- Introduction: Alain Lalonde, Auditor General
- 5 Audit Reports: Ray Kostuch, Deputy Auditor General
- Fraud and Waste Hotline: Ray Kostuch
- 14 Follow-up Audit Reports: Alain Lalonde
- 2013 Audit Work Plan: Alain Lalonde
- 2014 Audit Work Plan: Alain Lalonde
- Summary and Potential Savings: Alain Lalonde
Work not included in Annual Report

Based on Legal advice the following will be presented after any related arbitration and/or litigation are completed:

- Audit of the Procurement Process - Source Separated Organics Contract
- Audit of the Procurement Process – Springhill Landfill
- Follow-up to the 2010 Audit of the West End Flooding Event and the Development Review Processes within the Carp River Watershed
- Follow-up to the 2010 Audit of the MacKenzie Bridge Resurfacing
Work not included in Annual Report

Presented directly to the City Manager and an Outside Board:

- Follow-up Audit of the Pine View Municipal Golf Course
- Audit of the Ottawa Municipal Campground
Audit Reports

1. Treasury Function
2. Corporate Credit Cards
3. Client Service Centres (CSC)
4. Ontario Works Eligibility Assessment Process
5. Construction Supervision
1. Treasury Function

1.a Meeting legislative and policy requirements

1.b Policies and procedures consistent with relevant legislation

1.c Formal performance measurement methodology has not been developed and implemented

1.d Rate of ROI during 2011 was 3.98%
1. Treasury Function

1.e Increasing EFT use could lead to annual savings of as much as $100,000

1.f Total potential savings: $185,000

Management agreed with all 11 recommendations
2. Corporate Credit Cards

2.a Well administered and supported by Finance

2.b Clear processes, supervision and oversight over reconciliations verification

2.c Compliance against applicable policies and procedures

2.d Error rates low and controls functioning as intended
2. Corporate Credit Cards

2.e Increasing use of credit cards could yield annual savings of $250,000

2.f Spent > $235,000 in grocery stores in 2011 without preferred pricing

2.g Reassigning purchasing to lower operational level staff could save approximately $10,000 annually

Management agreed with all 13 recommendations
3. Client Service Centres (CSC)

3.a Efficiency savings from streamlining operations in the 7 CSCs

3.b Resources are not fully utilized; annual efficiency savings of 13 FTEs valued at $824,000

3.c Consider closing some CSCs given low usage rates

3.d Increase automated transactions for service delivery could lead to potential savings
3. Client Service Centres (CSC)

3.d Potential additional recovery of $35,800 for Government Service Centres greeters (salaries, benefits and overhead)

3.f Total potential savings: $860,000

Management agreed with all 17 recommendations
4. Ontario Works Eligibility Assessment Process

4.a Initial eligibility assessments meeting legislative and policy requirements

4.b Random sample of 100 recipients (Jan 2011-Jun 2012 payments)

4.c 0.6% of the population tested totalling $3,840, identified as ineligible

4.d If error rate projected to population of payments, ineligible payments would approximate $834,000
4. Ontario Works Eligibility Assessment Process

4.e Decreasing number of generic case workers to be more in line with provincial median would result in efficiency savings of $1.5 M

4.f Reducing case workers’ sick leave to 16.5 days (as in East Serv. Centre) for a savings of approximately $167,000:
   - Other Service Centres – as high as 21 days/yr
   - City-wide - average is 11 days/yr

4.e Total potential savings: $2.5 M

Management agreed with all 18 recommendations
5. Construction Supervision

5.a Need to evaluate past performance of contractors when determining award of contract

5.b Past performance should be documented and a rating system established

5.c In some instances, change orders were result of consultants’ errors and omissions

5.d Estimates that $1.2 M could be recovered from change orders resulting from design errors when projected over the entire population of projects
5. Construction Supervision

5.e Could save $435,000 in contractor mark-up fee for police assistance at intersections if City paid Police directly rather than via contractor

5.f Should change current method of advertising tenders to include a wider distribution and ensure the largest exposure possible for the City

5.g Potential savings identified: $1,635,000

Management agreed with all 13 recommendations
# Fraud and Waste Hotline

## Reports by Reporter Type

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<thead>
<tr>
<th>Reporter Type</th>
<th>Number of Reports</th>
<th>Percentage</th>
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### Reporters Who Used Two-way Communication

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<tr>
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<td>45%</td>
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<tr>
<td>Total</td>
<td>143</td>
<td>100%</td>
</tr>
</tbody>
</table>
Follow-up Reports

1. Use of City Vehicles and Mileage Claims
2. Selected Grant Recipients - Signed Agreements and Audit Clauses
3. Nepean Sailing Club Agreement
4. Sugarbush (Action Vanier) Agreements
5. Revenue Branch
6. Staffing Process – Children’s Services Branch
7. City’s Management of a Loan Agreement
Follow-up Reports

8. City's Role Regarding a Canada Day Event
9. Internet and Email Usage Policies and Procedures
10. Compressed Work Week Agreements
11. Procurement Process for the SmartBus Next Stop Announcement System
12. Ottawa Municipal Campground
13. Bridge Maintenance Process
14. Pine View Municipal Golf Course
14 Follow-up Reports – General Comments

- Solid progress on 88% of original audits recommendations (128 of 146 recommendations)
Approved 2013 Audit Work Plan

1. Fleet Services – NAPA Contract
2. Ethics
3. IT Governance
4. OC Transpo Business Strategic Planning Processes
5. Environmental Legislated Approval Processes
6. Infrastructure Services Department

Reports expected to be issued for fact validation between December 2013 and February 2014.
Approved 2013 Audit Work Plan

Follow-up audits:

1. Management of Vacant Positions
2. Corporate Communications Function
3. Procurement Practices – General
4. Procurement Practices - Hedging Activities
5. Performance Measurement
6. Occupational Health and Safety
7. Human Resources Master Plan
8. Budgeting for Growth Funding
9. OC Transpo Scheduling Process for Bus Operators
10. OC Transpo Communication of Cancelled Bus Trips
Approved 2014 Audit Work Plan

- Due to the timing and arrival of my successor, this annual report does not put forth an audit work plan beyond that of 2013.

- Done intentionally to allow the new Auditor General to propose his audit work plan and seek Audit Committee and Council’s approval.
Summary 2005 to 2012

- 122 audits
- 1,713 recommendations
- 152 recommendations management disagreed with
Potential Savings

In Thousands ($000)

One time savings: $26 million
Annual savings: $25 million

Total potential savings: $51 million
Acknowledgement

My colleagues and I wish to express our appreciation for the continued cooperation and assistance afforded the audit teams by the City Manager, management and staff.

Staff of the Office of the Auditor General – 2012

Suzanne Bertrand
Ray Kostuch
Alain Lalonde
Dan Presse
Louise Proulx
Lise Renaud
Laura Roe
Questions

Thank you