Winnipeg | Audit

2024 Annual Report

February 2025

Leaders in building public trust in civic government.

2024 Highlights

Key Performance Indicators

	Target	Actual
Direct hours dedicated to: Assurance Services Advisory Services Investigation Services	 ≥75% ≤10% ≤15%	 85% 4 % 11%
Audit recommendations accepted	92%	100 %
Audit recommendations implemented	70%	53%
Completion of audit plan	100%	87%
Client satisfaction	4/5	4/5
Cost per billable hour	$232[1]	$164

Completed Projects

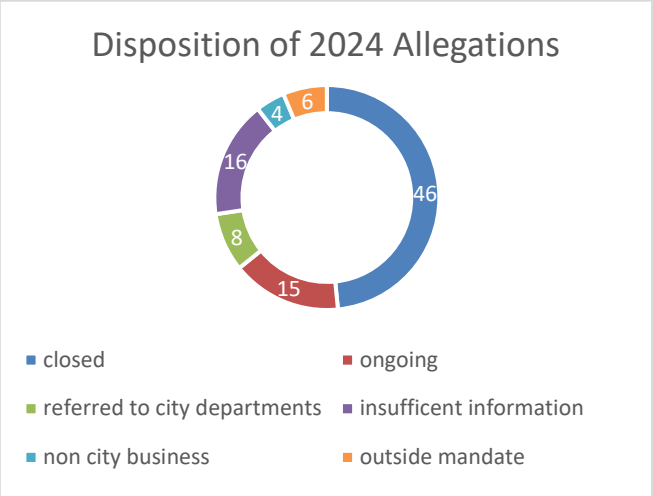
- Collective Agreement Due Diligence Reviews (two)
- Implementation of Audit Recommendation Reports - Quarterly Report Summary (four)
- Independent Fairness Commissioner Compliance Audits (eleven)
- Traffic Signals Branch - Procurement and Contracting Audit
- Workforce Management Audit

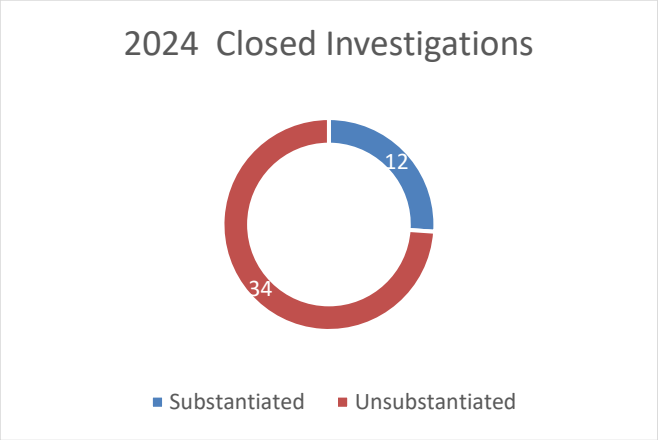
In Progress Projects

- Fraud Risk Management Maturity Assessment
- Affordable Housing Initiatives – Housing Accelerator Fund
- Affordable Housing Initiatives - Rapid Housing Initiative
- North End Water Pollution Control Centre (NEWPCC)
- Recruitment & Hiring Process

Fraud & Waste Hotline Activity

58 New Reports = 95 Total New Allegations





[1] Based on a review of local professional services firms in 2022, a fully blended (senior manager to auditor) equivalent rate is calculated to be $232 per hour.

Projects Completed in 2024

Collective Agreement Due Diligence Reviews

A Council directive requires that prior to ratification of an agreement, the City Auditor and the external auditor review the costs of collective agreements reported by the Public Service. Our role is to review that the forecasted net incremental costs or savings to the City have been appropriately identified, calculated and summarized in a report, and that all significant assumptions relating thereto have been disclosed. We completed two Collective Agreement Due Diligence Reviews in 2024. We completed two due diligence reviews in 2024.

