



Auditor General
MANITOBA

Report to the Legislative Assembly

**Follow Up of Previously
Issued Recommendations**

Independent Assurance Report

WEBSITE VERSION



February 2024

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Auditor General
MANITOBA

February 2024

Honourable Tom Lindsey
Speaker of the Legislative Assembly
Room 244, Legislative Building
450 Broadway
Winnipeg, Manitoba R3C 0V8

Dear Mr. Speaker:

It is an honour to submit my report, titled *Follow Up of Previously Issued Recommendations*, to be laid before Members of the Legislative Assembly in accordance with the provisions of Section 28 of *The Auditor General Act*.

Respectfully submitted,

Original Signed by:

Tyson Shtykalo, CPA, CA
Auditor General

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Auditor General's comments

In this report we present the implementation status of 59 recommendations as at September 30, 2023. This is the second and final follow up for 4 recommendations issued in January 2020. This is the first follow up for the other 55 recommendations issued between January and August 2021.

I am generally satisfied with the progress made by the entities implementing our recommendations. We found 32 of 59 recommendations (54%) followed up on have been implemented since we issued our reports.

For 2 reports the implementation rate was 100%: *Main Street Project Investigation* (June 2021) and *Management of Provincial Tourism* (January 2020). But, none of our recommendations in the *Investigation: Shellmouth Dam Compensation Program* (August 2021) have been implemented. As well, only one recommendation has been implemented in our *Investigation: Municipal Development Corporations* (August 2021) report.

Producing this report each year requires the involvement of all of the entities originally audited. I thank the public servants and other staff for their cooperation and assistance, and for providing progress reports and supporting documentation during our follow-up process.

I would also like to thank my staff for their contributions to this report.

Original Signed by:

Tyson Shtykalo, CPA, CA
Auditor General



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Follow up of audit report recommendations

We strive to promote government accountability and public administration excellence for Manitobans through impactful audit work and reports. All our audit reports contain recommendations that identify areas needing improvement. Our audit reports achieve their desired impact when the audited entities improve their practices through the implementation of our recommendations.

When tabled in the Legislature, our audit reports are automatically referred to the Legislative Assembly's Standing Committee on Public Accounts. Government departments and Crown organizations are accountable to the Public Accounts Committee (PAC) for the implementation of recommendations. The PAC can, through its follow up of the implementation status of recommendations, bring to bear the full authority of the Legislative Assembly to ensure departments do what is needed to properly address the issues underpinning each of our recommendations. To assist the PAC in this key role, we report on the implementation status of our recommendations.

This report contains the follow up of recommendations in 7 audit reports we issued in 2020 and 2021.

OUR NEW FOLLOW-UP PROCESS

We typically schedule an initial follow up about 2 years after an audit report is released. Subsequent follow ups, and the timing, are determined based on the progress made implementing the recommendations.

As part of this year's follow up, we requested progress reports as at September 30, 2023 from management of the audited entities. Management was responsible for assessing and reporting the status of each recommendation from these 4 **status categories**:

- Work in progress.
- Implemented/resolved.
- Action no longer required.
- Do not intend to implement.

For the recommendations reported by management as implemented/resolved, we performed limited assurance procedures to substantiate their assessment of the status. We did not perform any procedures, and we provide no assurance on recommendations noted in the report with any status other than implemented/resolved.

STATUS CATEGORIES:

- **Work in progress:** Management is taking steps to implement our recommendation.
- **Implemented/resolved:** Recommendation has been implemented, or an alternate solution has been implemented that fully addresses the risk identified in the original report.
- **Action no longer required:** The recommendation is no longer relevant due to changes in circumstances that have mitigated the risk identified in the original report.
- **Do not intend to implement:** Management does not intend to implement our recommendation or otherwise address the risk identified in our original report.

Implementation status

This report provides the implementation statuses of 59 recommendations, as reported by management. As detailed in **FIGURE 1**, the statuses for these recommendations were reported as follows:

- Implemented/resolved - 32 (54%).
- Do not intend to implement - 4 (7%).
- Work in progress - 23 (39%).

Figure 1: Reported implementation statuses, as at September 30, 2023					
Report	Total	Implemented/ resolved	Action no longer required	Do not intend to implement	Work in progress
Second and final follow up					
January 2020					
<i>Management of Provincial Tourism</i>	4	4			
First follow up					
January 2021					
<i>Physicians' Billings</i>	6	4			2
<i>Animal Disease Preparedness</i>	13	4			9
June 2021					
<i>Main Street Project Investigation</i>	12	12			
<i>Automatic Vehicle Location Management Systems</i>	14	7			7
August 2021					
<i>Investigations Report: Shellmouth Dam Compensation Program</i>	5				5
<i>Municipal Development Corporations</i>	5	1		4	
Grand total	59	32 (54%)	0 (0%)	4 (7%)	23 (39%)

