City of Winnipeg – Audit Department

Implementation of Audit Recommendations Report 2024 – Quarter 2

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Implementation of Audit Recommendations Report- 2024 Quarter 2 - Summary

Audit Recommendations

Once an Audit is complete, the next step is the implementation of the audit recommendations. The Audit Department provides a list of the audit recommendations to the Public Service Director of the department that was audited. The Public Service prepares an action plan and target for completion date, this is included in the Audit report. The implementation of the audit recommendations is the responsibility of the Public Service.

On a quarterly basis the Public Service provides status updates for all audit recommendations. Documentation supporting progress is reviewed by the Audit Department for confirmation. If the Public Service indicates that a recommendation will not be implemented, residual risk is identified and discussed with the Department Director.

After presentation to the Audit Committee these reports are posted at: Implementation of Audit Recommendations Reports

This report summarizes the status of Implementation of Audit Recommendations for the period ending June 30, 2024:

- the number of recommendations implemented to date
- the number of recommendations that will not be implemented
- the number of recommendations currently in progress and the target date for implementation

Summary of the Implementation of Audit Recommendations at June 30, 2024

	Number of Recommendations				
Audit Reports	**Total**	**Implemented**	**In Progress**	**Not to be Implemented**	**Percent Complete**
Automatic Vehicle Locator Investigation -June 2021	6	5	1		83%
By-Law Amalgamation Audit - June 2018	11	0	11		0%
Fleet Management Audit -June 2022	10	2	8		20%
Intersection Signal Infrastructure Investigation - September 2022	3	2	1		66%
Final report: Investigation into The City's Use of Required User Car Allowance December 2022	4	4	0		100%
Stores Audit - October 2022	3	0	3		0%
Urban Forestry Branch Investigation - September 2022	8	6	2		75%
Water and Waste Dept Investigation - Brady Road Resource Management Facility - August 2022	4	2	2		50%
Total	49	21	28		43%

Recommendations Implemented and Confirmed in 2024 Quarter 2

Documentation supporting the implementation was reviewed and confirmed by the Audit Department.

Automatic Vehicle Locator Investigation - June 2021		
4	That the Chief Administrative Officer establish a 'stand-alone' AVL policy to define citywide AVL minimum standards that are applicable to all departments participating in the program. Citywide minimum standards should include: o Minimum requirements for the AVL device threshold settings that prompt notification to a monitoring employee, and are the basis for generation of an exception report; o Acceptable practices for access to AVL data that is not prompted by an exception report, or employee performance investigation; o A standardized process for adding or removing employee access to the AVL system database to enhance data security;	The Administrative Standard AS-020 has been implemented and communicated to all affected departments. The document is posted on the City's intranet for all employees. Included in the Admin Standard are: Minimum requirements for AVL settings that will prompt a notification of an exception report. A process for access to AVL data, including training in the correct use of AVL data. A process for adding or removing AVL department employee access.

Automatic Vehicle Locator Investigation - June 2021		
5	That the Chief Administrative Officer review the AVL Letter of Understanding and communicate guidance on access and use of AVL information to support the achievement of the City's AVL program objectives.	The Administrative Standard AS-020 has replaced the AVL Letter of Understanding.

Fleet Management Audit - June 2022 (Fleet Management Agency)		
6	The WFMA perform and document a cost benefit analysis of fleet management based on adherence to the Life Cycle Cost Management principles compared to the practice of extending vehicles beyond their planned replacement date. The analysis should also include the feasibility of implementing a dynamic life cycle approach for the City's light and medium fleet vehicles. The analysis should be communicated to elected officials for consideration during future budget deliberations.	WFMA conducted an analysis based on the City's fleet of vehicles that supports their replacement schedule for vehicles and identified that the average annual costs decreased over the lifespan of the vehicle. There was a limited sample of vehicles that lasted over 10 years. The Admin Report that accompanied their 2024 Business Plan, (communicated to council), stated that they forecast that they will operate within their established debt limit through deferred replacement of fleet assets.

Investigation into The City's Use of Required User Car Allowance - December 2022		
1	We recommend that Corporate Human Resource Services update the language used in job descriptions to ensure alignment with the required user's eligibility criterion under the Administrative Standard No. FM-008 Local City Business Travel and the collective agreements. The language should be consistent for job postings and job description forms for all employees who are required to use a personal vehicle for City business purposes.	The recommendation is considered complete based on the Audit Department assessment of risk and the controls in place to mitigate them. Corporate HR has developed standard language to be used to identify "required users." They are including the standard language on job postings and on employment letters of offer which communicates the employee's required user status.