Implementation of Audit Recommendations Reports

Once an Audit/Investigation is complete, the Audit Department provides a list of the project recommendations to the Public Service Director of the department that was audited/investigated. The implementation of the recommendations is the responsibility of the Public Service.
The Public Service prepares an implementation action plan including implementation dates. This information is included in the final audit/investigation report.

The Public Service provides quarterly updates on the implementation of all recommendations. Documentation supporting implementation and progress is reviewed by the Audit Department for confirmation. To be considered implemented a recommendation must be documented, communicated and sustainable. If the Public Service indicates that a recommendation will not be implemented, the residual risk is identified and discussed with the Department and reported to Audit Committee.

The Audit Department monitors and reports to Audit Committee on the status of the implementation of audit recommendations on a quarterly basis. After presentation to the Audit Committee these reports are posted at: Implementation of Audit Recommendation Reports

We completed four quarterly reports in 2024 which were tabled at Audit Committee.

Implementation of Audit Recommendations
Summary as at December 31, 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	1	10		9%
Fleet Management Audit -June 2022	10	3	7		30%
Intersection Signal Infrastructure Investigation - September 2022	3	2	1		67%
Stores Audit - October 2022	3	0	3		0%
Traffic Signals Branch – Procurement and Contracting Audit- September 2024	6	2	4		33%
Urban Forestry Branch Investigation - September 2022	8	7	1		88%
Water and Waste Dept Investigation - Brady Road Resource Management Facility - August 2022	4	3	1		75%
Workforce Management Audit - June 2024	13	9	4		69%
Investigation into The City's Use of Required User Car Allowance December 2022	4	4	0		100%
Total	68	36	32		53%

Independent Fairness Commissioner (IFC) Compliance Audits

On July 9, 2014, a Council motion created the Independent Fairness Commissioner (IFC) role, the mandate was to review and provide assurance on real estate management transactions before they are presented to Standing Policy Committee/Council. In May 2020, Council adopted an updated mandate which limited the review to sales, acquisition, land exchanges and leases.

The IFC audits real estate transactions for compliance with applicable policies and procedures. Real estate transactions requiring Committee of Council approval are audited by the IFC and the reports are submitted to the Standing Policy Committee on Property and Development. The IFC completed eleven real estate transaction audits in 2024.

Traffic Signals Branch - Procurement and Contracting Audit

The intent of the audit was to Report to Council on the Traffic Signals Branch contracting and procurement activities as required per the September 22, 2022 Council motion adopted. The motion stated “That the City Auditor be directed to report back on the last five years of contracting and procurement activities related to Traffic Signals”.

A summary of the key observations include:

- A total of 58 goods and/or services contracts were awarded for the period with a total dollar value of approximately $11.9 million.
- We identified that five out of the 58 contracts were awarded from three competitive bid opportunities for the installation of underground Traffic Signals services and associated work to two contractors. The sum of the five contracts represents 49 percent of the total contract value.
- The remaining 51 percent of the total contract value was awarded to 32 other contractors for the supply of goods and services. This excluded the installation of underground Traffic Signals services and associated work.
- The procurement and contracting activities for the audit period (August 1, 2018 to August 31, 2023) were awarded and approved in accordance with existing City’s policies, procedures and administrative standards except for:
    - Two instances where the Insurance Branch was not notified of the awarded contracts by the contract administrator.
    - The process of amending the terms and conditions of tenders as related to the total performance date was not consistently adhered to.
    - There were seven instances of purchase orders that were not closed after the end of the contract.
- The City has established a Purchasing Policy, administrative standards, manuals, business processes and procedures that control the procurement and contracting activities.
- Overall, relevant internal controls related to the procurement and contracting activities for the audit period were noted to be adequate and effective.
    - However, opportunities exist to enhance the process for amending terms and conditions of a tender with respect to total performance date, reporting and monitoring of claims, use and closing of purchase orders and updating the Purchasing Card Program Procedures Manual.
    - Opportunities exist to communicate these changes to all employees through established standards, processes and procedures, and to enhance the mechanisms that monitor and ensure adherence to them.

