

Followup Report

Miscellaneous Roads Winter Maintenance Audit Status

By: Brian Bigger, Auditor General

On: May 4, 2011

To: Audit committee

Status

Report Title and Date	Total No. of Recommendations Reviewed	Results of Current Review		
		Fully Implemented	Not Fully Implemented	No Longer Relevant/ Management Decision Not To Implement
Miscellaneous Roads Winter Maintenance May 25, 2010	32	19	11	2

- Management has made significant progress on implementing outstanding audit recommendations.
- Further, it appears that management continues to make progress on recommendations not fully implemented.

How Has This Audit Added Value?

Management's Ongoing Improvements – Asphalt Winter Patching

Council Resolution:

- Resolution (#2010-04) was passed by Audit Committee and ratified by Council on June 23, 2010. Part of the resolution was that the Audit Committee instruct staff that, from this point forward, contracts with contractors be paid only for hours worked and not for lunch breaks.

Controls Surrounding Contractor Unpaid Breaks

- Notice was given to contractors.
- The approval process was reviewed with Supervisors
- Purchasing has added new wording in new hourly rated contracts which state that contractors working more than five consecutive hours shall take at least a 30 minute eating period in accordance with the Employment Standards Act Part VII Hours of Work and Eating Periods.
- Furthermore, invoices provided to the City must show eating periods taken

How Has This Audit Added Value?

Management's Ongoing Improvements – Asphalt Winter Patching

Although many factors impact the amount spent, the financial impact on this program is encouraging

- 2008 - 2009 Miscellaneous Winter Maintenance expenditures for contractors and hired equipment labor total \$ **927,598**
- 2009-2010 Miscellaneous Winter Maintenance expenditures for contractors and hired equipment labor total \$ **202,454**
- 2010-2011 Miscellaneous Winter Maintenance expenditures for contractors and hired equipment labor total \$ **51,525** April YTD

Conclusion

- 21 of 32 recommendations have been closed.
- The remaining recommendations are in progress
- Although cost savings are often a direct result of the work conducted by the Office, of equal importance is the work conducted to safeguard City resources and ensure proper use of public funds.
- Recommendations relating to the improvement of internal controls and the quality of stewardship over public funds are an important part of the Auditor General's work but are not easily quantifiable.
- It is important to appreciate that reports which have no apparent immediate financial benefit may nevertheless have other significant long-term benefits to the City.
- Implementing the recommendations contained in this report have strengthened controls, and resulted in operational efficiencies.