Limited assurance attestation engagement description

This independent limited assurance report was prepared by our Office on the statuses of certain recommendations included in the following reports issued by our Office:

- *Management of Provincial Tourism* (January 2020) – **CHAPTER 1.**
- *Physicians' Billings* (January 2021) – **CHAPTER 2.**
- *Animal Disease Preparedness* (January 2021) – **CHAPTER 3.**
- *Main Street Project Investigation* (June 2021) – **CHAPTER 4.**
- *Automatic Vehicle Location Management Systems* (June 2021) – **CHAPTER 5.**
- *Investigations Report: Shellmouth Dam Compensation Program* (August 2021) – **CHAPTER 6.**
- *Investigations Report: Municipal Development Corporations* (August 2021) – **CHAPTER 7.**

Our responsibility was to provide limited assurance, as at September 30, 2023, on those recommendations reported by management as implemented/resolved, to determine if management's assessment was free from material misstatement. We did not perform any procedures, and provide no assurance on recommendations noted in the report with any status other than implemented/resolved.

The procedures performed in a limited assurance engagement vary in nature and timing from, and are lessor in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

The responsible party or parties identified in each chapter is responsible for assessing their status in implementing the recommendations issued by the Auditor General. For recommendations management assessed as implemented/resolved, we are responsible for substantiating the assessment through interviews and examination of documentation. We evaluated the implementation status using the original recommendation as the criteria to assess whether the supporting information provided by management addressed the original audit recommendation. As these criteria are specific to our original engagement, they may not be suitable for another purpose.

All work in this report was performed to a limited level of assurance in accordance with the Canadian Standard for Assurance Engagements 3000—Attestation Engagements Other Than Audits or Reviews of Historical Financial Information set out by the Chartered Professional Accountants of Canada (CPA Canada) in the CPA Canada Handbook —Assurance.

Our Office applies Canadian Standard on Quality Management CSQM 1 and, accordingly, maintains a comprehensive system of quality management, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the Code of Professional Conduct of the Chartered Professional Accountants of Manitoba, which are founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

For each chapter, we obtained confirmation from management that:

- It has provided all known information that has been requested or that could affect the findings or conclusions.
- It has evaluated the underlying subject matter against the applicable criteria, including that all relevant matters are reflected in the subject matter information.

FOR OUR ASSURANCE CONCLUSIONS, SEE THE RESPECTIVE CHAPTERS OF THE REPORT.



SECTION 1: 2020 Recommendations

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Chapter 1 - *Management of Provincial Tourism* 9

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Chapter 1: *Management of Provincial Tourism*



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Chapter 1: Management of Provincial Tourism

Our recommendations are directed to Travel Manitoba, a Crown corporation. At the time of our audit, Travel Manitoba reported to the Minister of Economic Development and Training. Due to reorganizations the agency now reports to the Minister of Sport, Culture, Heritage and Tourism.

Public Accounts Committee (PAC) discussions	
Report, issued date	Discussed at PAC
Original report – January 2020	–
First follow up – March 2023	–

What our original report examined

We examined whether the Province had established adequate systems and practices to support the achievement of tourism goals and objectives.

This follow-up report should be reviewed in conjunction with our original report to obtain an understanding of the issues which underlie the recommendations. All our reports are available at our website: oag.mb.ca/audit-reports.

Status of recommendations as at September 30, 2023

As shown in the table below, all 4 of our recommendations have been reported as implemented as at September 30, 2023.

Organization	Total recommendations	Implemented/ resolved As at September 30, 2023	% implemented
Travel Manitoba	4	4	100%
Total	4	4	100%

This is the second and final follow up for this audit. The table below summarizes when recommendations were considered implemented. For the recommendations considered implemented as at September 30, 2022, no further work was done this year.

Timing of implementation of recommendations	
Follow-up report date	Implemented/resolved
This follow up	2
March 2023	2
TOTAL	4

Below we list all recommendations, noting the statuses reported by management for each. Recommendations that will no longer be followed up are shaded.

Recommendation	Status reported by management as at September 30, 2023 (unless otherwise noted)
We recommended that:	
1. Travel Manitoba conduct a risk assessment for all tourism strategies, including short, medium and long-term risks, and identify measures to mitigate significant risks.	Implemented/resolved as at Sept 30, 2022
2. Travel Manitoba identify: <ul style="list-style-type: none"> Existing resources. Funding required and its sources. Staff requirements. Which other stakeholders are required to support the initiatives identified by the strategies. 	Implemented/resolved
3. Travel Manitoba issue separate progress reports on the Strategies, which would include what other parties involved in implementing the initiatives have achieved.	Implemented/resolved as at Sept 30, 2022
4. Travel Manitoba ensure that monitoring and reporting information is easily locatable and publicly accessible.	Implemented/resolved

Limited assurance attestation conclusion – *Management of Provincial Tourism*

Conclusion on implemented/resolved recommendations – Based on the limited assurance procedures performed and evidence obtained, nothing has come to our attention that causes us to believe the recommendation statuses reported by management as implemented/resolved in relation to the *Management of Provincial Tourism* report, are not, in all material respects, fairly stated. Additional information provided in this report is not intended to take away from our overall conclusion.

