

1. OFFICE OF THE AUDITOR GENERAL (OAG) 2019 AUDIT WORK PLAN
BUREAU DU VÉRIFICATEUR GÉNÉRAL (BVG) PLAN DE VÉRIFICATION
DE 2019

COMMITTEE RECOMMENDATIONS, AS AMENDED

That Council approve the Office of the Auditor General's 2019 Work Plan as amended by:

1. adding a compliance audit concerning the Audit of Stage 2 Light Rail Transit (LRT) Project Procurement; and
2. deleting the "Audit of Travel and Hospitality – Compliance and Efficiency Audit" from this report and subsequently adding it to the Auditor General's proposed Audit Work Plan for consideration by the Audit Committee and Council in 2020.

RECOMMANDATIONS DU COMITÉ, TELLES QUE MODIFIÉES

Que le Conseil approuve le Plan de travail 2019 du vérificateur général, comme modifié par ce qui suit :

1. l'ajout d'une vérification de la conformité de l'approvisionnement pour l'Étape 2 du projet de train léger (TLR); et
2. la suppression de la « vérification de la conformité et de l'efficience en matière de déplacements et d'accueil » du présent rapport et son ajout subséquent au projet de Plan de vérification du vérificateur général devant être examiné par le Comité de la vérification et le Conseil en 2020.

DOCUMENTATION/DOCUMENTATION

1. Auditor General's Report, dated March 27, 2019 (ACS2019-OAG-BVG-0001)

Rapport du vérificateur général, daté le 27 mars 2019 (ACS2018-OAG-BVG-0001)
2. Extract of draft Minutes, Audit Committee, 8 April 2019

Extrait de l'ébauche du procès-verbal, Comité de la vérification, le 8 avril 2019

**Report to
Rapport au:**

**Audit Committee
Comité de la vérification
8 April 2019 / 8 avril 2019**

**and Council
et au Conseil
24 April 2019 / 24 avril 2019**

**Submitted on March 27, 2019
Soumis le 27 mars 2019**

**Submitted by
Soumis par:
Ken Hughes, Auditor General / Vérificateur général**

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Ward: CITY WIDE / À L'ÉCHELLE DE LA VILLE File Number: ACS2019-OAG-BVG-0001

SUBJECT: Office of the Auditor General (OAG) 2019 Audit Work Plan

OBJET: Bureau du vérificateur général (BVG) Plan de vérification de 2019

REPORT RECOMMENDATION

That the Audit Committee recommend Council approve the Office of the Auditor General's 2019 Work Plan.

RECOMMANDATION DU RAPPORT

Que le Comité de la vérification recommande au Conseil d'approuver le Plan de vérification du Bureau du vérificateur général de 2019.

BACKGROUND

As per Council direction, the OAG's Work Plan is to be presented annually for Council approval.

The methodology used to develop our audit work plan includes the following key steps:

- Meetings with members of Council and senior managers;
- Review of Audit Universe Risk Assessment;
- Review of budget documentation;
- Review of former audits conducted at the City;
- Review of audits and audit work plans from other municipalities;
- Input from Auditor General's staff;
- Meetings with external auditors and review of management letters; and
- Review of Fraud and Waste Hotline reports received.

DISCUSSION

The proposed 2019 Work Plan is presented below:

- Audit of By-law and Regulatory Services – By-law Enforcement – Operational Audit
- Audit of Fleet Services – Operational Audit
- Audit of Lansdowne Accounting/Waterfall – Compliance Audit
- Audit of Light Rail Transit (LRT) Contingency Fund – Compliance Audit
- Audit of Meridian Theatres @ CentrepoinTE – Operational Audit

- Audit of Shenkman Arts Centre – Operational Audit
- Audit of Travel and Hospitality – Compliance and Efficiency Audit

Reviews

In addition to the audits listed above, reviews may be required, depending on external contingencies.

OAG Projects

- Quality Assurance Review (Audit of the OAG);
- Update Audit Universe Risk Assessment;
- Change to Fraud and Waste Hotline website; and
- Conduct reviews and investigations generated by reports to the Fraud and Waste Hotline.

