



Audit Committee

Minutes

Meeting #: 4
Date: November 27, 2023
Time: 9:30 am
Location: Champlain Room, 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 hybrid 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 December 6 in Audit Committee Report 4.

The deadline to register by phone to speak, or submit written comments or visual presentations is 4 pm on November 24, and the deadline to register to speak by email is 8:30 am on November 27.
2. Declarations of Interest

No Declarations of Interest were filed.
3. Confirmation of Minutes

3.1 AC Minutes 3 – September 22, 2023**Carried**3.2 AC Confidential Minutes 3 - September 22, 2023**Carried**

4. Presentations

4.1 Verbal Update – Status of Outstanding Recommendations

After approving Motion No. AC 2023-04-01, the committee received a verbal update from Nathalie Gougeon, Auditor General, on the status of outstanding recommendations.

Motion No. AC 2023-04-01

Moved by D. Brown

BE IT RESOLVED THAT the Audit Committee waive the Rules of Procedure (subsection 83(4)(a)) to receive the verbal update from the Auditor General regarding the Status of Outstanding Recommendations at today’s meeting and dispense with the requirement to provide a separate written report on this presentation.

Carried

5. Office of the Auditor General

5.1 Office of the Auditor General (OAG) – Investigation of Allegations Related to Planning Activities for the Conservancy Development

File No. ACS2023-OAG-BVG-011 - City-wide

Joanne Gorenstein, Deputy Auditor General and Nathalie Gougeon, Auditor General, presented an overview of the report and answered questions from Committee. A copy of the slide presentation is filed with the Office of the City Clerk. The following staff were also available and answered questions from the Committee:

- Don Herweyer, General Manager, Planning, Real Estate and Economic Development
- David White, City Solicitor and Interim City Clerk

The following delegations spoke before the committee and provided comments on the report:

- Doug Yonson
- J.P. Unger

Motion No. AC 2023-04-02 was introduced and defeated on a tie vote.

Following discussions on this item, the Committee carried the report recommendation as presented.

Report recommendation

That the Audit Committee receive the Conservancy Development Investigation report and recommend that Council consider and approve the recommendations.

Received

Amendment:

Motion No. AC 2023-04-02

Moved by T. Kavanagh

WHEREAS development other than utilities and flood and drainage is not permitted in floodplains, and;

WHEREAS building in floodplains puts residents in potentially costly and devastating, and;

Whereas RVCA stated they did not believe a new assessment of the floodplain in this area because it would not differ from the existing mapping conducted in 2005, and;

Whereas the Auditor General's report found the letters written in regard to floodplain mapping and the cut and fill application stated Council supported this, but the Auditor General found that most members of Council were not even aware that there was a cut and fill application, and;

Whereas the Auditor General's report states: "It is not the City's role as part of the planning process to endorse, support or advocate for a developer's application with another regulatory body, such as the RVCA.", and;

Whereas the writing of a letter of support was a violation of departmental process;

THEREFORE BE IT RESOLVED that Audit Committee recommend to Council to bring forward the report regarding their investigation of the allegations related to planning activities for the conservancy development to the Office of the Auditor General of Ontario (AGO) for further investigation if AGO sees fit.

For (4): C. Curry, T. Kavanagh, M. Carr, and C. Kitts

Against (4): D. Brown, D. Hill, A. Hubley, and W. Lo

Lost on a tie (4 to 4)

5.2 Office of the Auditor General (OAG) – 2024-2025 Audit Work Plan

File No. ACS2023-OAG-BVG-012 - City-wide

Joanne Gorenstein, Deputy Auditor General and Nathalie Gougeon, Auditor General, presented an overview of the report and answered questions from Committee. A copy of the slide presentation is filed with the Office of the City Clerk. Cyril Rogers, General Manager, Finance and Corporate Services Department was also available and answered questions from the Committee.

Following discussion on this item, the Committee carried the report recommendations as presented.

Report recommendation

That the Audit Committee recommend Council approve the Office of the Auditor General's 2024-2025 Audit Work Plan.