See the **LIMITED ASSURANCE ATTESTATION ENGAGEMENT DESCRIPTION** section for a detailed description of our engagement, and the limitations of limited assurance attestation.

Date of the assurance report

We obtained sufficient and appropriate evidence on which to base our conclusion on December 19, 2023, in Winnipeg, Manitoba.

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SECTION 2: 2021 Recommendations

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Chapter 2: *Physicians' Billings*



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Chapter 2: Physicians' Billings

Our recommendations were directed to Manitoba Health, Seniors and Active Living. Due to government reorganizations, Treasury Board Secretariat is now responsible for implementing the recommendations originally directed to Manitoba Health, Seniors and Active Living.

Public Accounts Committee (PAC) discussions	
Report, issued date	Discussed at PAC
Original report – January 2021	–

What our original report examined

We assessed whether Manitoba Health, Seniors and Active Living (now the responsibility of Treasury Board Secretariat) had systems and procedures in place to ensure fees paid to and recovered from physicians are in accordance with applicable legislation, regulation and agreements.

We examined work performed by Manitoba Health, Seniors and Active Living. This included reviewing:

- The methodology used to select physicians for audits.
- The audit work performed on physicians' files.
- The process used to recover overpayments to physicians.

This follow-up report should be reviewed in conjunction with our original report to obtain an understanding of the issues which underlie the recommendations. All our reports are available at our website: oag.mb.ca/audit-reports.

Status of recommendations as at September 30, 2023

As shown in the table below, 4 of our 6 recommendations were reported by management as implemented as at September 30, 2023. Implemented recommendations are excluded from any subsequent follow ups.

Organization	Total recommendations	Implemented/ resolved As at September 30, 2023	% implemented
Treasury Board Secretariat	6	4	67%
Total	6	4	67%

Below we list all recommendations, noting the statuses reported by management for each. Recommendations that will no longer be followed up are shaded, while those still outstanding are not shaded.

Recommendation	Status reported by management as at September 30, 2023
We recommended that:	
1. The Department develop a structured training program for all staff involved in the fee-for-service process.	Implemented/resolved
2. The Department analyze billing data to determine highest risk physician or tariff codes and focus audit resources in this area. Random audits should be used to supplement the highest risk audits.	Work in progress
3. The Department publish results of physician audits performed by the Audit and Investigation Unit.	Work in progress
4. The Department set a service standard or timeframe for communication with physicians regarding potential overpayments.	Implemented/resolved
5. The Department use the powers of <i>The Health Services Insurance Act</i> and recover all overbilled amounts paid to physicians.	Implemented/resolved
6. The Department set a time limit to reach a decision in the dispute resolution process.	Implemented/resolved

WEBSITE VERSION

Limited assurance attestation conclusion – *Physicians' Billings*

Conclusion on implemented/resolved recommendations – Based on the limited assurance procedures performed and evidence obtained, nothing has come to our attention that causes us to believe the recommendation statuses reported by management as implemented/resolved in relation to the *Physicians' Billings* report, are not, in all material respects, fairly stated. Additional information provided in this report is not intended to take away from our overall conclusion.

See the **LIMITED ASSURANCE ATTESTATION ENGAGEMENT DESCRIPTION** section for a detailed description of our engagement, and the limitations of limited assurance attestation.

Date of the assurance report

We obtained sufficient and appropriate evidence on which to base our conclusion on December 19, 2023, in Winnipeg, Manitoba.

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Chapter 3: *Animal Disease Preparedness*



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Chapter 3: Animal Disease Preparedness

Our recommendations were directed to the Department of Agriculture and Resource Development. Due to a government reorganization, the Department of Agriculture is now responsible for implementing the recommendations originally directed to the Department of Agriculture and Resource Development.

Public Accounts Committee (PAC) discussions	
Report, issued date	Discussed at PAC
Original report – January 2021	–

What our original report examined

We assessed whether the Department of Agriculture and Resource Development (now called the Department of Agriculture) is prepared for an animal disease emergency.

This follow-up report should be reviewed in conjunction with our original report to obtain an understanding of the issues which underlie the recommendations. All our reports are available at our website: oag.mb.ca/audit-reports.

Status of recommendations as at September 30, 2023

As shown in the table below, 4 of our 13 recommendations were reported by management as implemented as at September 30, 2023. Implemented recommendations are excluded from any subsequent follow ups.

