoing. Thirteen transaction audit reports were submitted in 2022 to SPC P&D as of November 18, 2022.
Intersection Signal Infrastructure Investigation	Council motion directed the City Auditor to initiate an investigation into the allegations of potential waste and mismanagement surrounding intersection signal infrastructure.	Complete. Report submitted to Audit Committee September 14, 2022.
Investigation into the City's Use of Required User Car Allowance	To assess the City's use of the "Required" car allowance provision.	In progress. Report expected to be presented to Audit Committee in Q1 – 2023.
Investigations	Fraud & Waste Hotline	Ongoing. Conduct investigations arising from reports submitted to the Fraud and Waste Hotline.
Stores Operations Audit	To assess the current operation of the Stores in each department and compare with the leading practices and good standard operating practices and procedures.	Complete. Report submitted to Audit Committee December 7, 2022.
Urban Forestry Branch Investigation	Council motion directed the City Auditor to review all tree pruning contract to confirm awards are in compliance with City guidance. This project reviewed other purchasing activities including oversight and assessed the work environment via a cultural survey.	Complete. Report submitted to Audit Committee September 14, 2022.
Water and Waste Department Investigation – Brady Road Resource Management Facility	The Audit Department received 10 allegations related to operations of BRRMF. This project was the investigation of these allegations.	Complete. Report submitted to Audit Committee September 14, 2022.
Workforce Management Audit	Evaluation of the City of Winnipeg workforce including organizational structure, management levels, supervision, span of control, training opportunities and performance management.	In-progress. Report expected to be presented to Audit Committee in Q3 – 2023.