

EXTRACT OF DRAFT MINUTES 7
AUDIT COMMITTEE
26 NOVEMBER 2019

EXTRAIT DE L'ÉBAUCHE DU
PROCÈS-VERBAL 7
COMITÉ DE LA VÉRIFICATION
LE 26 NOVEMBRE 2019

OFFICE OF THE AUDITOR GENERAL (OAG) 2020 AUDIT WORK PLAN

ACS2019-OAG-BVG-0010

CITY WIDE

REPORT RECOMMENDATION

That the Audit Committee recommend Council approve the Office of the Auditor General's 2020 Audit Work Plan.

The motion below is pertaining to Items 2 and 4:

AC MOTION No. 2019 1/7

Moved by Councillor C.A. Meehan

WHEREAS the Supporting Documentation for the items 2 and 4 titled:

"OFFICE OF THE AUDITOR GENERAL (OAG) 2020 AUDIT WORK PLAN"
and "OFFICE OF THE AUDITOR GENERAL (OAG) – ANNUAL REPORT AND DETAILED AUDIT REPORTS" was not circulated with the agenda package;

THEREFORE BE IT RESOLVED that the Audit Committee approve the addition of these documents for consideration by the Committee at today's meeting, pursuant to Section 89(3) of the Procedure By-law (being By-law no. 2019-8).

CARRIED

At the outset, Vice-Chair Meehan read the following two motions:

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) 2020 Audit Work Plan” was published on Friday, November 15, 2019, in the Audit Committee Agenda to be considered at the meeting on Tuesday, November 26, 2019; and

WHEREAS the proposed 2020 Work Plan for the OAG included seven audits; and

WHEREAS recent events with the combined OC Transpo Bus and Light Rail system have raised concerns and caused the Office of the Auditor General, the public and some Members of Council to express a desire to revise the OAG’s 2020 Audit Work Plan by adding an audit related to the demand forecasting and scheduling at OC Transpo; 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) 2020 Audit Work Plan” be amended by adding a comprehensive audit concerning the Audit of OC Transpo Demand Forecasting and Scheduling; and

BE IT FURTHER RESOLVED THAT the “Audit of IT Hardware, Asset Management” and the “Audit of the Pcard Payment System” 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 2021.

WHEREAS; the Office of the Auditor General has circulated the draft 2020 Workplan for consideration at the Audit Committee meeting of November 26th, 2019 and

WHEREAS; a last minute addition to include an audit of OC Transpo Demand Forecasting and Scheduling will be presented to the committee and

WHEREAS; an audit of IT Hardware, Asset Management and an audit of the Pcard Payment System will be deferred due to budgetary limitations within the draft 2020 Audit Committee budget

THEREFORE BE IT RESOLVED that Audit Committee approve an increase of \$200,000 be allocated from the Tax Stabilization Reserve as a one-time transfer to fund the Audit Committee Budget including the draft 2020 Workplan as amended to include an audit of OC Transpo Demand Forecasting and Scheduling.

Ken Hughes, Auditor General spoke to a PowerPoint presentation, with the assistance of Sonia Brennan, Deputy Auditor General and Ed Miner, Deputy Auditor General. A copy of the presentation is held on file with the City Clerk. Wendy Stephanson, Deputy City Treasurer was in attendance to respond to questions. Councillors S. Menard, C. McKenney, K. Egli, L. Dudas and J. Leiper were also in attendance for this portion of the agenda.

Questions were in relation to the stabilization fund, the proposed motions and the funding surrounding these requests, the 2017 Follow-Up of the Audit on the Lansdowne Partnership Plan and the 2019 Compliance Audit of the Lansdowne Waterfall.

After discussion, Committee voted on the proposed motions as follows:

AC MOTION No. 2019 2/7

Moved by Councillor C.A. Meehan

WHEREAS; the Office of the Auditor General has circulated the draft 2020 Workplan for consideration at the Audit Committee meeting of November 26th, 2019 and

WHEREAS; a last minute addition to include an audit of OC Transpo Demand Forecasting and Scheduling will be presented to the committee and

WHEREAS; an audit of IT Hardware, Asset Management and an audit of the Pcard Payment System will be deferred due to budgetary limitations within the draft 2020 Audit Committee budget

THEREFORE BE IT RESOLVED that Audit Committee approve an increase of \$200,000 be allocated from the Tax Stabilization Reserve as a one-time transfer to fund the Audit Committee Budget including the draft 2020 Workplan as amended to include an audit of OC Transpo Demand Forecasting and Scheduling.

LOST, on a division of 1 yeas and 5 nays, as follows:

YEAS (1): Councillors C. Meehan

NAYS (5): Councillors J. Cloutier, E. El-Chantiry, T. Kavanagh, G. Darouze, A. Hubley

AC MOTION No. 2019 3/7

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) 2020 Audit Work Plan” was published on Friday, November 15, 2019, in the Audit Committee Agenda to be considered at the meeting on Tuesday, November 26, 2019; and

WHEREAS the proposed 2020 Work Plan for the OAG included seven audits; and

WHEREAS recent events with the combined OC Transpo Bus and Light Rail system have raised concerns and caused the Office of the Auditor General, the public and some Members of Council to express a desire to revise the OAG’s 2020 Audit Work Plan by adding an audit related to the demand forecasting and scheduling at OC Transpo; 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) 2020 Audit Work Plan” be amended by adding a comprehensive audit concerning the Audit of OC Transpo Demand Forecasting and Scheduling; and

BE IT FURTHER RESOLVED THAT the “Audit of IT Hardware, Asset Management” and the “Audit of the Pcard Payment System” 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 2021.

CARRIED