Organization	Total recommendations	Implemented/ resolved As at September 30, 2023	% implemented
Department of Agriculture	13	4	31%
Total	13	4	31%

Below we list all recommendations, noting the statuses reported by management for each. Recommendations that will no longer be followed up are shaded, while those still outstanding are not shaded.

Recommendation

Status reported by management as at September 30, 2023

We recommended that:	
1. The Department periodically perform a risk assessment for all animal diseases to determine whether each disease is of concern to Manitoba. Assessment should consider the likelihood and significance of the impact if the disease occurs, and assessments for diseases already known to be of most significance to Manitoba should be prioritized.	Work in progress
2. The Department assess the risks faced by the Veterinary Diagnostic Services lab in meeting its goals and objectives, both on a day-to-day operational basis and in a disease-outbreak situation, and take steps as necessary to mitigate the risks.	Work in progress
3. The Department implement a reliable information management system that fully integrates all provincial traceability information (premises identification, lab disease reporting data, and geospatial systems) and that the Department work with industry-led non-profit organizations to obtain assurance of the completeness of the information in the national traceability portal.	Work in progress
4. The Department take steps to improve their working relationship with the CFIA.	Implemented/resolved
5. The Department develop regulations, as necessary, to be able to fully execute its authority under The Animal Diseases Act to take necessary, reasonable actions to prevent animal diseases in a timely manner.	Implemented/resolved
6. The Department, as part of its risk assessment in RECOMMENDATION 1, promptly, and periodically thereafter, assess the resources needed to respond to each disease identified as significant to Manitoba.	Work in progress
7. The Department prepare a complete response plan for each disease identified as significant to Manitoba in RECOMMENDATION 1. Complete response plans should: <ul style="list-style-type: none"> • Specify activities related to the risks identified for the specific disease. • Clearly define roles and responsibilities, including who will be the provincial lead in the response. • Identify clear channels of communication, including who will be the main contact in industry and how they will be communicated with. 	Work in progress

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Recommendation	Status reported by management as at September 30, 2023
<ul style="list-style-type: none"> Identify others (governments, government departments and agencies, and other stakeholders) that may be impacted by the disease and should be included in the response plan. Be developed in collaboration with industry and, for federally reportable diseases, with CFIA. 	
8. The Department prepare an operational plan for the Animal Health and Welfare Branch that identifies the expectations of the Branch on a day-to-day basis as well as how those expectations would change in the event of an animal disease emergency.	Work in progress
9. The Department, in the assessment performed in RECOMMENDATION 6, determine the equipment, supplies, and personnel necessary to respond to an animal disease emergency.	Work in progress
10. The Department stockpile the necessary equipment and supplies, and ensure personnel required for each disease response are available, based on the risk tolerance of government.	Work in progress
11. The Department, based on the response plans developed in RECOMMENDATION 7, plan, facilitate, and participate in emergency response simulation exercises on a regular basis to ensure key emergency response personnel know and understand their roles and those of others involved in an emergency response.	Work in progress
12. The Department take steps to ensure that, during an animal disease emergency, it has the legislative authority to respond, including in its disposal of carcasses.	Implemented/resolved
13. The Department, in developing its emergency response plans for each disease, consider to what degree recovery of the industry will be expected, and what potential levels of financial assistance, job retraining, and mental health supports may be required.	Implemented/resolved

Limited assurance attestation conclusion – *Animal Disease Preparedness*

Conclusion on implemented/resolved recommendations – Based on the limited assurance procedures performed and evidence obtained, nothing has come to our attention that causes us to believe the recommendation statuses reported by management as implemented/resolved in relation to the *Animal Disease Preparedness* report, are not, in all material respects, fairly stated. Additional information provided in this report is not intended to take away from our overall conclusion.

See the **LIMITED ASSURANCE ATTESTATION ENGAGEMENT DESCRIPTION** section for a detailed description of our engagement, and the limitations of limited assurance attestation.

Date of the assurance report

We obtained sufficient and appropriate evidence on which to base our conclusion on December 19, 2023, in Winnipeg, Manitoba.

Chapter 4: *Main Street Project Investigation*



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Chapter 4: Main Street Project Investigation

Our recommendations were directed to Main Street Project.

Public Accounts Committee (PAC) discussions	
Report, issued date	Discussed at PAC
Original report – June 2021	–

What our original report examined

The objective of our audit was to determine the validity of the allegations related to the Main Street Project (MSP). We conducted a forensic review of records obtained and interviewed board members and MSP staff.

This follow-up report should be reviewed in conjunction with our original report to obtain an understanding of the issues which underlie the recommendations. All our reports are available at our website: oag.mb.ca/audit-reports.

Status of recommendations as at September 30, 2023

As shown in the table below, all 12 of our recommendations were reported by management as implemented as at September 30, 2023. Implemented recommendations are excluded from any subsequent follow ups.

