

**2. OFFICE OF THE AUDITOR GENERAL (OAG) – AUDIT RECOMMENDATION
IMPLEMENTATION UPDATE PROCESS – PROPOSED MODIFICATIONS**

**BUREAU DE LA VÉRIFICATRICE GÉNÉRALE (BVG) – PROCESSUS DE MISE À
JOUR DE LA MISE EN ŒUVRE DES RECOMMANDATIONS DE VÉRIFICATION –
MODIFICATION PROPOSÉES**

COMMITTEE RECOMMENDATION

**That Council approve the proposed amendments to the audit
recommendation implementation update process, as outlined in this report.**

RECOMMANDATION DU COMITÉ

**Que le Conseil approuve les modifications proposées au processus de
mise à jour de la mise en œuvre des recommandations de vérification,
comme le décrit le présent rapport.**

DOCUMENTATION/DOCUMENTATION

1. Auditor General's report, dated April 16, 2021 (ACS2021-OAG-BVG-002)
Rapport de la Vérificatrice générale, daté le 16 avril 2021 (ACS2021-
OAG-BVG-002)
2. Extract of draft Minutes, Audit Committee - April 27, 2021.
Extrait de l'ébauche du procès-verbal, Comité de la vérification, le 27 avril
2021.

**Report to
Rapport au:**

**Audit Committee
Comité de la vérification
27 April 2021 / 27 avril 2021**

**and Council
et au Conseil
12 May 2021 / 12 mai 2021**

**Submitted on April 16, 2021
Soumis le 16 avril 2021**

**Submitted by
Soumis par:
Nathalie Gougeon, Auditor General / Vérificatrice générale**

**Contact Person
Personne ressource:
Nathalie Gougeon, Auditor General / Vérificatrice générale
*613-580-9602; oag@ottawa.ca***

Ward: CITY WIDE / À L'ÉCHELLE DE LA VILLE File Number: ACS2021-OAG-BVG-002

**SUBJECT: Office of the Auditor General (OAG) – Audit Recommendation
Implementation Update Process – Proposed Modifications**

**OBJET: Bureau de la vérificatrice générale (BVG) – Processus de mise à jour
de la mise en œuvre des recommandations de vérification –
Modification proposées**

REPORT RECOMMENDATION

That the Audit Committee recommend Council, approve the proposed amendments to the audit recommendation implementation update process, as outlined in this report.

RECOMMANDATION DU RAPPORT

Que le Comité de la vérification recommande au Conseil d'approuver les modifications proposées au processus de mise à jour de la mise en œuvre des recommandations de vérification, comme le décrit le présent rapport.

BACKGROUND

In December 9, 2020 Council approved recommendations within the 2018-2022 Mid-Term Governance Review (MTG) Report ([ACS2020-OCC-GEN-0006](#)).

Recommendation 1 in the 2018-2022 MTG Report, (Part 1 – Council, Standing Committees and Related Matters) states the following:

- 1. That staff be directed to provide the Audit Committee with quarterly information reports regarding the status of the City's implementation of accepted audit recommendations, as described in this report and in Document 1;**

[Document 1](#) further outlined the City Manager's roles and responsibilities with respect to the implementation of previously issued audit recommendations made by the Office of the Auditor General and the Audit Committee's oversight responsibilities to this effect.

DISCUSSION

The Auditor General is proposing a modification to the process approved on December 9, 2020 (as described above) as follows:

1. In lieu of the City Manager providing to the Audit Committee and Council quarterly status updates, the Office of the Auditor General would provide a semi-annual report on the results of audit procedures performed on previously issued

audit recommendations that have come due. The report would further highlight areas of significant risk that are still outstanding that would warrant further attention by the City's administration. This semi-annual report would be provided in lieu of previously issued follow-up audit reports;

2. Management would continue to track their progress, at a minimum quarterly, and work with the Office of the Auditor General to review the status of recommendations once the previously agreed upon implementation date has been reached.

The proposed process provides the following advantages:

1. The Audit Committee and Council would be provided timely **assurance**, on a semi-annual basis, on the status of outstanding recommendations and the completeness of actions taken by management to address previously identified issues or areas for improvement. This would provide both the Audit Committee and Council with timely information to perform their oversight responsibilities;
2. **Create efficiencies** for both the City's administration and the Office of the Auditor General by eliminating the burden of producing and reviewing audit reports for all follow-up procedures conducted;
3. **Eliminate the duplication of effort** that was created by having both the City Manager and the Office of the Auditor General report on the status of the same audit recommendations only months apart; and
4. Lastly, it would allow for the **saved resourced**, identified in points 2 and 3 above, to be redirected to addressing and reviewing the status of audit recommendations in a timelier manner.

The Office of the Auditor General has discussed the proposed changes with the City Manager's Office as well as the Chair and Vice-Chair of the Audit Committee. All parties believe this process to be more efficient and would allow Committee and Council members the ability to perform their oversight responsibilities and ensure management is being held accountable for the actions taken to address audit recommendations in a timely manner.

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 issue.

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 and the City Manager will proceed according to Audit Committee's and Council's direction.