



Audit Committee

Minutes 10

Thursday, 1 December 2016

9:30 a.m.

Champlain Room, 110 Laurier Avenue West

- Notes:*
- 1. Please note that these Minutes are to be considered DRAFT until confirmed by Committee.*
 - 2. Underlining indicates a new or amended recommendation approved by Committee.*
 - 3. Except where otherwise indicated, reports requiring Council consideration will be presented to Council on Wednesday 14 December 2016 in Audit Committee Report 10.*

Present: **Chair: Councillor A. Hubley**
 Vice-Chair: Councillor J. Cloutier
 Councillors: G. Darouze, E. El-Chantiry, B. Monette and
 M. Wilkinson

DECLARATIONS OF INTEREST

No declarations of interest were received.

CONFIRMATION OF MINUTES

Minutes 9 - October 27, 2016

CONFIRMED

CORPORATE SERVICES DEPARTMENT

CORPORATE FINANCE

1. 2016 ERNST & YOUNG AUDIT PLAN

ACS2016-CSD-FIN-0013

CITY WIDE

REPORT RECOMMENDATION

That the Audit Committee receive this report and forward to Council for information.

Ms. Suzanne Gignac from Ernst & Young spoke to a PowerPoint presentation, which served to provide Committee with an overview of the staff report and the audit process and results. A copy of the presentation is held on file with the City Clerk and Solicitor. Councillors S. Blais, R. Chiarelli, D. Deans, K. Egli, S. Qadri and T. Tierney were also in attendance for this item.

Following the presentation, Ms. Gignac responded to a brief question regarding impacts as a result of the re-organizational changes.

Having concluded the discussion portion of this item, the Committee RECEIVED the report recommendation as presented.

OFFICE OF THE CITY CLERK AND SOLICITOR

2. 2017 DRAFT OPERATING BUDGET – AUDIT COMMITTEE

ACS2016-CCS-AUD-0001

CITY WIDE

Referred from City Council on 9 November 2016. Council will consider this item at its meeting of 14 December 2016.

REPORT RECOMMENDATION

That the Audit Committee consider the relevant portions of the draft 2017 Operating Budgets and forward its recommendations to Council, sitting as Committee of the Whole, for consideration at the meeting of 14 December 2016.

Mr. Ken Hughes, Auditor General and Marian Simulik, General Manager of Corporate Services and City Treasurer were in attendance to respond to questions on recoveries and allocation for \$177,000 and staffing in the Office of the Auditor General. Councillor D. Deans was also in attendance for this item.

After discussion, the Committee voted on the following motions:

MOTION No. 10/1

Moved by Councillor Cloutier

WHEREAS the Auditor General has advised that the volume of fraud and waste complaints has increased to a point whereby the overall audit capacity within the Office has been reduced; and

WHEREAS the Auditor General has identified the need for an additional Full Time Equivalent (FTE) in his Office to replace this capacity and has further identified that this FTE could be funded within existing budget resources

without impacting the overall audit workplan by reallocating the amount currently provided for professional services;

THEREFORE BE IT RESOLVED that Audit Committee recommends that Council, sitting as Committee of the Whole, approve the Operating Resource Requirement for the Office of the Auditor General be amended to add an additional Full Time Equivalent (FTE), bringing the total FTEs to 9, within existing resources, as described in this motion.

CARRIED

Motion No. 10/2

Moved by Councillor J. Cloutier

That the Audit Committee recommend that Council, sitting as Committee of the Whole, approve the Audit Committee 2017 Draft Budget - Operating Resource Requirement (p. 3).

CARRIED

The report recommendation was CARRIED as amended by Motion No. 10/4 and Motion No. 10/5.

OFFICE OF THE AUDITOR GENERAL

3. OFFICE OF THE AUDITOR GENERAL (OAG) 2017 AUDIT WORK PLAN
ACS2016-OAG-BVG-0005 CITY WIDE
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REPORT RECOMMENDATION

That the Audit Committee recommend Council approve the Office of the Auditor General's 2017 Work Plan.

Ken Hughes, Auditor General spoke to a PowerPoint presentation, a copy of which is held on file with the City Clerk. Sonia Brennan, Deputy Auditor General and Ed Miner, Deputy Auditor General as well as Rick O'Connor, City Clerk and Solicitor and Marian Simulik, General Manager of Corporate Services and City Treasurer were in attendance to respond to questions. Councillors D. Deans, R. Chiarelli, K. Egli, S. Qadri and T. Tierney were in attendance for this portion of the agenda.

In his presentation, the Auditor General outlined the methodology used to develop a work plan and introduced the proposed 2017 workplan, works currently in progress, as well as the follow up audits.

Regarding the 2011 Audit of the Springhill landfill, the City Clerk and Solicitor advised that an agreement in principle has been reached. The Auditor General added that due to the time lapse since the 2011 audit, his office would update some sections and report to Committee in 2017.

In response to a question regarding costs associated with Phase 1 of the LRT, Ms. Simulik offered to update the memorandum that was circulated to members of Council several months ago. Mr. Hughes noted that the Auditor General of Ontario has a significant piece on asphalt in her recent report and offered to continue including it in his risk analysis report.

After discussion, the report recommendation was put to Committee and CARRIED as presented.

4. OFFICE OF THE AUDITOR GENERAL (OAG) – ANNUAL REPORT AND DETAILED AUDIT REPORTS

ACS2016-OAG-BVG-0004

CITY WIDE

REPORT RECOMMENDATION

That the Audit Committee receive the OAG's Annual Report and detailed audit reports on December 1, 2016 and recommend that Council consider and approve the audit recommendations.

Motion No. 10/3

Moved by Councillor J. Cloutier

WHEREAS the Supporting Documentation titled:

“Office of the Auditor General Annual Report – Tabled at Audit Committee December 1, 2016”; was not circulated with the agenda package;

THEREFORE BE IT RESOLVED that the Audit Committee approve the addition of this document for consideration by the Committee at today’s meeting, pursuant to Section 89(3) of the Procedure By-law (being By-law no. 2016-377).

CARRIED

Ken Hughes, Auditor General, Sonia Brennan, Deputy Auditor General and Ed Miner, Deputy Auditor General spoke to a PowerPoint presentation which served to provide an overview of the following audits: *[A copy of the PowerPoint presentation is held on file with the City Clerk]*

- Audit of the Automated Meter Reading Project
- Audit of ByWard and Parkdale Markets
- Audit of the Environmental Services Department
- Audit of Specific Areas of the Infrastructure Services Department
- Audit of Light Rail Transit Planning and Change Management – Interim Report
- Audit of the ServiceOttawa Program

Councillors S. Qadri and T. Tierney were in attendance during this portion of the agenda.

The following staff were in attendance and responded to questions regarding the Automated Meter Reading Project, ByWard Market and Infrastructure Services.

- Steve Kanellakos, City Manager

- Rick O'Connor, City Clerk and Solicitor
- Marian Simulik, General Manager of Corporate Services and City Treasurer
- John Moser, General Manager, Planning, Infrastructure and Economic Development
- Court Curry, Manager, Planning, Infrastructure and Economic Development Department

After discussion, the Committee RECEIVED and CARRIED the item as presented.

ADJOURNMENT

The meeting adjourned at 11:45 a.m.

Committee Coordinator

Chair