



## Audit Follow Up Report

September 23, 2013

To: Pre Audit Sub Committee  
From: Brian Bigger, Auditor General

### Re: Roads – Miscellaneous Winter Maintenance

Audit Report Released	June 2010
Original # Of Recommendations	32
# Of Action Plans Previously Completed	26
# Of Action Plans Now Closed	29
# Of Action Plans On Next Follow Up	3
Status As Of June 30, 2013	On Track

Recommendation and Summary Of Progress (Note: Self assessment conducted by Roads Division)	Self-assessed Status
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Recommendation 1 (a)	
<p>As it is Management's responsibility to establish and to ensure compliance with internal controls and bylaws, Infrastructure Services Management should obtain clarification of City policies through Financial Services and Legal Services, to determine an actual percentage and dollar threshold over which prescribed Council approval would be required. In addition, changes to Council approved budgets over this threshold amount should not be allowed unless first approved by Council.</p> <p><u>Original Management Response</u></p> <p>We agree with the need to have a clearer policy on budget reallocations. Finance has been working on a budget reallocation policy which will be presented to Council in the fall of 2010. In emergency situations such as that which were experienced in the spring of 2009 with potholes, we will strive to ensure that all components of the Purchasing By-law for Emergency Purchases are achieved.</p> <p><u>Actions Taken, Results and /or Actions Planned</u></p> <p>The current Operating Budget Policy (approved by council in August 2011) has addressed the process required for budget reallocations.</p>	Fully or Substantially Implemented

### Recommendation 1 (b)

It is Management's responsibility to establish and to ensure compliance with internal controls and bylaws. Purchasing by-law 2006-270 is clear and specific as it provides circumstances and thresholds where the General Manager is required to report to Council, or where prescribed Council approval would be required. Infrastructure Management should obtain clarification of City policies through Financial Services and Legal Services to improve awareness and understanding of key financial controls and bylaws impacting their operations.

Fully or  
Substantially  
Implemented

#### Original Management Response

An informal email notification was provided to Council March 19, 2009. In future, staff will follow up with a formal Council Report recognizing the unbudgeted expenditure. Staff proceeded in the most expedient and economical means to address a serious problem which had developed into an emergency, in order to deal with the pothole crisis which was occurring at the time. Staff will pursue the issue of "substantial performance certificates" with Legal and Construction Services and establish a formal process for completion of contracts to avoid / prevent a similar reoccurrence.

#### Actions Taken, Results and /or Actions Planned

Roads and Transportation staff are aware of the current policy, including the Purchasing By-law and the recent Capital Policy.

### Recommendation 2 (a)

Due to the age of the software and limited ability within current MMMS to associate activities and costs to specific road assets or road segments, management should continue to investigate other available programs in the market place that could be used to support budget planning, work order management, productivity tracking and cost analysis to the infrastructure asset level.

Partially  
Implemented

#### Original Management Response

Staff agree that a more updated software program should be pursued to better refine the MMMS system. A Project Development Team is being established to pursue a replacement for the current MMMS system and a new system is expected to be in place by early 2012.

#### Actions Taken, Results and /or Actions Planned

Staff is currently involved with the implementation of a new Computerized Maintenance Management System (CMMS) to replace the legacy MMMS. Phase 1 is scheduled to be implemented by the Spring or 2014. Phases 2 and 3 will follow. The CMMS will include these functions.

### Recommendation 3 (a)

It is recommended that the City continue to extend the implementation of an AVL/GIS system that will capture the entire roads infrastructure. This will reduce the need for paper based road patrol reports as the information can be captured timely and accurately, right into GIS. Therefore, our road data will be available for reference purposes. It will be complete, accurate and timely. This information will also assist in the investigation of claims by reducing the amount of time required to trace through paperwork. Since an AVL/GIS system contains all the maintenance information, it can also be used to track potholes and plan the most efficient and cost effective repair for a section of road. This will ensure that once a pothole is identified, it is repaired according to minimum maintenance standards. The system should handle work orders, in order to track the productivity of the crews.

Partially  
Implemented

#### Original Management Response

Staff agree. Staff have been investigating an electronic road patrolling system which would be tied to the ACR system. It is anticipated this will be in place with the new MMMS system.

#### Actions Taken, Results and /or Actions Planned

Council approved the purchase of new AVL hardware / software on May 28, 2013, which includes the development of an electronic Road Patrol application. Staff will commence work on the project in the spring/summer of 2013.

#### **Recommendation 3 (b)**

Management needs to improve procedures related to road patrol documentation to ensure regulatory requirements for patrols and repairs are consistently met.

Partially  
Implemented

#### Original Management Response

Paper copy road patrol records are being kept and are continuously being improved. Staff follow the province's road patrol documentation process. Staff have been investigating an electronic road patrolling system which would be tied to the ACR system. It is anticipated that this will be in place with the new MMMS system.

#### Actions Taken, Results and /or Actions Planned

Council approved the purchase of new AVL hardware / software on May 28, 2013, which includes the development of an electronic Road Patrol application. Staff will commence work on the project in the spring/summer of 2013.

#### **Recommendation 4 (f)**

A thorough analysis of cost and productivity should be done by area, for the costs for using internal crews on straight time, and overtime as compared to the use of contractors. This information should be used in scheduling so that the most cost effective method is achieved.

Fully or  
Substantially  
Implemented

#### Original Management Response

Cost alone is not the only factor to consider when bringing in contract crews. Other factors are considered when assigning work. Some examples are: Staff must fully utilize permanent City employees prior to having the work done by contractors. The pothole patching contract is intended to supplement city crews when they cannot keep up with the demand and meet the minimum maintenance standards. Overtime costs for city crews must be considered outside of their regular working hours. The City's Union agreement limits our employees to twenty hours of overtime per week. This limits available hours for other essential winter control activities.

#### Actions Taken, Results and /or Actions Planned

Staff continue to follow this recommendation and the actions previously outlined.



Brian Bigger, CGA, CRMA

Auditor General for the City of Greater Sudbury