

OFFICE OF THE AUDITOR GENERAL – REPORT ON AUDIT FOLLOW-UPS
AND DETAILED AUDIT FOLLOW-UP REPORTS

ACS2020-OAG-BVG-0001

CITY WIDE

REPORT RECOMMENDATION

That the Audit Committee receive the Report on the Audit Follow-ups and detailed audit follow-up reports and recommend that Council consider and approve the report recommendations.

At the outset, the Committee approved the following motion:

MOTION No. AC 2020 1/8

Moved by Vice-Chair Meehan

WHEREAS the Supporting Documentation for the item 1 titled:

“Office of the Auditor General – Report on Audit Follow-ups and detailed audit follow-up 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

Ken Hughes, Auditor General, Sonia Brennan, Deputy Auditor General and Ed Miner, Deputy Auditor General spoke to a PowerPoint presentation, which outlined the following six follow-up reports:

- Follow-up to the 2015 Audit of Ethics
- Follow-up to the 2016 Audit of ByWard and Parkdale Markets
- Follow-up to the 2017 Audit of Child Care Services
- Follow-up to the 2017 Audit of the Management of the Lansdowne Contract
- Follow-up to the 2017 Investigation into the Giver 150 Playground at Mooney's Bay Park
- Follow-up to the 2017 Review of the Management of Emergency Shelter Providers – Contract Management

A copy of the presentation is held on file with the City Clerk. In addition to the Auditor General staff, the following Councillors and staff members were in attendance to respond to questions:

- Shawn Menard, Councillor (Ward 17)
- Steve Kanellakos, City Manager
- Rick O'Connor, City Clerk
- David White, City Solicitor, Innovative Client Services
- Stephen Willis, General Manager of Planning, Infrastructure and Economic Development
- Donna Gray, General Manager, Community and Social Services
- Dan Chenier, General Manager, Recreation, Cultural and Facility Services
- Steve Box, Director, City Manager's Office
- Isabelle Jasmin, Deputy City Treasurer, Corporate Finance
- Will McDonald, Chief Procurement Officer
- Jason Sabourin, Director, Children's Services, Community and Social Services
- Shelley McDonald, Director, Solid Waste Services, Public Works and

Environmental Services

- Shelley VanBuskirk, Director, Housing Services, Community and Social Services
- Court Curry, Manager, Right-Of-Way, Heritage and Urban Design Services, Planning, Infrastructure and Economic Development

Discussion and questions were permitted after each presentation and proceeded as follows:

Follow-up to the 2015 Audit of Ethics

- Sexual harassment training was discussed and whether the training is also offered to councillors staff. Suggestion was made to make this training mandatory for all employees
- If the City benchmarked the training with other comparable cities
- Request that staff prepare a plan to ensure more employees are aware and exposed to this training

Follow-up to the 2016 Audit of ByWard and Parkdale Markets

- It was noted that some recommendations and processes in the follow up report are now redundant and/or no longer exist
- Staff participate in board meetings as ex officio and the Annual General Meeting minutes are submitted to Council for approval
- Clarification was provided in terms of cash handling and staff noted that a policy is now in place
- The dispute with the collection of rents is not worth pursuing legally as the court costs would exceed the amounts collected

Follow-up to the 2017 Audit of Child Care Services

- New technology has been put in place to eliminate duplicity issues and error rate is currently below two per cent
- Some recommendations are delayed partly due to COVID, however staff

anticipate to provide an update in Q1 2021

Follow-up to the 2017 Audit of the Management of the Lansdowne Contract

- An error was noted on page 24 of this Follow-up Audit report and the Auditor General noted that a revised copy will be submitted to the City Clerk's Office after the meeting
- A staff person will be appointed to work solely on this file
- A Lessons Learned exercise is part of the scope of work in reviewing P3 policies

Follow-up to the 2017 Review of the Management of Emergency Shelter Providers – Contract Management

- Suggestion that staff submit all additional expenses to the provincial government. Staff confirmed that a tracking mechanism has been put in place to track all shelter costs

After discussion, Vice-Chair Meehan moved the following motion:

AC MOTION No. 2020 2/8

Moved by Vice-Chair C.A. Meehan

WHEREAS, management is committed to ensuring the timely implementation of audit recommendations; and

WHEREAS follow-up is a key component of an effective audit process in that it informs Council as to whether recommendations have been implemented;

WHEREAS there are instances where time lags to implementation can occur given the nature of the audit recommendation, due to factors such as evolving statutory requirements, evolving technology and implications on procurement and budget driven considerations, changes to existing collective agreements to enable implementation etc.;

THEREFORE BE IT RESOLVED that a working group be established that would include the Audit Committee Chair, Vice-Chair, the Auditor General and City Manager to monitor the status of implementation of Council-

approved audit recommendations and provide a forum to discuss audit recommendations where circumstances may have changed that impact implementation.

THEREFORE BE IT RESOLVED that the working group would have the following mandate:

- **Review the audit status tracking report as required, to ensure that staff have implemented the approved audit recommendations.**
- **Submit quarterly a status report to Audit Committee and Council for information.**
- **Approve the workplan for resolving recommendations under dispute.**
- **Receive additional background information on disputed items, from both staff and the Auditor General, when there is a disagreement between the two parties. Formulate recommendations (in terms of direction to staff) for decision by the Audit Committee and Council on the disputed item.**
- **Receive background information when the recommendation has been deemed no longer applicable since the audit recommendations were approved (i.e. staff cannot implement the recommendation or a change in resources is required to implement) and direct staff on next steps.**
- **Undertake any additional or ad hoc work or oversight role as directed by the Audit Committee and City Council.**

Committee members debated the motion and asked if the Auditor General is in support of the motion in which he noted that although this is an added step, he would support and participate in the working group.

Upon reflection, the Vice-Chair retracted her name as the Mover of the Motion. The Motion was then put forward by Chair Cloutier. At this point, the City Clerk cautioned that the motion reads as though this working group would be a sub-committee of the Audit Committee, therefore certain rules may be applied in this instance. He offered to take the discussion offline with the Chair and Vice-Chair prior to consideration of this item at the City Council meeting of October 14, 2020. The Chair agreed to withdraw the motion at this time and the report recommendation was RECEIVED and CARRIED as presented.