Organization	Total recommendations	Implemented/ resolved As at September 30, 2023	% implemented
Main Street Project	12	12	100%
Total	12	12	100%

Below we list all recommendations, noting the statuses reported by management for each. Recommendations that will no longer be followed up are shaded.

Recommendation

Status reported by
management as at
September 30, 2023

We recommended that:

<p>1. MSP's Board implement a policy over Executive Director's expenses. At minimum, this policy should address:</p> <ul style="list-style-type: none"> • Authorization limits. • Types of expenses allowed. • Requirements for pre-approval from the Board for travel related expenses, including supporting documents to provide business rationale for expense. • Requirements for submitting original receipts with details of what was purchased to be attached to all claims. • Required documentation on the purposes of restaurant meals and who attended, and documentation on the nature and purpose of entertainment events. • If and when alcohol charges are allowed. • A requirement that group expenses can only be claimed by the most senior person present. • Prohibiting cash advances on MSP credit cards. • Requirements to payback overpayment of expense claims promptly. 	<p>Implemented/resolved</p>
<p>2. MSP's Board Chair, or other delegated approver, be provided training from the Director of Finance on requirements and expectations with respect to oversight of the Executive Director's expenses.</p>	<p>Implemented/resolved</p>
<p>3. MSP's Board develop a policy for the review and approval for all expenses of the Executive Director. This policy should include at a minimum requirement for:</p> <ul style="list-style-type: none"> • Board member(s) designated to review and approve Executive Director's Expense. • Review of expense claims by Director of Finance prior to submission to Board. • Timing of expense approvals. 	<p>Implemented/resolved</p>
<p>4. A personnel file be maintained for the Executive Director. This file should be kept by the Director of Human Resources and include evidence of appropriate recruitment and hiring practices such as:</p> <ul style="list-style-type: none"> • Verification of education. • Reference checks. • Criminal record check. 	<p>Implemented/resolved</p>

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Recommendation	Status reported by management as at September 30, 2023
5. MSP's Board ensure annual performance evaluations of the Executive Director are completed and that a copy, signed by both the Executive Director and at the Board level, is maintained in the personnel file.	Implemented/resolved
6. MSP's Board periodically conduct board evaluations.	Implemented/resolved
7. MSP ensure that conflict of interest declaration forms are completed annually by all Board members and the Executive Director.	Implemented/resolved
8. MSP review and revise its purchasing policy to provide more guidance, including at a minimum: <ul style="list-style-type: none"> • Procurement methods available for use. • Dollar value thresholds to guide the procurement method to be used. • Guidance for evaluating suppliers. • Purchasing authority levels. • Requirement for goods/services received to be verified by someone other than the person making the purchase. 	Implemented/resolved
9. MSP revise its employee credit card policy to ensure clear guidelines for acceptable and unacceptable purchases. Exceptions to the policy should be limited and require justification and signoff by the Executive Director.	Implemented/resolved
10. MSP ensure that credit cards are only used when necessary and that purchases should be made through the accounts payable process whenever possible.	Implemented/resolved
11. Monthly bank reconciliations are prepared and reviewed within 30 days. The bank reconciliations should indicate dates and signatures of both the preparer and the reviewer.	Implemented/resolved
12. MSP document accounting recordkeeping requirements which would include the identification of key records to be maintained, where they should be maintained, and whether they should be maintained in paper or electronic format.	Implemented/resolved

Limited assurance attestation conclusion – *Main Street Project Investigations*

Conclusion on implemented/resolved recommendations – Based on the limited assurance procedures performed and evidence obtained, nothing has come to our attention that causes us to believe the recommendation statuses reported by management as implemented/resolved in relation to the *Main Street Project Investigation* report, are not, in all material respects, fairly stated. Additional information provided in this report is not intended to take away from our overall conclusion.

See the **LIMITED ASSURANCE ATTESTATION ENGAGEMENT DESCRIPTION** section for a detailed description of our engagement, and the limitations of limited assurance attestation.

Date of the assurance report

We obtained sufficient and appropriate evidence on which to base our conclusion on December 19, 2023, in Winnipeg, Manitoba.

Chapter 5: *Automatic Vehicle Location Management Systems*



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Chapter 5: Automatic Vehicle Location Management Systems

Our recommendations were directed to the following organizations:

- The Department of Conservation and Climate.
- The Department of Families.
- The Department of Infrastructure.
- Treasury Board Secretariat.
- The Province.

Due to government reorganizations, the Department of Environment and Climate Change is now responsible for implementing the recommendations originally directed to the Department of Conservation and Climate. Similarly, the Department of Transportation and Infrastructure is now responsible for implementing the recommendations originally directed to the Department of Infrastructure.

