



Office of the Auditor General / Bureau du vérificateur général

**FOLLOW-UP TO THE 2010 AUDIT OF THE
CITY'S ROLE REGARDING A CANADA DAY EVENT
2012**

**SUIVI DE LA VÉRIFICATION DU RÔLE DE LA VILLE
CONCERNANT UNE ACTIVITÉ DE LA FÊTE DU CANADA DE 2010**

Table of Contents

EXECUTIVE SUMMARY	i
RÉSUMÉ.....	iii
1 INTRODUCTION.....	1
2 KEY FINDINGS OF THE ORIGINAL 2010 AUDIT	1
3 STATUS OF IMPLEMENTATION OF 2010 AUDIT RECOMMENDATIONS	5
4 SUMMARY OF THE LEVEL OF COMPLETION	18
5 CONCLUSION.....	18
6 ACKNOWLEDGEMENT.....	18

EXECUTIVE SUMMARY

Introduction

The Follow-up to the 2010 Audit of the City's Role Regarding a Canada Day Event was included in the Auditor General's Audit Plan.

The key findings of the original 2010 audit included:

- The City needs to carry out proper monitoring of park rental contracts with organizers.
- The City needs to perform its role to monitor compliance with the park rental contract, by-laws and subsequent enforcement with consequences for non-compliance.
- The audit of the 2009 and 2010 Canada Day events at the park found the following:
 - Unauthorized helicopter rides;
 - Non-compliant electrical hook-ups;
 - Diesel spill (2009) with clean-up costs of \$57,000 that the City should recover.

Summary of the Level of Completion

The table below outlines our assessment of the level of completion of each recommendation as of July 3, 2012. It also outlines management's assessment of the level of completion of each recommendation as of February 2013.

CATEGORY	% COMPLETE	RECOMMENDATIONS	NUMBER OF RECOMMENDATIONS	PERCENTAGE OF TOTAL RECOMMENDATIONS
LITTLE OR NO ACTION	0 – 24	-	-	-
ACTION INITIATED	25 – 49	5	1	10%
PARTIALLY COMPLETE	50 – 74	-	-	-
SUBSTANTIALLY COMPLETE	75 – 99	4, 8, 10	3	30%
COMPLETE	100	1, 2, 3, 6, 7, 9	6	60%
TOTAL			10	100%

Conclusion

The majority of the recommendations made in the original 2010 audit have at least been partially implemented, including six of the ten recommendations, which have been fully implemented.

Two more recommendations will be fully implemented in Q1 2013 if the Special Events By-laws are approved by Committee/Council as planned by management.

For recommendation 5, in 2013, after approval of the Special Events By-law, the City will have to develop a supporting policy to define the costs that will be recovered for events and ensure consistency in tracking of in-kind services for special events.

Finally, the City still has some work to do in regards to recommendation 10 that concerns streamlining the business process for permits for events, including implementing its purchase of an off-shelf software program that will automate the process for event permits in City parks and to which stakeholders will have access.

This said, the OAG still wishes to outline the fact that even with the need to continue improving its business process, the City of Ottawa was named the 2010 Top North American City by the International Festival and Event Association (IFEA) in the population category of 500,000 to 1,000,000.

Acknowledgement

We wish to express our appreciation for the cooperation and assistance afforded the audit team by management.

RÉSUMÉ

Introduction

Le Suivi de la vérification du rôle de la Ville concernant une activité de la fête du Canada de 2010 était prévu dans le Plan de vérification du vérificateur général.

Les principales constatations de la vérification de 2010 sont les suivantes :

- La Ville doit exercer une surveillance adéquate des contrats de location de parcs conclus avec les organisateurs d'événements.
- La Ville doit remplir son rôle de surveillance de la conformité aux dispositions du contrat de location des parcs et aux règlements municipaux, et veiller à leur application subséquente. La non-conformité doit avoir des conséquences.
- La vérification des activités de la fête du Canada organisées au parc en 2009 et en 2010 a décelé ce qui suit :
 - des tours d'hélicoptère non autorisés;
 - des raccordements électriques non conformes; et
 - un déversement de diesel (2009) qui a entraîné des frais de nettoyage de 57 000 \$ que la Ville doit recouvrer.