The Public Service agreed to implement all six recommendations.
The report was tabled at Audit Committee 2024 Qtr 4.

Workforce Management Audit

The intent of the audit was to evaluate the City's systems around workforce management that support leaders in conducting their role, including organizational structure, ongoing supervision, span of control, training opportunities and employee performance management.

The City has approximately 10,400 employees across all departments with total salaries and benefits of approximately $980 million in 2022. Management of the City's workforce is critical to ensuring the organization's goals and objectives are met in the most efficient and effective way.

This audit examined the City of Winnipeg's existing tools and processes to support leaders manage their employees and optimize performance, build competency, and meet the organization's goals in serving Winnipeg residents. This audit does not cover workforce planning, recruitment and retention activities, or the Winnipeg Police Service.

A summary of key observations include:

- While the City has administrative standards and a framework to develop and approve them, we found that key standards are outdated and do not reflect the current senior management positions.
- There was limited formal reporting to the Chief Administrative Officer (CAO) on completion of performance reviews, required training, and progress towards or achievement of the goals in the 2021-2023 Corporate Strategic Plan.
- Not all leader positions reviewed had a formal documented job description.
- Leaders interviewed indicated that informal, verbal feedback is the most common method of performance review provided to employees.
- Sixty-seven percent of City employees did not have a formal and documented performance review completed in PeopleSoft between 2018 and 2022, as not all employees are required to complete their performance review in PeopleSoft.
- The leaders interviewed use a variety of tools and guidance from Human Resource Services to manage their employees working remotely, but we found that there is no required reporting by departments to indicate that the annual reviews of the effectiveness of the Flexible Workplace Arrangement have been completed. The Flexible Workplace Program was in the middle of the first-year pilot at the time of the audit.
- Plans to leverage the lessons learned from the investigation into the allegations of improper conduct in the Planning, Property and Development Department have not been explored in other departments. A review of field operations in four other City departments has not been completed.

The Public Service agreed to implement all 13 recommendations.
The report was tabled at Audit Committee 2024 Qtr 2.

Engagements in Progress

Affordable Housing Initiatives - Housing Accelerator Fund (HAF)

In 2023, the City of Winnipeg entered into an agreement with the Government of Canada to receive $122 million through the Canadian Government's Housing Accelerator Fund Program. With the money received, the City will fund eight targeted Action Plan Initiatives expected to help create approximately 14,000 new housing units over the next three years, including over 900 affordable housing units.

The objectives of this audit are to:

- Assess if the key risks with the Housing Accelerator Fund (HAF) program have been identified and are being managed to ensure the City is meeting its obligations under the program to achieve the intended outcome.
- Evaluate the adequacy of risk management systems, processes, practices, and controls in place to achieve the HAF programs' goals and objectives.

The report is expected to be tabled at the Audit Committee 2025 Qtr 2.

Affordable Housing Initiatives – Rapid Housing Initiative (RHI)

In 2020, as part of the federal National Housing Strategy (NHS), the Canada Mortgage and Housing Corporation (CMHC) under its Rapid Housing Initiative (RHI) - Cities Stream, has entered into grant agreements with the City. These agreements providing capital contributions for the rapid construction of new housing and/or acquisition of existing buildings for rehabilitation or conversion to permanent affordable housing.

To support achievement of CMHC's contractual requirements, the City subcontracted with approved community partners, but remains primarily and financially liable to CMHC for the fulfillment of all obligations under the grant agreement. The funding to the City represents $42 Million [CMHC $36.9 Million, Manitoba Housing Renewal Corporation $5.1 Million] to create at minimum 146 affordable housing units.