The OAG continues to work with City staff to promote the Fraud and Waste Hotline internally and externally and also continues to engage City management in their obligations under the Fraud and Waste Policy.

As audits are developed, depending on the nature of the findings, it may be more suitable to issue some related audit elements in separate reports. For example, less significant issues may also be discussed through the issuance of management letters provided directly to management.

Follow-ups

Follow-ups of the audits, investigation and review listed below will be conducted to evaluate the adequacy, effectiveness and timeliness of actions taken by management.

- Audit of Child Care Services
- Audit of Information Technology (IT) Remote Access
- Audit of Light Rail Transit Planning and Change Management – Phase I and II
- Audit of the Management of the Lansdowne Contract

- Audit of the Regulatory Framework for Light Rail Transit
- Audit of Road Services Branch – Contract Management
- Investigation into the Giver 150 Playground at Mooney’s Bay Park
- Review of the Management of Emergency Shelter Providers – Contract Management

Fraud and Waste Hotline

Our Office will continue to be responsible for the administration of the City’s Fraud and Waste Hotline which is available for employees and the public as part of the City’s Fraud and Waste Policy. Our Office will review issues raised through the Hotline; however, Council approval would be sought prior to conducting any specific audits that might arise from these reports. The annual Fraud and Waste Hotline report will be tabled mid-year.

Works in Progress

Our Office is currently completing the following from the 2017 and 2018 Audit Work Plans:

- Audit of Benefits Processing – Compliance and Program Management Audit
- Audit of City of Ottawa Superannuation Fund (COSF) – Compliance and Fund Management Audit
- Audit of Light Rail Transit (LRT) Land Negotiations and Purchases – Compliance Audit
- Audit of Ottawa Fire Services – Fire Prevention – Performance Audit
- Audit of Ottawa Fire Services – Fire Suppression – Performance Audit
- Audit of Planning Services – Operational Audit
- Audit of City Estimates – Performance Audit (formally Audit of Staff Estimates)

Follow-up of previous audits, investigation and review have already commenced or will be started shortly and tabled at a future Audit Committee meeting:

- Audit of Accounts Payable
- Audit of the Automated Meter Reading Project
- Audit of ByWard and Parkdale Markets
- Audit of the Environmental Services Department (currently Public Works and Environmental Services Department)
- Audit of IT Governance
- Audit of IT Risk Management
- Audit of IT Security Incident Handling and Response (presented in camera on November 26, 2015)
- Audit of Species at Risk
- Audit of Winter Operations – Capacity Planning and Performance Measurement
- Investigation into Three Reported Client Service Centres Deposit Shortages
- Review of Client Service Centre Laurier Cash Handling Process and Cash Discrepancies (presented in camera on June 20, 2016)

Review and Investigation of Fraud and Waste Report

Based on the advice of the City Clerk and Solicitor, the following follow-up will be presented once any related arbitration and/or litigation and any additional audit work, if required, are concluded:

- Follow-up to the 2010 Audit of the West End Flooding Event and the Development Review Processes within the Carp River Watershed

RURAL IMPLICATIONS

There are no rural implications associated with this report.

CONSULTATION

As this is considered an internal administrative matter, no public consultation was undertaken.

COMMENTS BY THE WARD COUNCILLOR(S)

This is a city-wide matter.

ADVISORY COMMITTEE(S) COMMENTS

This section does not apply, as this is a city-wide administrative report.

LEGAL IMPLICATIONS

There are no legal impediments to approving the recommendation contained in this report.

RISK MANAGEMENT IMPLICATIONS

There are no risk management implications associated with this report.

FINANCIAL IMPLICATIONS

There are no financial implications associated with this report.

ACCESSIBILITY IMPACTS

There are no accessibility impacts associated with this report.

TERM OF COUNCIL PRIORITIES

This report supports the Term of Council Priority related to Governance, Planning and Decision Making.

DISPOSITION

The Office of the Auditor General will proceed according to Audit Committee and Council direction.