Public Accounts Committee (PAC) discussions	
Report, issued date	Discussed at PAC
Original report – June 2021	–

What our original report examined

We assessed whether Automatic Vehicle Location (AVL) information, from Vehicle and Equipment Management Agency's (VEMA) fleet vehicles, is being used to maximize operational and financial efficiencies.

This follow-up report should be reviewed in conjunction with our original report to obtain an understanding of the issues which underlie the recommendations. All our reports are available at our website: oag.mb.ca/audit-reports.

Status of recommendations as at September 30, 2023

Three of our 8 recommendations from our 2021 report were directed to all core government entities with fleet vehicles. For follow-up purposes, these recommendations were followed-up with the 3 departments included in the original audit. This results in a total of 14 recommendations.

As shown in the table below, 7 of our 14 recommendations were reported by management as implemented as at September 30, 2023. Implemented recommendations are excluded from any subsequent follow ups.

Organization	Total recommendations	Implemented/ resolved As at September 30, 2023	% implemented
Department of Environment and Climate Change	3	2	67%
Department of Families	3	2	67%
Department of Transportation and Infrastructure	3	2	67%
The Province (response received from Clerk of the Executive Council)	1	0	0%
Treasury Board Secretariat	4	1	25%
Total	14	7	50%

Below we list all recommendations, noting the statuses reported by management for each. Recommendations that will no longer be followed up are shaded, while those still outstanding are not shaded.

Recommendation	Responsible organization(s)	Status reported by management as at September 30, 2023
We recommended that:		
1. All core government entities with fleet vehicles regularly monitor AVL data for internal use, at minimum monthly, including speeding, idling, and after-hours use incidents.	Department of Environment and Climate Change	Implemented/resolved
	Department of Families	Implemented/resolved
	Department of Transportation and Infrastructure	Implemented/resolved
We note that after-hours incidents are still not being monitored by any of the 3 departments.		

Recommendation	Responsible organization(s)	Status reported by management as at September 30, 2023
<p>2. All core government entities with fleet vehicles follow up on incidents of driver non-compliance identified in their internal monitoring of AVL data, including documenting the reason(s) for the incident and any additional follow-up actions taken.</p>	<p>Department of Environment and Climate Change</p>	<p>Implemented/resolved</p>
	<p>Department of Families</p>	<p>Implemented/resolved</p>
	<p>Department of Transportation and Infrastructure</p>	<p>Implemented/resolved</p>
<p>We note that the Department of Transportation and Infrastructure is only following up on speeding incidents, but not idling incidents.</p>		
<p>3. All core government entities with fleet vehicles take remedial actions as necessary for driver non-compliance, in accordance with policies implemented in RECOMMENDATION 4.</p>	<p>Department of Environment and Climate Change</p>	<p>Work in progress</p>
	<p>Department of Families</p>	<p>Work in progress</p>
	<p>Department of Transportation and Infrastructure</p>	<p>Work in progress</p>
<p>The Department of Transportation and Infrastructure gave some evidence of taking remedial action for instances of drivers speeding.</p>		
<p>4. Treasury Board Secretariat, together with Civil Service Commission on human resource matters, promptly implement policy guidance for core government entities with fleet vehicles that defines:</p> <ul style="list-style-type: none"> • Roles and responsibilities for using vehicles with AVL devices and the related data. • Non-compliant driver behaviour. • Processes for monitoring and following-up non-compliant driver behaviour, including standardized speeding and idling rules for Geotab reports. • Escalating remedial actions intended to correct non-compliant behaviour. 	<p>Treasury Board Secretariat</p>	<p>Work in progress</p>

Recommendation	Responsible organization(s)	Status reported by management as at September 30, 2023
5. We recommend that Treasury Board Secretariat ensure all core government entities using fleet vehicles implement the policy guidance referred to in RECOMMENDATION 4.	Treasury Board Secretariat	Work in progress
6. Treasury Board Secretariat clearly communicate to all core government entities using fleet vehicles a standardized reporting process for AVL data that allows the Secretariat to assess overall progress in achieving AVL program goals and objectives.	Treasury Board Secretariat	Implemented/resolved
7. Treasury Board Secretariat collect departmental AVL information (referred in RECOMMENDATION 6) and periodically perform a government-wide analysis of changes in driver behaviour.	Treasury Board Secretariat	Work in progress
8. The Province periodically publicly report on its progress towards achieving the intended impacts in the installation of the AVL devices: <ul style="list-style-type: none"> • Finding operational and financial efficiencies. • Reducing environmental impacts. 	The Province	Work in progress

Limited assurance attestation conclusion – *Automatic Vehicle Location Management Systems*

Conclusion on implemented/resolved recommendations – Based on the limited assurance procedures performed and evidence obtained, nothing has come to our attention that causes us to believe the recommendation statuses reported by management as implemented/resolved in relation to the *Automatic Vehicle Location Management Systems* report, are not, in all material respects, fairly stated. Additional information provided in this report is not intended to take away from our overall conclusion.