The objectives of this audit are to:

- Assess if the key risks with the RHI program have been identified and are being managed to ensure the City is meeting its obligations under the program to achieve the intended outcome.
- Evaluate the adequacy of risk management systems, processes, practices, and controls in place to achieve the RHI programs' goals and objectives.

The report is expected to be tabled at Audit Committee in 2025 Qtr 2.

Fraud Risk Management Maturity Assessment

The objective of this project is to assess the maturity of the City's current fraud risk management (FRM) processes and practices against leading standards, focusing on common key fraud risk areas. We have engaged external consultants to conduct the assessment. The scope of the services will include a review of the City's FRM activities and/or program elements, or related internal controls and processes that could constitute elements of an FRM framework.

The assessment will focus on the following areas:

- Governance and oversight.
- Policies, training, and process specific fraud controls.
- Monitoring and detection mechanisms.
- Investigation, enforcement/accountability, and remediation protocols.

The report is expected to be tabled at Audit Committee in 2025 Qtr 2.

North End Water Pollution Control Centre (NEWPCC)

The objective of the audit is to evaluate the existence, effectiveness, and adequacy of controls related to the project governance and oversight, project leadership and organization, commercial strategy and management, and project delivery and risk management.

The Audit Department engaged external consultants to complete an audit of the North End Sewage Treatment Plant Upgrade Projects otherwise known as the North End Water Pollution Control Centre (“NEWPCC”) Upgrade Projects. The audit was conducted by external consultants as specific skills and knowledge in managing large capital major projects was required.

The report is expected to be tabled at Audit Committee in 2025 Qtr 1.

Recruitment and Hiring Process

The objectives of this audit are to assess the effectiveness and efficiency of the current recruitment and hiring processes within the City excluding the Winnipeg Police Service.

In consultation with Corporate Human Resource Services this project was moved to the 2025 Audit Plan.

Investigation Services

The Audit Department provides investigation services based on information identified in reports submitted through the Fraud and Waste Hotline, audit projects, Council, the Public Service or resident's request. The Public Service is required to report fraud, theft, misappropriation or wrongdoing in accordance with the applicable Administrative Standard(s).

The Fraud and Waste Hotline is a confidential and anonymous service accessible to anyone to make reports 24/7/365. We review every report that is received and will investigate when appropriate supporting information is provided. We gather and review evidence to substantiate or dispel all reported allegations.

While maintaining an independent and objective perspective, we conduct our services using a cooperative approach. The work performed for investigations conforms to Audit Department standards for independence, objectivity and quality. We consult with and work closely with the Public Service who are responsible for taking appropriate action to resolve concerns identified during an investigation.

Through the investigation process, opportunities to enhance internal processes and controls may be identified and result in recommendations to the Public Service.

Through the Fraud and Waste Hotline investigations conducted in 2024, the following actions were taken:

- identification of non-compliance with the purchasing card program resulted in division employees being re-educated and financial review/oversight being enhanced.
- an employee resigned during the investigation
- an employee was terminated
- for three reports, significant business process improvements were implemented
- oversight of a work group and their worksite has been enhanced, random worksite inspections without notification are being completed, a seasonal review meeting of work expectations/work environment will be developed.
- an employee was provided a letter of direction related to break periods and was reminded about the importance of public perception
- an employee was provided a letter of reprimand
- two employees received letters of job expectation; a seasonal review meeting of work expectations/work environment was developed.
- for four reports, a review of a business processes was completed, audits of these divisions are being considered
- one employee was suspended without pay for one day and a letter of discipline was placed in their file
- emergency procedure documentation was updated and communicated to all employees in a division

For 16 allegations there was no action/insufficient evidence to proceed with investigating the allegations. This is for a variety of reasons including general reports in which employees or departments were not identified, and where the Hotline reporter did not respond to requests for additional information.

