

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

ACS2020-OAG-BVG-0006

CITY WIDE

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## REPORT RECOMMENDATION

**That the Audit Committee receive the OAG's Annual Report and detailed audit reports on November 24, 2020 and recommend that Council consider and approve the audit recommendations.**

At the outset, Vice-Chair Meehan introduced the following motion:

### **MOTION No. AC 2020 2/10**

Moved Vice-Chair Meehan

**WHEREAS the Supporting Documentation for the item 3:**

**“Office of the Auditor General (OAG) – Annual Report and Detailed Audit Reports” 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. 2019-8).**

CARRIED

Prior to the presentation, Councillor Menard inquired as to why the audits were not provided in advance of the meeting. Ken Hughes, Auditor General advised that there are a number of models used by other auditor generals with respect to audit report distribution and noted the most common practice is what is currently

used at the City. He added that in this instance, there were a few audits still being discussed as late as the evening before the meeting.

Mr. Hughes, Auditor General proceeded to introduce the five audit reports that would be presented through a PowerPoint presentation. He was accompanied by Sonia Brennan, Deputy Auditor General and Ed Miner, Deputy Auditor General. David Seto, Director, RCGT Consulting and Joseph Carpinone, Partner, Raymond Chabot Grant Thornton were also in attendance to respond to questions. A copy of the presentation is held on file with the City Clerk. Councillor S. Menard was also in attendance for this portion of the agenda.

The presentation touched on the following five audit reports:

- Audit of Lansdowne Accounting/Waterfall
- Audit of By-law and Regulatory Services – By-law Enforcement
- Audit of Facility Management
- Audit of Meridian Theatres @ Centrepointe and Shenkman Arts Centre
- Audit of Ottawa Light Rail Transit (OLRT) Stage 1 Contingency Fund

The following staff were in attendance to respond to questions:

- Steve Kanellakos, City Manager
- Steve Box, Director, City Manager's Office
- Wendy Stephanson, Chief Financial Officer, Finance Services (FS)
- Isabelle Jasmin, Deputy City Treasurer, Corporate Finance (FS)
- Anthony Di Monte, General Manager, Emergency and Protective Services, EPS
- Roger Chapman, Director, By-Law and Regulatory Services, EPS
- Dan Chenier, General Manager, Recreation, Cultural and Facility Services (RCF)
- Alain Gonthier, Associate General Manager, Public Works and Environmental Services

- Stephen Willis, General Manager, Planning, Infrastructure and Economic Development
- John Manconi, General Manager, Transportation Services (TS)
- Michael Morgan, Director, Rail Construction, TS

Questions and responses pertained to the following audits:

- Audit of Lansdowne Accounting/Waterfall
  - A detailed review of the waterfall agreement was provided between 2012 and 2017. Minor amendments to the agreement were reported to City Council.
  - The financial arrangement, distribution of the funds and how accounting was handled.
  - The involvement with negotiations of the agreement.
  - The uniqueness of the P3 partnerships

Chair Cloutier advised that Mayor Watson announced that he would recommend deferral of the Lansdowne Plan report (considered at the Finance and Economic Development Committee meeting of November 12, 2020) to the City Council meeting of December 9, 2020 to align with consideration of this audit.

- Audit of By-law and Regulatory Services – By-law Enforcement
  - How calls/complaints are received and why 25 per cent are provided through councillors' offices.
  - Analysis and strategy report was created prior to COVID-19, to assist with improving performance and the use of the GPS system.
  - Concerns about systemic racism and the need in applying the gender and equity lens.
- Audit of Facility Management
  - During the presentation, the Auditor General explained that the audit was conducted differently in that information was relayed by staff up until a few days prior to this meeting.

- Strategies and models used over the years resulted in benefits in some facility and asset management and challenges in others.
- The life expectancy and cost of expenses on older facilities.

In terms of this Audit Report, it was requested that a fact review be conducted and that the Report be updated prior to the next Follow-Up report.

- Audit of Meridian Theatres @ Centrepointe and Shenkman Arts Centre
  - Facilities Staff worked with Finance Services on the cash compliance component and a cash handling policy has been implemented.
- Audit of Ottawa Light Rail Transit (OLRT) Stage 1 Contingency Fund
  - Same process, including Lessons Learned has been implemented for Stage 2.

After discussion, the Committee RECEIVED and CARRIED the Audit General's Annual Report as presented.