Carried

6. Finance and Corporate Services Department

6.1 Appointment of an external auditor for a five-year term

File No. ACS2023-FCS-FIN-0010 - City-wide

Report recommendations

That the Audit Committee recommend that Council approve:

1. **The appointment of KPMG LLP as the external auditors of the City of Ottawa commencing upon issuance of a purchase order to KPMG and ending September 30, 2028 (includes the**

audits for five fiscal years) for a total firm price of \$2,970,850 plus HST for the five-year contract period, and that the necessary By-Law be enacted; and,

2. The appointment of KPMG LLP as the external auditors of the Ottawa Community Lands Development Corporation for the five-year period ending September 30, 2028.

Carried

6.2 2024 Draft Operating and Capital Budgets

File No.: ACS2023-FCS-FSP-0016 - City-wide

The draft budget was tabled at the Council meeting of November 8, 2023. The Audit Committee's report on the draft budget will be considered by Council at its meeting of December 6, 2023.

Isabelle Jasmin, Deputy City Treasurer and Nathalie Gougeon, Auditor General, presented an overview of the 2024 draft operating and capital budget. A copy of the slide presentation is filed with the Office of the City Clerk.

Following the presentation, Vice-chair D. Brown moved the Budget roadmap motion, which was carried as presented.

Recommendation

That the Audit Committee consider the relevant portions of the 2024 Operating and Capital Budgets and make recommendations to Council sitting in Committee of the Whole to be held December 6, 2023.

Amendment:

Motion No. AC 2023-04-03

Moved by D. Brown

That the Audit Committee recommend that Council, sitting as Committee of the Whole, approve the Audit Committee 2024 Draft Budget, as follows:

1. **Office of the Auditor General, Operating Resource Requirement (Page 2)**

2. **External Audit Fees, Operating Resource Requirement (Page 4)**

Carried

7. In Camera Items

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, and based upon the rationale set out in the legal implications section of the report, the report entitled “Office of the Auditor General (OAG) – Audit of Cybersecurity” will not be reported out.

7.1 Office of the Auditor General (OAG) – Audit of Cybersecurity

File No. ACS2023-OAG-BVG-0013 - City-wide

Committee resolved In Camera at 12:09 pm and resumed in open session at 1:44 pm.

Upon resuming in open session, Chair Curry advised that the Audit Committee met In Camera to receive a presentation on Office of the Auditor General (OAG) – Audit of Cybersecurity.

These matters will not be reported out as they relate to Subsection 13(1)(a) of the Procedure By-law, as the subject matter relates to 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.

Motion No. AC 2023-04-04

Moved by D. Brown

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, to consider and receive a presentation from the Auditor General on the report titled “Office of the Auditor General (OAG) – Audit of Cybersecurity” based upon the rationale set out in the Legal Implications section of the report.

Carried

Report recommendation

That the Audit Committee receive the Audit of Cybersecurity report and recommend that Council consider and approve the recommendations.

Received

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 Vice-chair D. Brown - Status of Outstanding Audit Recommendations

Motion No. AC 2023-04-05

Moved by D. Brown

That the following motion be added to the agenda for consideration at the November 27th meeting of the Audit Committee, pursuant to Subsection 89(3) of the Procedure By-law, so that staff may provide information prior to the next Audit Committee meeting.

WHEREAS during the Auditor General's verbal update to Audit Committee regarding the status of outstanding audit recommendations, committee learned of a concerning number of recommendations that remain outstanding despite adequate resourcing being available to complete the timelines of each recommendation as presented through the various audit reports.

THEREFORE BE IT RESOLVED that staff provide audit committee with a summary for the outstanding audit recommendation that are past due; and,

BE IT FURTHER RESOLVED that this information be presented at the next Audit Committee meeting.

Carried

11. Adjournment

Next Meeting

February 29, 2024

The meeting adjourned at 1:47 pm.

Original signed by M. Blais, Acting
Committee Coordinator

Original signed by Councillor C.
Curry, Chair