City of Winnipeg – Audit Department

Implementation of Audit Recommendations Quarterly Report 2025 Quarter 1

For more information visit:
Winnipeg.ca/audit

Implementation of Audit Recommendations Report - 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 date for implementation of the recommendation, 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 March 31, 2025:

- 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
- the recommendations confirmed as implemented in the current quarter
- the number of recommendations targeted for implementation in current quarter with revised target dates

Implementation of recommendation status at March 31, 2025

Audit reports are posted at: winnipeg.ca/audit

	Number of Recommendations				
Report	**Total**	**Recommendations implemented**	**Recommendations 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 Agency Audit - June 2022	10	5	5		50%
Intersection Signal Infrastructure Investigation – September 2022	3	2	1		67%
New report this quarter: North End Sewage Treatment Plant Upgrade Project Audit - December 2024	44	3	41		7%
Stores Audit – October 2022	3	0	3		0%
Traffic Signals - Procurement & Contracting Audit – September 2024	6	2	4		33%
Urban Forestry Branch Investigation – September 2022	8	7	1		88%
Water and Waste Dept. - Brady Road Resource Management Facility - September 2022	4	3	1		75%
Workforce Management Audit – June 2024	13	9	4		69%
Total	108	37	71		34%

Target dates for implementation of recommendations in progress

	Number of Recommendations			
Report	**2025 Qtr2**	**2025 Qtr3**	**2025 Qtr4**	**2026 Qtr 1 & beyond**
Automatic Vehicle Locator Investigation - June 2021	1			
By-Law Amalgamation Audit – June 2018	8		2	
Fleet Management Agency Audit - June 2022	1	4		
Intersection Signal Infrastructure Investigation – September 2022	1			
North End Sewage Treatment Plant Upgrade Project Audit - December 2024	18	2	1	20
Stores Audit – October 2022				3
Traffic Signals - Procurement & Contracting Audit – September 2024	3	1		
Urban Forestry Branch Investigation – September 2022	1			
Water and Waste Dept. - Brady Road Resource Management Facility - September 2022	1			
Workforce Management Audit – June 2024	1		2	1
Total	35	7	5	24

Recommendations Implemented and Confirmed in 2025 Quarter 1

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Fleet Management Audit – June 2022	

Recommendation 3:
 	
The CAO or designate, in collaboration with the fleet oversight committee, define the committee's terms of reference that include, but not limited:
 	
• Scope of the Committee;
• Role and responsibilities of the committee:
  ○ Defining minimum criteria for vehicle utilization;
  ○ Review vehicle utilization annually;
  ○ Review vehicles that do not meet the minimum criteria for vehicle utilization;
  ○ Adjudicate vehicles and/or equipment that do not meet the defined minimums;
  ○ Develop annual summary reporting of activities for the Chief Administrative Officer
	The CAO or designate in collaboration with the fleet oversight committee defined and approved the Terms of Reference for the Fleet Oversight Committee. The Terms of Reference include the items identified in the recommendation with annual summary reporting on the activities of the Fleet Management Agency to the CAO's Office.

Fleet Management Audit - June 2022	
Recommendation 7: The CAO or their designate, in consultation with the fleet oversight committee, determine the information necessary to make informed budgetary decisions, and provide effective oversight of department fleet performance. At minimum, department reporting should be annual and include vehicle quantities and types per division, and the utilization rates of these vehicles. In addition, the CAO or their designate, ensure this information is made available for future budget decisions.	The CAO or their designate, in consultation with the fleet oversight committee, developed and implemented an annual reporting framework to measure fleet performance, inform future budget planning and provide effective oversight of department fleet performance. The reporting by the Fleet Management Agency includes vehicle quantities and types per department, and the number of units with low utilization rates by department.