Fraud and Waste Hotline Reports by Category:

Fraud and Waste Hotline Report Category[2]	2021	2022	2023	2024
Compensation, Pension and Benefits	1	1	3	0
Financial Reporting and Accounting	0	4	1	0
Harm to People or Property	2	1	2	2[3]
Health and Safety, Environment	9	4	4	4
Manipulation or Falsification of Data	5	3	4	0
Miscellaneous	3	5	8	5
Office and Equipment Requirements	1	1	1	2
Organization	0	1	0	0
Product/Customer Service	0	0	1	0
Safety and Security Issues	2	0	1	0
Suggestions for Improvement	1	2	1	3
Theft, Embezzlement, Fraud	39	25[3]	16	18[3]
Training and Development	1	0	1	0
Undefined	1	2[3]	4	1
Unethical Conduct and Conflict of Interest	13	15	10	16
Violation of Laws, Regulations, Policies, Procedures	13	15[3]	5	7[3]
Total Reports	91	79	62	58
Total Allegations	122	110	106	95

Disposition of Allegations:

Status of Allegations	Carried over from Prior Years	2024	Carried over to 2025
Investigated – Substantiated	10	12	
Investigated – Unsubstantiated	21	34	
Ongoing investigation (Carried over from previous years)		15	15
Outside Hotline Mandate - Referral to City Department		14	
No Action / Insufficient Information to Proceed		16	
Outside Hotline Mandate - Non-City Business		4	
Total	31	95	15

[2] Category is selected by the Hotline reporter
[3] Includes duplicate reports which required only one investigation

Whistleblower and Public Interest Disclosure Act (PIDA)

The City Auditor is the designated Officer under PIDA for the City of Winnipeg. There were no Whistleblower reports in 2024.

Advisory Services: The Audit Department has representatives on the following committees:

Asset Management Advisory Committee

The committee is comprised of Senior Management from all departments that have responsibility for the construction and maintenance of physical assets. The committee provides guidance and advice on the performance of the asset management program. This supports the Infrastructure Planning Office in their role of overseeing the management of the City's infrastructure by setting corporate direction and by recommending and influencing corporate policy changes.

Business Continuity Planning Committee

The City of Winnipeg's Business Continuity Management Program consists of the plans, procedures, tools, processes, and people that form the management system used by the City to ensure the continued delivery of critical services in the event of an emergency or disaster situations. To coordinate planning efforts the City has formed a group of Business Continuity Planning Leads from City departments who work with department management teams to develop and maintain a comprehensive department business continuity plan including risk assessment and impact analysis, plan development, and continuous improvement. These Leads meet with staff from the Office of Emergency Management to participate in training and coordinate planning efforts across the City.

Sustainable Procurement Committee

The City has adopted a four-pillar model (environmental, ethical, social, and Indigenous) to promote a comprehensive approach to sustainable procurement. A Sustainable Procurement Action Plan was created and approved by Council in 2022 to recognize the work already being done by suppliers to create positive impact and to amplify the positive impacts that can happen through the City's spending. This Committee helps incorporate sustainable procurement in the City's procurement policy and administrative standards. Departmental representatives in the Committee meet and share current practices and ideas contributing to sustainable procurement.

Records Committee

The Records Committee was established by amendment to the City of Winnipeg Act in 1995. The role and mandate of the Records Committee is now specified in Section 110(2) of the City of Winnipeg Charter, and Records Management By-law 123/2020. The primary role of the Committee is to make recommendations to Council on the management, retention, safekeeping, disposition and destruction of records as well as to implement policies and procedures approved by Council for the management, retention, safekeeping, disposition and destruction of records in all City departments.

The City of Winnipeg Charitable Fund (CWCF)

The CWCF is the official charitable fund for the City of Winnipeg employees/retirees. The goal of the CWCF is to provide City employees and retirees with opportunities to support local charities through payroll deduction.

For more information about the Audit Department visit: winnipeg.ca/audit

To report Fraud and Waste Hotline or call 1.866.840.5837