

OFFICE OF THE AUDITOR GENERAL (OAG) 2019 AUDIT WORK PLAN

ACS2019-OAG-BVG-0001

CITY WIDE

REPORT RECOMMENDATION

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

Ken Hughes, Auditor General (AG) introduced the Deputy Auditor Generals, Sonia Brennan and Ed Miner. He also provided opening remarks, noting that in light of the Notice of Motion presented at the City Council meeting on March 27, 2019 in regards to the Stage 2 LRT procurement process, the AG requested that the AG 2019 Work Plan be amended to add a compliance audit concerning the Audit of Stage 2 Light Rail Transit (LRT) Project Procurement.

At this time, Vice-Chair Meehan read the following motion:

WHEREAS every year the Auditor General meets with all Members of Council in order to obtain their insights and feedback on potential audits in preparation for the Audit Committee and City Council considering his annual Audit Work Plan; and

WHEREAS this internal consultation process was undertaken and the report entitled, "Office of the Auditor General (OAG) 2019 Audit Work Plan" was published on Friday, March 29th, 2019, in the Audit Committee Agenda to be considered at the meeting on Monday, April 8th, 2019; and

WHEREAS the proposed 2019 Work Plan for the OAG included four operational audits and three compliance audits; and

WHEREAS the public and some Members of Council expressed a desire to revise the OAG's 2019 Audit Work Plan by adding a compliance audit related to the Audit of Stage 2 Light Rail Transit (LRT) Project Procurement; and

WHEREAS Subsection 223.19(1) of the Municipal Act, 2001, mandates that an Auditor General "who reports to council and is responsible for assisting the council in holding itself and its administrators accountable for the quality of stewardship over public funds and for achievement of value for money in municipal operations"; and

WHEREAS Subsection 223.19(2) of the Act mandates that a statutory "Auditor General shall perform his or her responsibilities under this Part in an independent manner"; and

WHEREAS the OAG's statutory requirement to perform "in an independent manner", is supported by Subsection 6(5) of By-law No. 2013-375, as amended, being the by-law to establish the position and duties of the City's Auditor General, expressly provides that the "audit work plan shall be approved by Council" and that the "approved audits shall be conducted at such time and to the extent that the Auditor General considers appropriate";

THEREFORE BE IT RESOLVED THAT the report entitled, "Office of the Auditor General (OAG) 2019 Audit Work Plan" be amended by adding a compliance audit concerning the Audit of Stage 2 Light Rail Transit (LRT) Project Procurement; and

BE IT FURTHER RESOLVED THAT the "Audit of Travel and Hospitality – Compliance and Efficiency Audit" be deleted from this report and subsequently added to the Auditor General's proposed Audit Work Plan for consideration by the Audit Committee and Council in 2020.

The Auditor General then spoke to a PowerPoint presentation, a copy of which is held on file with the City Clerk. Councillors R. Chiarelli, D. Deans and S. Menard were in attendance for this portion of the agenda.

Committee discussions and questions to the Auditor General touched upon the the timing to report on the Quality Assurance Reviews and access to technical

requirements.

Subsequently, the Committee approved the following motion:

AC MOTION No. 3/1

Moved by Councillor C.A. Meehan

WHEREAS every year the Auditor General meets with all Members of Council in order to obtain their insights and feedback on potential audits in preparation for the Audit Committee and City Council considering his annual Audit Work Plan; and

WHEREAS this internal consultation process was undertaken and the report entitled, “Office of the Auditor General (OAG) 2019 Audit Work Plan” was published on Friday, March 29th, 2019, in the Audit Committee Agenda to be considered at the meeting on Monday, April 8th, 2019; and

WHEREAS the proposed 2019 Work Plan for the OAG included four operational audits and three compliance audits; and

WHEREAS the public and some Members of Council expressed a desire to revise the OAG’s 2019 Audit Work Plan by adding a compliance audit related to the Audit of Stage 2 Light Rail Transit (LRT) Project Procurement; and

WHEREAS Subsection 223.19(1) of the Municipal Act, 2001, mandates that an Auditor General “who reports to council and is responsible for assisting the council in holding itself and its administrators accountable for the quality of stewardship over public funds and for achievement of value for money in municipal operations”; and

WHEREAS Subsection 223.19(2) of the Act mandates that a statutory “Auditor General shall perform his or her responsibilities under this Part in an independent manner”; and

WHEREAS the OAG’s statutory requirement to perform “in an independent manner”, is supported by Subsection 6(5) of By-law No. 2013-375, as amended, being the by-law to establish the position and duties of the City’s Auditor General, expressly provides that the “audit work plan shall be approved by Council” and that the “approved audits shall be conducted at such time and to the extent that the Auditor General considers

appropriate”;

THEREFORE BE IT RESOLVED THAT the report entitled, “Office of the Auditor General (OAG) 2019 Audit Work Plan” be amended by adding a compliance audit concerning the Audit of Stage 2 Light Rail Transit (LRT) Project Procurement; and

BE IT FURTHER RESOLVED THAT the “Audit of Travel and Hospitality – Compliance and Efficiency Audit” be deleted from this report and subsequently added to the Auditor General’s proposed Audit Work Plan for consideration by the Audit Committee and Council in 2020.

CARRIED

There being no further discussion, the report recommendation was put before the Committee and was “CARRIED”, as amended by AC Motion N^o 3/1.

That the Audit Committee recommend 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.**

CARRIED