



Audit Committee

Minutes 16

Monday, June 13, 2022

9:30 am

Electronic Participation

This Meeting was held through electronic participation in accordance with Section 238 of the *Municipal Act*, 2001 as amended by the *COVID-19 Economic Recovery Act*, 2020.

- 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 June 22, 2022 in Audit Committee Report 15.*

Present:

Chair: Councillor J. Cloutier
Vice-Chair: Councillor C. A. Meehan
Councillors: E. El-Chantiry, G. Darouze, A. Hubley, T. Kavanagh

DECLARATIONS OF INTEREST

No declarations of interest were filed.

CONFIRMATION OF MINUTES

Minutes 15 – February 22, 2022

CONFIRMED

COMMUNICATIONS

Letter of Representation, Audit of the 2021 Year-End Consolidated Financial Statements

IN CAMERA ITEMS

That, in accordance with Procedure By-Law 2021-24, 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, portions of the report titled “Office of the Auditor General (OAG) – Cybersecurity Investigation Report” will not be reported out.

1. OFFICE OF THE AUDITOR GENERAL (OAG) – CYBERSECURITY INVESTIGATION REPORT

CITY WIDE

REPORT RECOMMENDATION

That the Audit Committee receive the Cybersecurity Investigation Report and recommend that Council consider and approve the recommendations.

Prior to resolving In Camera, Rick O'Connor, City Clerk provided an outline of the legal parameters of this item as outlined in the Legal Implications Section of the report.

The following motion was introduced:

MOTION No. AC 2022 1/16

Moved by: Vice-Chair Meehan

THEREFORE BE IT RESOLVED THAT, in accordance with Procedure By-law 2021-24, the Audit Committee resolve *In Camera* pursuant to Subsection 13(1)(a), the security of the property of the city, based upon the rationale set out in the Legal Implications section of the report titled “Office of the Auditor General (OAG) – Cybersecurity Investigation Report” in order to receive a presentation from the Auditor General.

CARRIED

Upon resuming in open session, Chair Cloutier advised that the Audit Committee met *In Camera* to consider the Office of the Auditor General (OAG) – Cybersecurity Investigation Report.

The Chair noted that during the *In Camera* session, the Auditor General provided a Presentation and answered questions from the Committee. No votes were taken except for the Procedural motion to rise from the *In Camera* session.

This confidential audit report will not be reported out based on the legal opinion set out in the Legal Implications section of the report titled “Office of the Auditor General (OAG) – Cybersecurity Investigation Report”.

The report set out in Item 1 and listed as an *In-Camera* item of the Audit Committee Agenda was CARRIED as presented.

CORPORATE FINANCE SERVICES

2. 2021 CITY OF OTTAWA CONSOLIDATED FINANCIAL STATEMENTS

ACS2022-FSD-FIN-0008 2021

CITY WIDE

REPORT RECOMMENDATION

That the Audit Committee recommend Council approve the 2021 City of Ottawa Consolidated Financial Statements.

Isabelle Jasmin, Deputy City Treasurer, Corporate Finance spoke to a brief presentation with respect to the City's 2021 consolidated financial assets, which outlined the statement of operations and financial position; employee future benefit plans and pensions; liabilities and debt; and capital assets. Mita Meyers and Lisa Godin from Ernst and Young presented their findings of the 2021 Financial Statement Audit Results, which touched on the status, scope, results and open items. Both presentations are held on file with the City Clerk.

Staff responded to questions in regard to the total debt servicing which includes debts for the total source revenue, the average interest rate, funds paid out for early retirement and long-term disability, and how the city is measured with other cities.

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

3. SINKING FUND FINANCIAL STATEMENTS 2021

ACS2022-FSD-FIN-0007

CITY WIDE

REPORT RECOMMENDATION

That the Audit Committee recommend Council approve the Sinking Fund

Financial Statements for 2021.

CARRIED

OFFICE OF THE AUDITOR GENERAL

4. OFFICE OF THE AUDITOR GENERAL (OAG) – AUDIT CHARTER

ACS2022-OAG-BVG-0005

CITY WIDE

REPORT RECOMMENDATION

That the Audit Committee recommend Council receive the Office of the Auditor General Audit Charter.

CARRIED

5. OFFICE OF THE AUDITOR GENERAL (OAG) – SEMI-ANNUAL REPORT ON FOLLOW-UP PROCEDURES

ACS2022-OAG-BVG-0006

CITY WIDE

REPORT RECOMMENDATION

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

RECEIVED

6. OFFICE OF THE AUDITOR GENERAL (OAG) – AUDIT, REVIEW AND INVESTIGATION REPORTS

ACS2022-OAG-BVG-0007

CITY WIDE

REPORT RECOMMENDATION

That the Audit Committee receive the audit, review and investigation reports and recommend that Council consider and approve the recommendations.

Nathalie Gougeon, Auditor General, along with the Deputy Auditor General, Joanne Gorenstein, provided a PowerPoint presentation, which outlined the following audits:

1. Enterprise Risk Management Audit;
2. Job Evaluation Review Audit; and
3. Limited Review – OC Transpo Bus Operators Compliance with Regulations Audit

A copy of the presentation is held on file with the City Clerk.

The following staff were in attendance to respond to questions:

- Valerie Turner, General Manager, Innovative Client Services
- Will McDonald, Associate General Manager, Innovative Client Services
- Elizabeth Marland, Director of Human Resources, Innovative Client Services
- Lynn Branchaud, Program Manager of HR Programs, Innovative Client Services
- Renee Amilcar, General Manager, Transit Services
- Paul Treboutat, Chief Safety Officer, Transit Services

Regarding the Enterprise Risk Management Audit, staff and the Auditor General's Office responded to questions pertaining to cybersecurity, the Enterprise Risk Management Plan and management practices.

Questions were responded to by staff regarding the Job Evaluation Review Audit with respect to equity issues including diversity, current policy and framework, and how the city measures with other municipalities.

Lastly, questions pertaining to the Limited Review – OC Transpo Bus Operators Compliance with Regulations Audit were in regard to ongoing concerns, safety processes for operators, penalties and demerit points.

After discussion, the Committee RECEIVED and CARRIED this report as presented.

ADJOURNMENT

The meeting adjourned at 2:00 PM.

Committee Coordinator

Chair