See the **LIMITED ASSURANCE ATTESTATION ENGAGEMENT DESCRIPTION** section for a detailed description of our engagement, and the limitations of limited assurance attestation.

Date of the assurance report

We obtained sufficient and appropriate evidence on which to base our conclusion on December 19, 2023, in Winnipeg, Manitoba.

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Chapter 6:
***Investigations Report: Shellmouth
Dam Compensation Program***



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Chapter 6: Investigations Report: Shellmouth Dam Compensation Program

Our recommendations were directed to the Department of Infrastructure. Due to a government reorganization, the Department of Transportation and Infrastructure is now responsible for implementing the recommendations originally directed to the Department of Infrastructure.

Public Accounts Committee (PAC) discussions	
Report, issued date	Discussed at PAC
Original report – August 2021	–

What our original report examined

The allegations we examined involved whether the Shellmouth Dam Compensation Program was administered in a timely fashion and if key requirements in the regulation were consistently followed by the Department of Infrastructure (now called the Department of Transportation and Infrastructure). We also examined if communication was sufficient with potential claimants and if required public consultations had been completed in accordance with legislation.

This follow-up report should be reviewed in conjunction with our original report to obtain an understanding of the issues which underlie the recommendations. All our reports are available at our website: oag.mb.ca/audit-reports.

Status of recommendations as at September 30, 2023

As shown in the table below, 0 of our 5 recommendations were reported by management as implemented as at September 30, 2023.

Organization	Total recommendations	Implemented/ resolved As at September 30, 2023	% implemented
Department of Transportation and Infrastructure	5	0	0%
Total	5	0	0%

Below we list all recommendations, noting the statuses reported by management for each. Recommendations that will no longer be followed up are shaded, while those still outstanding are not shaded.

Recommendation	Status reported by management as at September 30, 2023
We recommended that:	
1. The Department of Infrastructure review existing policies and practices to determine what skills and experience level is required to perform inspections and claim evaluations. The results of the review should be documented.	Work in progress
2. The Department place time limits on all key parts of the process including: <ul style="list-style-type: none"> • Artificial flood report to be completed and released • Applicants to receive a decision letter on their Intent to Claim Form • Inspections to be completed to satisfy the prompt inspection requirement • For cheques to be issued if warranted 	Work in progress
3. Emergency Measures Organization (EMO) produce program guidelines which clearly state what inspectors should be required to document. If physical inspections are required, the files should contain the date inspections took place, if the complainant was present and the nature of the damage.	Work in progress
4. EMO produce guidelines which clearly state what must be included in their files. This may include plans, surveys, schematics, photographs, videos, original invoices, descriptions/log books, etc.	Work in progress
5. EMO produce and follow a communication strategy to ensure key stakeholders are aware of the Shellmouth Dam Compensation Program and how it operates. This should include what eligibility criteria is and what must be submitted to EMO. The communication strategy may include a website, a frequently asked question section, strategic use of media, directly contacting potential claimants, etc.	Work in progress

WEBSITE VERSION

Chapter 7: *Investigations Report: Municipal Development Corporations*



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Chapter 7: Investigations Report: Municipal Development Corporations

Our recommendations were directed to the Department of Municipal Relations. Due to a government reorganization the Department of Municipal and Northern Relations is now responsible for implementing the recommendations originally directed to the Department of Municipal Relations.

Public Accounts Committee (PAC) discussions	
Report, issued date	Discussed at PAC
Original report – August 2021	–

What our original report examined

We assessed whether municipal councils were receiving sufficient information to properly manage their municipal development corporations and if the public has sufficient barrier-free access to basic information regarding activities, revenues and expenditures of the corporations.

This follow-up report should be reviewed in conjunction with our original report to obtain an understanding of the issues which underlie the recommendations. All our reports are available at our website: oag.mb.ca/audit-reports.

Status of recommendations as at September 30, 2023

As shown in the table below, 1 of our 5 recommendations were reported by management as implemented as at September 30, 2023. Implemented recommendations, and those management has indicated it does not intend to implement, are excluded from any subsequent follow ups.

