



Audit Committee

Minutes

Meeting #: 2
Date: June 9, 2023
Time: 10 am
Location: Andrew S. Haydon Hall, 110 Laurier Avenue West, and by electronic participation

Present: Chair: Councillor Cathy Curry, Vice-Chair: Councillor David Brown, Councillor David Hill, Councillor Theresa Kavanagh, Councillor Marty Carr, Councillor Catherine Kitts, Councillor Allan Hubley, Councillor Wilson Lo

1. Notices and meeting information for meeting participants and the public
Notices and meeting information are attached to the agenda and minutes, including: availability of simultaneous interpretation and accessibility accommodations; *in camera* meeting procedures; information items not subject to discussion; personal information disclaimer for correspondents and public speakers; notices regarding minutes; and remote participation details.
Accessible formats and communication supports are available, upon request.
Except where otherwise indicated, reports requiring Council consideration will be presented to Council on 14 June 2023 in Audit Committee Report 2.
The deadline to register by phone to speak, or submit written comments or visual presentations is 4 pm on Thursday, 8 June 2023, and the deadline to register to speak by email is 8:30 am on Friday, 9 June 2023.
This draft Minutes document contains a summary of the disposition of items and actions taken at the meeting. This document does not include all of the text that will be included in the final Minutes, such as the record of written and oral submissions. Recorded votes and dissents contained in this draft Minutes document are draft until the Minutes of the meeting are

confirmed by the Committee. The final draft Minutes will be published with the agenda for the next regular Committee meeting and, once confirmed, will replace this document.

2. Declarations of Interest

No Declarations of Interest were filed.

3. Confirmation of Minutes

3.1 AC Minutes 1 – 17 February 2023

Carried

4. Communications

4.1 Letter of Representation, Audit of the 2022 Year-End Consolidated Financial Statements

5. Finance Services Department

5.1 2022 City of Ottawa Consolidated Financial Statements

File No.: ACS2023-FCS-FIN-0006 - Citywide

Ms. Isabelle Jasmin, Deputy City Treasurer, Corporate Finance spoke to a brief presentation. Ms. Mita Meyers and Ms. Lisa Godin from Ernst and Young also provided a presentation. Both presentations are held on file with the City Clerk.

Ms. Jasmin and Ms. Meyers responded to questions.

After discussion, the Committee CARRIED the report recommendation as presented.

Report Recommendation

That the Audit Committee recommend Council approve the 2022 City of Ottawa Consolidated Financial Statements.

Carried

5.2 Sinking Fund Financial Statements 2022

File No.: ACS2023-FCS-FIN-0007 - Citywide

Ms. Isabelle Jasmin, Deputy City Treasurer, Corporate Finance, Finance and Corporate Services responded to questions.

After discussion, the Committee Carried this item as presented.

Report Recommendation

That the Audit Committee recommend Council approve the Sinking Fund Financial Statements for 2022.

Carried

6. Auditor General

6.1 Office of the Auditor General (OAG) – 2022 Report on the Fraud and Waste Hotline

File No.: ACS2023-OAG-BVG-0003 - City Wide

Nathalie Gougeon, Auditor General provided a PowerPoint presentation. A copy of the presentation is held on file with the Office of the City Clerk.

Ms. Gougeon, along with Ms. Wendy Stephanson, Interim City Manager and Ms. Renée Amilcar, General Manager, Transit Services Department were in attendance to respond to questions.

After discussion, the Committee RECEIVED the report recommendation as presented.

Report Recommendation

That the Audit Committee recommend Council receive the 2022 Report on the Fraud and Waste Hotline.

Received

6.2 Office of the Auditor General (OAG) – 2022 Annual Report

File No.: ACS2023-OAG-BVG-0004 - City Wide

Nathalie Gougeon, Auditor General provided a PowerPoint presentation. A copy of the presentation is held on file with the Office of the City Clerk.

Ms. Gougeon and Ms. Wendy Stephanson, Interim City Manager were in attendance to respond to questions.

Report Recommendation

That the Audit Committee and Council receive the OAG's 2022 Annual Report.

Received

6.3 Office of the Auditor General (OAG) – Semi-Annual Report on Follow-Up Procedures

File No.: ACS2023-OAG-BVG-0005 - City Wide

Ms. Joanne Gorenstein, Deputy Auditor General, provided a PowerPoint presentation. A copy of the presentation is held on file with the Office of the City Clerk.

