

2. OFFICE OF THE AUDITOR GENERAL (OAG) 2018 AUDIT WORK PLAN
BUREAU DU VÉRIFICATEUR GÉNÉRAL (BVG) PLAN DE TRAVAIL POUR
2018

COMMITTEE RECOMMENDATION

That Council approve the Office of the Auditor General's 2018 Work Plan.

RECOMMANDATION DU COMITÉ

Que le Conseil approuve le Plan de travail du Bureau du vérificateur général pour 2018.

DOCUMENTATION/DOCUMENTATION

1. Auditor General Report dated 30 October 2017 (ACS2017-OAG-BVG 0007)
2. Rapport du Bureau du vérificateur general daté 30 octobre 2017 (ACS2017-OAG-BVG 0007)
3. Extract of draft Minutes, Audit Committee, 9 November 2017

Extrait de l'ébauche du procès-verbal, Comité de la vérification, le 9 novembre 2017

**Report to
Rapport au:**

**Audit Committee
Comité de la vérification
9 November 2017 / 9 novembre 2017**

**and Council
et au Conseil
22 November 2017 / 22 novembre 2017**

**Submitted on October 30, 2017
Soumis le 30 octobre 2017**

**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: ACS2017-OAG-BVG-0007

SUBJECT: Office of the Auditor General (OAG) 2018 Audit Work Plan

OBJET: Bureau du vérificateur général (BVG) Plan de travail pour 2018

REPORT RECOMMENDATION

That the Audit Committee recommend Council approve the Office of the Auditor General's 2018 Work Plan.

RECOMMANDATION DU RAPPORT

Que le Comité de la vérification recommande au Conseil d'approuver le Plan de travail du Bureau du vérificateur général pour 2018.

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 audit work plans from other municipalities
- Review of audits from other municipalities
- Input from Auditor General's staff
- Meetings with external auditors and review of management letters
- Assessment of programs and services against selection criteria and risk analysis
- Review of Fraud and Waste Hotline reports received

DISCUSSION

The proposed 2018 work plan is presented below:

- Audit of Benefit Processing – Compliance and Program Management Audit
- Audit of City Leases – Performance and Operational 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 – Performance Audit
- Audit of Planning Services – Operational Audit
- Audit of Staff Estimates – Performance Audit

Reviews

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

- Review of Staff Analysis of Orgaworld Contract
- Review and follow-up of Springhill Landfill

OAG Projects

- Update Audit Universe Risk Assessment
- Quality Assurance Review (Audit of the OAG)
- Continue to engage City management in their obligations under the Fraud and Waste Policy
- Conduct reviews and investigations generated by reports to the Fraud and Waste Hotline

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 and reviews listed below will be conducted to evaluate the adequacy, effectiveness and timeliness of actions taken by management.

- Audit of Specific Areas of the Infrastructure Services Department
- Audit of the Automated Meter Reading Project
- Audit of ByWard and Parkdale Markets
- Audit of the Environmental Services Department
- Audit of the ServiceOttawa Program
- Investigation into Three Reported Client Service Centres Deposit Shortages

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 Policy on Fraud and Waste. 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 report will be tabled mid-year.

Works in Progress

Our Office is currently completing the following from the 2016 and 2017 Audit Work Plans:

- Audit of Compliance with Legislated Ambulance Service Documentation
- Audit of Social Housing Registry – Operational and Compliance Review (at request of Councillors Fleury and Hubley)
- Audit of Corporate Security (audit originally named Audit of Security and Emergency Management – Operational Review)
- Audit of Recreation, Cultural and Facility Services Department (audit originally named Audit of Parks and Recreation – Operational Review)
- Audit of Public Works and Environmental Services Department (audit originally named Environmental Services (Part II) – Operational Review)

Our Office is also currently completing the following reviews that arose as a result of a report to the Fraud and Waste Hotline:

- Review of Long-Term Care Homes
- Review of City's Practices for the Procurement of Commercial Vehicles

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

- Audit of IT Governance
- Audit of Management of the Environmental Legislated Approval Process
- Audit of OC Transpo Process for Cancelled Bus Trips
- Audit of 3-1-1 Contact Centre
- Audit of Accounts Payable
- Audit of Information Technology Risk Management
- Audit of Information Technology Security Incident Handling and Response
- Audit of Mackenzie King Bridge Resurfacing
- Audit of Species at Risk
- Audit of Winter Operations – Capacity Planning and Performance Measurement
- Audit of Infrastructure Services – Administrative Matter
- Audit of Infrastructure Services – Technical Management
- Audit of Procurement Practices Related to the Source Separated Organics Contract
- Third Party Review – Airport Parkway Pedestrian/Cycling Bridge

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 implications associated with 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

(GP2) “Apply management controls to achieve Council’s priorities”.

DISPOSITION

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