Organization	Total recommendations	Implemented/ resolved As at September 30, 2023	% implemented
Department of Municipal Relations	5	1	20%
Total	5	1	20%

Of the 5 recommendations, management has chosen not to implement 4 of the recommendations as follows:

- The Department has chosen not to implement Recommendation 1. Recommendation 1 deals with identifying the financial documentation councils should receive, and ensuring councils receive it. The Department told us because this is not a current requirement of *The Municipal Act* it will not be implementing this recommendation.
- The Department has chosen not to implement Recommendation 2. Recommendation 2 deals with ensuring the public has access to financial information identifying the revenues and expenditures of municipal controlled organizations, such as municipal development corporations. The Department told us because this is not a current requirement of *The Municipal Act* it will not be implementing this recommendation.
- The Department has chosen not to implement Recommendation 3. Recommendation 3 deals with reducing barriers for Manitobans to access municipal financial statements and financial information, by posting this information on the public website. The Department told us because this is not a current requirement of *The Municipal Act* it will not be implementing this recommendation.
- The Department has chosen not to implement Recommendation 4. Recommendation 4 deals with ensuring municipal councils are creating strategic plans and setting annual goals to provide guidance and direction to their development corporations. It also deals with establishing a threshold for when municipal development corporations should also create strategic plans and set annual goals. The Department told us because this is not a current requirement of *The Municipal Act* it will not be implementing this recommendation.

We initiated this investigation after receiving numerous citizen concerns regarding difficulties finding basic documentation such as municipal financial statements, and the revenues and expenditures of municipal controlled organizations. The subsequent investigation found the Department did not provide sufficient guidance and follow up to ensure municipalities were able to appropriately manage their development corporations, and to ensure principles such as transparency, accountability, and accessibility were followed. Without the implementation of our recommendations, there is a missed opportunity to help ensure the accountability of municipal governments to the Manitobans they represent.

Below we list all recommendations, noting the statuses reported by management for each. Recommendations that will no longer be followed up are shaded.

Recommendation

Status reported by management as at September 30, 2023

We recommended that:

<p>1. The Department of Municipal Relations work collaboratively with municipalities to identify the financial documentation that councils should receive from development corporations. This should also include a process to ensure the financial information is provided to councils.</p>	<p>Do not intend to implement</p>
<p>2. The Department of Municipal Relations identify information the public should receive concerning municipal controlled organizations. This should include a requirement for municipalities to clearly identify revenues and expenditures of controlled organizations either in the municipal consolidated financial statement or in an alternative publicly available document.</p>	<p>Do not intend to implement</p>
<p>3. The Department of Municipal Relations post municipal annual financial statements and financial information of controlled organizations to the department’s website. We also recommend the department require municipalities to post municipal financial statements and financial information of controlled organizations to the municipal website when the audit reports are tabled.</p>	<p>Do not intend to implement</p>
<p>4. The Department of Municipal Relations, work with municipalities to ensure councils:</p> <ul style="list-style-type: none"> • Create strategic plans to achieve municipal economic development, the plans should be created collaboratively between the council and development corporation. • Councils have annual goals to guide the activities of their development corporation in working towards implementing their strategic plan. <p>The department should work with municipalities to identify a risk-based threshold when municipal development corporations are required to produce both the strategic plan and annual goal setting. When applicable, the department should require that both the strategic plan and annual goals be made publicly available via the internet and are annually reviewed by council.</p>	<p>Do not intend to implement</p>
<p>5. The Department of Municipal Relations provide clear guidance to municipalities and municipal development corporation boards as to who has ultimate control and authority for development corporations. The provincial guidance documents for development corporations should clarify the governance structure for municipal corporations for both corporate boards and municipal councils.</p>	<p>Implemented/resolved</p>

Limited assurance attestation conclusion – *Investigations Report: Municipal Development Corporations*

Conclusion on implemented/resolved recommendations – Based on the limited assurance procedures performed and evidence obtained, nothing has come to our attention that causes us to believe the recommendation statuses reported by management as implemented/resolved in relation to the *Investigations Report: Municipal Development Corporations* report, are not, in all material respects, fairly stated. Additional information provided in this report is not intended to take away from our overall conclusion.

See the **LIMITED ASSURANCE ATTESTATION ENGAGEMENT DESCRIPTION** section for a detailed description of our engagement, and the limitations of limited assurance attestation.

Date of the assurance report

We obtained sufficient and appropriate evidence on which to base our conclusion on December 19, 2023, in Winnipeg, Manitoba.

» Vision

Government accountability and public administration excellence for Manitobans.

» Mission

To provide independent information, advice and assurance on government operations and the management of public funds.

» Values

Independence – We are independent from government and our work is objective and unbiased.

Integrity – We act with honesty and uphold high ethical standards.

Innovation – We promote innovation and creativity in what we do and how we do it.

Teamwork – We work as a team by sharing each other's knowledge and skills to reach our goals.

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The Office of the Auditor General of Manitoba acknowledges with respect that we conduct our work on the ancestral lands of Anishinaabeg, Anishinewuk, Dakota Oyate, Denesuline, and Nehethowuk Nations, and on the National Homeland of the Red River Métis. We respect the Treaties that were made on these territories, we acknowledge the harms and mistakes of the past, and we dedicate ourselves to move forward in partnership with Indigenous communities in a spirit of reconciliation and collaboration.



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