North End Sewage Treatment Plant Upgrade Project -Audit– December 2024	
Recommendation 2: Revise the decision and financial delegation of authority in alignment with project specific governance structure, including more delegated authority to empower the Project team to make timely decisions in support of project objectives, schedule, and contract requirements. Additional authority to be supported by: • A governance structure with experience in the scale and complexity of the project • Structured reviews at the stage gates and other critical decision points • Transparent reporting including an easy-to-use dashboard. Considerations should include approval of contingency use within stage approval constraints and phased awards of contract scope (e.g., the planned phases for the AECOM contract). It is typical industry practice to have authority delegated to the Project, within financial limits, for management of items within the initial approved budget / contract. The levels within the delegation of authority should be developed specific to the needs of the Project and through consultation with executive leadership and Council. They should consider the existing delegation of authority, project contracts and commercial structures, stage gate structure, governance structure, contingency drawdown curve, and City requirements/precedent.	Council approved the recommendations to revise the delegations of authority for the NEWPCC Upgrade Capital Projects on February 27, 2025. The delegation of authority was increased to align with the project specific governance structure, including more delegated authority to empower the Project team to make timely decisions in support of project objectives, schedule, and contract requirements.

North End Sewage Treatment Plant Upgrade Project Audit– December 2024	
Recommendation 31: Explore establishing a mechanism for the Biosolids and Nutrient Removal projects to fund unanticipated risks outside of the scope of the project's budget and provide a financial buffer for the City related to large complex projects. The sort of risks that are normally covered by such a mechanism have very low probability with catastrophic consequences and are usually not carried in a project risk register.	WWD Management explored establishing a management reserve to fund unanticipated risks outside of the scope of the project's budget. The following Management response was included in the Audit Report adopted by Council on January 30, 2025. "*Management agrees with the intent of the recommendation but disagrees with the creation of designated Management Reserve. WWD manages risks using municipal utility standard best practices. The ten-year financial model provides for medium term financial stability and the ability to fund unforeseen emergency situations by retaining a target percentage of sales, an Environmental Projects Reserve that funds specific projects, and the ability to transfer between the four funds managed by WWD. An additional Management Reserve for this specific project would necessitate an increase to utility rates in order to accumulate funding."*

North End Sewage Treatment Plant Upgrade Project Audit– December 2024	
Recommendation 35: Include or refer to a reporting calendar section in the Project Controls Plan that outlines required meetings, attendance, and frequencies for preparing Project Controls reports	The Water & Waste Department updated the Project Controls Plan to include details regarding the reporting calendar.

Recommendations targeted for implementation in 2025 Quarter 1 with revised target dates

Implementation target dates are sometimes revised based on a number of factors including unforeseen circumstances, changes in resources, emergent situations and competing priorities, etc.

Report	Recommendation number	Original target date	Revised target date
Fleet Management Audit -June 2022	9	2024 Qtr 1	2025 Qtr 3
Traffic Signals Branch – Procurement and Contracting Audit- September 2024	1	2025 Qtr 1	2025 Qtr 2
Traffic Signals Branch – Procurement and Contracting Audit- September 2024	2	2025 Qtr 1	2025 Qtr 2
Traffic Signals Branch – Procurement and Contracting Audit- September 2024	3	2025 Qtr 1	2025 Qtr 3
Traffic Signals Branch – Procurement and Contracting Audit- September 2024	5	2025 Qtr 1	2025 Qtr 2
North End Sewage Treatment Plant Upgrade Project Audit– December 2024	3	2025 Qtr 1	2025 Qtr 2
North End Sewage Treatment Plant Upgrade Project Audit– December 2024	7	2025 Qtr 1	2025 Qtr 2
North End Sewage Treatment Plant Upgrade Project Audit– December 2024	15	2025 Qtr 1	2025 Qtr 2
North End Sewage Treatment Plant Upgrade Project Audit– December 2024	16	2025 Qtr 1	2025 Qtr 2
North End Sewage Treatment Plant Upgrade Project Audit– December 2024	18	2025 Qtr 1	2025 Qtr 2
North End Sewage Treatment Plant Upgrade Project Audit– December 2024	19	2025 Qtr 1	2025 Qtr 2
North End Sewage Treatment Plant Upgrade Project Audit– December 2024	23	2025 Qtr 1	2025 Qtr 2
North End Sewage Treatment Plant Upgrade Project Audit– December 2024	33	2025 Qtr 1	2025 Qtr 2
North End Sewage Treatment Plant Upgrade Project Audit– December 2024	37	2025 Qtr 1	2025 Qtr 2
North End Sewage Treatment Plant Upgrade Project Audit– December 2024	40	2024 Qtr 4	2025 Qtr 3