Sommaire du degré d'achèvement

Le tableau ci-dessous présente notre évaluation du degré d'achèvement de chaque recommandation le 3 juillet, 2012. Celui-ci présente également l'évaluation de la direction concernant le degré de réalisation de chaque recommandation au mois de février 2013 :

CATÉGORIE	POURCENTAGE COMPLÉTÉ	RECOMMANDATIONS	NOMBRE DE RECOMMANDATIONS	POURCENTAGE DU TOTAL DES RECOMMANDATIONS
PEU OU PAS DE MESURES PRISES	0 – 24	-	-	-
ACTION AMORCÉE	25 – 49	5	1	10 %
COMPLÉTÉE EN PARTIE	50 – 74	-	-	-
PRATIQUEMENT COMPLÉTÉE	75 – 99	4, 8, 10	3	30 %
COMPLÉTÉE	100	1, 2, 3, 6, 7, 9	6	60 %
TOTAL			10	100 %

Conclusion

La majorité des recommandations formulées dans la vérification de 2010 ont été au moins partiellement mises en œuvre, notamment six des dix recommandations, qui ont été entièrement mises en œuvre.

Deux autres recommandations seront entièrement mises en œuvre au 1^{er} trimestre de 2013, si le Règlement sur les événements spéciaux est approuvé par le Comité et le Conseil comme prévu par la direction.

En ce qui concerne la recommandation 5, en 2013, après approbation du Règlement sur les événements spéciaux, la Ville devra élaborer une politique connexe pour définir les coûts qui seront récupérés pour les événements et assurer l'uniformité du suivi des services en nature pour les événements spéciaux.

Finalement, la Ville a du travail à faire concernant la recommandation 10 qui encourage la simplification des procédures administratives pour la délivrance des permis pour des événements. On y recommandait plus précisément l'achat d'un logiciel prêt-à-l'emploi afin d'automatiser la procédure de délivrance des permis d'événements dans les parcs de la Ville, auquel toutes les personnes concernées auront accès.

Cela dit, le BVG souhaite souligner le fait que même si l'administration municipale doit continuer à améliorer ses procédures administratives, la Ville d'Ottawa a été nommée en 2010 première ville nord-américaine par l'International Festival and Event Association (IFEA) dans la catégorie des 500 000 à 1 000 000 d'habitants.

Remerciements

Nous tenons à remercier la direction pour la coopération et l'assistance accordées à l'équipe de vérification.

1 INTRODUCTION

The Follow-up to the 2010 Audit of the City's Role Regarding a Canada Day Event was included in the Auditor General's Audit Plan.

The key findings of the original 2010 audit included:

- The City needs to carry out proper monitoring of park rental contracts with organizers.
- The City needs to perform its role to monitor compliance with the park rental contract, by-laws and subsequent enforcement with consequences for non-compliance.
- The audit of the 2009 and 2010 Canada Day events at the park found the following:
 - Unauthorized helicopter rides;
 - Non-compliant electrical hook-ups;
 - Diesel spill (2009) with clean-up costs of \$57,000 that the City should recover.

2 KEY FINDINGS OF THE ORIGINAL 2010 AUDIT

2010 Canada Day Event Helicopter Rides

1. The event organizer permitted the helicopter company to provide helicopter rides at the 2010 event without the permission of the City and Transport Canada.
2. The helicopter rides were only stopped by the Portfolio Manager of the Allocations Section at the City on July 2 when they were made aware by the Manager, Event Central. However, City staff (including 311, By-law and Regulatory Services and Parks, Buildings and Grounds Operations and Maintenance staff) were made aware around midnight June 30.
3. It was originally the opinion of the By-law licensing officer on July 1, 2010 and subsequently the Chief, By-law and Regulatory Services on July 7, 2010 that there was no action that By-law Services could have taken and that the Parks and Facilities By-law did not cover helicopters. They had noted however that the event organizer was in violation of the permit issued to him by Parks, Recreation and Cultural Services. Subsequently, August 27, 2010, when the Office of the Auditor General (OAG) followed up as part of this audit, By-law and Regulatory Services indicated that this issue would be enforceable as this activity was outside of the terms and conditions of the park permit in violation of the Parks and Facilities By-law. They indicated that they were still within the six month window and that they would certainly work with the permit issuer to ascertain if there was sufficient evidence to issue charges. August 27, 2010 Parks, Recreation and Cultural Services had indicated that Legal Services had

provided legal advice that this occurrence would be enforceable through section 7(1) (b) of the Parks and Facilities By-law. However, By-law and Regulatory Services did not proceed with charges.

