Winnipeg | Audit

Audit Plan - 2024

November 2023

STRATEGIC OVERVIEW

Our Mandate

The City Auditor reports to Council through the Audit Committee (Executive Policy Committee) and is independent of the City's Public Service. The City Auditor conducts examinations of the operations of the City and its affiliated bodies and submits a report of its findings to assist Council in its governance role of ensuring the accountability of the Public Service for the quality of stewardship over public funds and for the achievement of value for money in City operations.

Our Vision

To be leaders in building public trust in our civic government.

Our Mission

To support City Council and the Public Service by providing objective and independent advice and assurance with respect to governance, risk management, performance and accountability.

Our Service Value

The value of an independent audit function to Council is the ability to use credible information to make better decisions and to hold the Public Service accountable. Our principle stakeholder is the Audit Committee. The Audit Committee is chaired by the Mayor and includes the Deputy Mayor and the chairs of the Standing Policy Committees of Council. The Audit Committee's primary role is to ensure that due diligence has been directed towards ensuring that an effective control framework is in place. This framework provides reasonable assurance that the financial, operational and regulatory objectives of the City are achieved and that governance and accountability responsibilities of Council and the Public Service are met.

The Audit Department's stakeholders also include the Public Service and citizens. Audit reports are made public once they have been communicated to City Council.

Our Standard of Work

The Audit Department performs its work in accordance with Government Auditing Standards. These standards provide professional guidance for government-related audits and require us to follow relevant CPA Canada auditing standards where they are applicable to our work. Government Auditing Standards also require an independent external peer review of our operations to be conducted and published every three years. We believe that this requirement provides transparent accountability for the quality of our work to Council and to the public.

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 2024

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 Review	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, prior to presentation to SPC P&D and/or Council. 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.
	Fraud Risk Management Maturity Assessment	Assess the maturity of the City's fraud risk management.
	North End Sewage Treatment Plant (NEWPCC) Upgrades	Limited scope engagement to provide assurance that the City's resources are being used economically and efficiently by evaluating the existence and adequacy of controls over the capital project construction processes.
	Affordable Housing Initiatives	Risk and controls/risk management assessment of the Housing Accelerator Fund program and/or Rapid Housing Initiative program to assess if key risks have been identified and are being managed to ensure the City is meeting its obligations under these programs and these programs achieve their intended outcomes.
	Recruitment / Hiring Process	Assess the effectiveness and efficiency of the current recruitment and hiring processes.

STATUS OF PREVIOUSLY APPROVED PROJECTS

2023 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 2023.
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. Three Review Engagement Reports were submitted in 2023.
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.	Complete. Report submitted to Audit Committee June 12, 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 and CFO, this project will be re-evaluated in early 2025.
Implementation of Audit Recommendations - Quarterly Report	Follow-up on the implementation status of previous audit recommendations.	Complete. Four quarterly reports following up on recommendations were submitted to Audit Committee in 2023 as of November 30, 2023.

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. Seven Real Estate transaction compliance review reports were submitted in 2023 to SPC P&D as of November 30, 2023.
Investigation into the City's Use of Required User Car Allowance	To assess the City's use of the "Required" car allowance provision.	Complete. Report submitted to Audit Committee March 13, 2023.
Investigations	Fraud & Waste Hotline / Whistleblower Reports	Ongoing. Conduct investigations arising from reports submitted to the Fraud and Waste Hotline / Whistleblower reports.
Peer Review	A peer review 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.	Complete The Audit Department passed the Peer Review completed by ALGA. Report submitted to Audit Committee July 5, 2023.
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.	In progress. Report expected to be presented to Audit Committee in Q2 - 2024.
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.	Not started. Moved to 2024 Audit Plan and refocused on North End Sewage Treatment Plant (NEWPCC) Upgrades.
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 Q2 – 2024.