Investigation into The City's Use of Required User Car Allowance - December 2022		
2	We recommend that Corporate Finance, in consultation with Corporate Human Resource Services Department, create a template to document the department's director approval of assigning employees to the required user category. The template, where required for use by all City departments, should at least include the following: 1. Effective date 2. Employee's name and position 3. User category – required user or occasional user 4. Criteria – reference to the FM-008 and the applicable collective agreement 5. Department Head or the Director's approval 6. Date when the template was last updated	The recommendation is considered complete based on the Audit Department assessment of risk and the controls in place to mitigate them. A form to assign the 'required user' status has been implemented and communicated including the six requirements in the recommendation. It must be completed for Director sign off for an employee to be in the 'required user' category of car allowance, if the 4,000 km threshold set in the Administrative Standard is not met.
Investigation into The City's Use of Required User Car Allowance - December 2022		
3	We recommend that the Chief Financial Officer establish a process to hold the departments accountable for adherence to the Administrative Standard No. FM-008 Local City Business Travel. The established process should be documented in the Administrative Standard.	The updated Administrative Standard FM-008 has been implemented and communicated to all affected departments. The document is posted on the City's intranet for all employees. Each department will be required to provide the Corporate Controller Division a report annually (for the completed fiscal year) detailing the annual usage of each "required user" in their department. This report will confirm the "required user" and confirm the employees name, job title, confirmation that the employee hasn't change jobs in the last 12 months, total distance traveled and if appropriate authorization is documented (approval form or job description). The report will be submitted to the Corporate Controller's office by April 30th of the following year (i.e. April 30, 2024 for the 2023 Fiscal Year)

Investigation into The City's Use of Required User Car Allowance - December 2022		
4	We recommend that the Chief Financial Officer determine and update the Administrative Standard No. FM-008 Local City Business Travel with the appropriate frequency of regular reviews by the departments.	The updated Administrative Standard FM-008 has been implemented and communicated to all affected departments. The document is posted on the City's intranet for all employees. The CFO is the authority for the review and maintenance of the Administrative Standard, and the Departments are required to review employee usage annually.

Urban Forestry Branch Investigation – September 2022		
6	We recommend that Corporate Human Resources develop additional guidance within City's COI Policy specifically related to workplace relationships. The Policy should include specific disclosure requirements (written confirmation), the process to address the conflicts of interest or how perceived conflicts of interests will be managed, employee support, and disciplinary actions if the policy is breached.	The updated Conflict of Interest Policy was adopted by Council on February 23, 2023 and included additional guidance related to workplace relationships. It is posted winnipeg.ca/hr/pdfs/policies/ConflictofInterestPolicy.pdf A communication strategy about the COI policy and an electronic policy acknowledgement was developed in PeopleSoft and was launched in May 2024.

Urban Forestry Branch Investigation – September 2022		
7	We recommend that the Chief Financial Officer review requirements for departments to undertake sole source procurements in an emergency, including without limitation an act of God. This includes determining what processes are mandatory and tailored to ensure a timely, effective and efficient response to emergencies while still preserving core controls.	The updated Administrative Standard FM-002 has been implemented and communicated to all affected departments. Section C: Procedures delineates single source purchasing in an emergency. The document is posted on the City's intranet for all employees. The CFO is the authority for the Administrative Standard.

Recommendations Targeted for Implementation in 2024 Quarter 2 (Revised)

Implementation dates are revised by the public service for a variety of reasons. Delays can be attributed to internal or external factors; the delays are reviewed by the Audit Department to confirm that they are reasonable.

Audit Report	Recommendation # Targeted for Completion in Quarter 2	Implemented	Revised implementation date
By-Law Amalgamation Audit - June 2018	11	no	2024 Qtr 3
Urban Forestry Branch Investigation – September 2022	1	no	2024 Qtr 3
Water and Waste Dept Investigation - Brady Road Resource Management Facility - August 2022	4	no	2024 Qtr 3

Recommendation Numbers Status – 2024 Quarter 2

Implementation status updates were provided by management and were reviewed by the Audit Department.

Audit Report	Recommendation numbers implemented	Recommendation numbers in progress	Target date for implementation			
			2024 Qtr 3	2024 Qtr 4	2025 Qtr 1	2025 Qtr 2 & beyond
Automatic Vehicle Locator Investigation - June 2021	1, 2, 3, 4, 5	6			6	
By-Law Amalgamation Audit - June 2018		1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11	11	1, 3, 4, 5, 6, 8, 9,10	2	7
Fleet Management Audit -June 2022	2, 6	1, 3, 4, 5, 7, 8, 9, 10	4, 8, 9	5	10	1, 3, 7
Intersection Signal Infrastructure Investigation - September 2022	2, 3	1				1
Final report Investigation into The City's Use of Required User Car Allowance - December 2022	1, 2, 3, 4					
Stores Audit - October 2022		1, 2, 3	1, 2, 3			
Urban Forestry Branch Investigation – September 2022	3, 4, 5, 6, 7, 8	1, 2	1			2
Water and Waste Dept Investigation - Brady Road Resource Management Facility - August 2022	2, 3	1, 4	4			1
Total	21	28	9	9	3	7