Ms. Gougeon, along with Ms. Wendy Stephanson, Interim City Manager and Mr. Stuart Huxley, Senior Legal Counsel, Legal were in attendance to respond to questions.

After the questions to staff, Motion No FCSC 2023-02-01 (as noted below was introduced).

Committee resolved In Camera at 11:20 am and resumed in open session at 12:11 pm.

Upon resuming in open session, Chair Curry noted that the Audit Committee just met In Camera in order to discuss the Office of the Auditor General (OAG) – Semi-Annual Report on Follow-Up Procedures” with respect to the “Cybersecurity Investigation Report”.

These matters will not be reported out as they relate to Subsection 13(1)(a), the security of the property of the city.

During the In Camera session, no votes were taken other than procedural motions and/or directions to staff.

The Committee RECEIVED the report recommendation.

Report Recommendation

That the Audit Committee recommend Council receive the Semi-Annual Report on Follow-up Procedures.

Received

Motion No. AC 2023-02-01

Moved by D. Brown

WHEREAS the Office of the Auditor General Cybersecurity Investigation Report was considered by the Audit Committee in closed session on June 13, 2022 based upon the rationale further described in the Legal Implications section of the report (ACS2022-OAG-BVG-0004);

THEREFORE BE IT RESOLVED THAT, in accordance with Procedure By-law 2022-410, the Audit Committee resolve In Camera pursuant to Subsection 13(1)(a), the security of the property of the city, with respect to the “Office of the Auditor General (OAG) – Semi-Annual Report on Follow-Up Procedures”, so that Members may ask questions of staff and the Auditor General in follow-up to the “Cybersecurity Investigation Report 2022”.

Carried

7. In Camera Items

Refer to item 6.3 on the agenda

8. Notices of Motions (For Consideration at Subsequent Meeting)

There were no Notices of Motion.

9. Inquiries

There were no Inquiries.

10. Other Business

10.1 Motion - Vice-chair D. Brown - OAG Budget

At the Audit Committee meeting of Friday, 9 June 2023, with the will of the Committee, Vice-Chair D. Brown introduced the following Motion (FCSC 2023-02-02 as noted below):

Ms. Gougeon, Auditor General along with Mr. Cyril Rogers, Interim General Manager and Chief Financial Officer, Finance and Corporate Services Department, responded to questions.

After discussion, the Motion was CARRIED this item as presented.

Motion No. AC 2023-02-02

That the following Motion be added to the agenda for consideration pursuant to Subsection 89(3) of the Procedure By-law as the next Audit Committee is not anticipated until the fall of 2023.

WHEREAS the Office of the Auditor General (OAG) over the past 18 months has accepted numerous requests to audit various areas of the City including: the LRT Stage 1, the City's, the Ottawa Police Service (OPS) and the OPS Board's responses to the convoy protest, as well as Lansdowne 2.0 in addition to the very important audits included in the OAG's workplan; and

WHEREAS the City is currently undertaking many transformation programs that would benefit from additional oversight by an independent body; and

WHEREAS members of Council have voiced their support for a more proactive approach and early engagement by the OAG and the benefits and assurance this provides to members of Council in their decision-making process; and

WHEREAS the OAG has advised the Chair and the Vice-Chair of the Audit Committee of resourcing constraints and their ability to continue to accept new audit/review consideration from Council with its existing resource mix; and

WHEREAS the Auditor General has identified the need for a minimum of 2 full-time equivalent employees (FTE) to continue to execute the workplan and additional requests made by Council, however, understands the current financial constraints faced by the City.

WHEREAS significant efficiencies and knowledge transfer can be gained by having work performed by staff in lieu of consultants; and

WHEREAS the Auditor General would like to request one additional FTE – Senior Auditor position funded by existing professional services budget dollars, thereby resulting in no budgetary impact for 2023, and postpone the request for a second FTE to be included as part of the 2024 budget process; and

THEREFORE BE IT RESOLVED THAT the Audit Committee recommend Council approve the addition of 1 FTE to the OAG's budget for 2023 onwards.

Carried

11. Adjournment

Next Meeting

To be determined.

The meeting adjourned at 12:27 pm.

Original signed by M. Aston,
Committee Coordinator

Original signed by Councillor C.
Curry, Chair