4. The Parks and Facilities By-law provides for the use of City parks and facilities and includes clauses to recover damages and/or charge for contravention of any provisions of the By-law. The Parks and Facilities By-law also includes a clause that if a person who contravenes any of the provisions of the by-law is found guilty and convicted of an offence, then they would be liable to a fine as provided for in the Provincial Offences Act (POA). Within the POA under general provisions there is a limitation where no proceeding shall be commenced after the expiration of any prescribed limitation period or where not prescribed, six months after the date the offence was alleged to have been committed. The OAG followed up again November 9, 2010 to determine if there were going to be charges made within the six month window. Since this incident occurred June 30, 2010 charges would need to be made by December 30, 2010. The Chief, By-law and Regulatory Services subsequently consulted with Parks, Recreation and Cultural Services (PRC) to determine if they were in agreement with the organizer being charged and they responded that in their opinion a violation charge related to the use of helicopters at Andrew Haydon Park is not required at this time (November 12, 2010).
5. As noted in point 1, the event organizer never advised the City about the onsite helicopter, this resulted in a lack of confirmation of licenses and permits relating to the pilot, helicopter and helicopter company, a lack of a certificate of proof of liability insurance for this activity for the period of the event with the City as named insured, and a lack of confirmation of other government legislation.
6. As of November 16, 2010 Transport Canada has confirmed that no permission was granted to either the helicopter company or the event organizer to have helicopter rides at Andrew Haydon Park nor did the helicopter company apply for an authority.
7. Transport Canada Enforcement has indicated as of November 16, 2010 that they are conducting an investigation into this matter for possible violations to the Canadian Aviation Regulations.

2010 Canada Day Event Parking Variance

Since 2008, the City put in place a variance with specific conditions to allow the event organizer to charge a fee for parking. Although, the City intended to stop this practice for 2010, the practice was continued as it was considered that the event organizer was advised too late to revoke the variance in advance of the event.

2010 Canada Day Event Non-compliant Electrical Hook-up for the Vendor Trailers

1. An inspector from the Electrical Safety Authority (ESA)¹ was at the park on June 30, 2010 and was going to shut down the event due to non-compliant electrical hook-ups for the trailers. The City electrician had to intervene to address the non-compliant electrical hook-up. This created additional costs for the City which were not reimbursed as at November 3, 2010.
2. The ESA advised the City that the organizer was going to be charged through them for his actions on that day and when requested by PRC subsequently indicated that they have a written report but are not willing to share with PRC due to confidentiality. *OAG has subsequently requested the report.*

2009 Canada Day Event Diesel Spill

1. At the 2009 event, a diesel spill occurred by the ride operator's trailer which was parked near a pond. The matter was reported to the Ministry of the Environment (MOE) July 6, 2009 and remedial work was performed by the City in consultation with MOE.
2. The City submitted a claim for remediation costs to the insurer for the ride operator in the amount of \$57,000 and not to the event organizer. As of September 27, 2010, the amount has not been paid. The rental contract for use of the park is with the event organizer and not the ride operator and covers the dates of the event which runs from June 26, 2009 to July 1, 2009. The City should have considered actions against the event organizer.
3. The 2009 Certificate of Insurance for the event organizer includes the City as the certificate holder but does not include the complete dates for the event. After the spill, the event organizer provided the City with the 2009 Certificate of Insurance for the ride operator which does not include the City as the named insured and does not cover the complete dates for the event.
4. The post-mortem for the 2009 event was actually held at same time as the Special Events Advisory Team (SEAT) meeting for the 2010 event which was not held until April 16, 2010. Email correspondence shows that there was an October 2009 meeting scheduled that was cancelled as the event organizers were unavailable. Management has indicated that any event occurrence related to risk/liability is investigated immediately and prior to the post-mortem meeting. The extended timeframe for addressing this and other matters with the event organizer puts at risk the City's ability to potentially recover damages and enforce charges in accordance with City by-laws as all the appropriate parties may not have been named in the claim and the proper insurance may not have been in place.

¹ Independent authority established by Provincial legislation responsible for conducting inspections and enforcing the Ontario Electrical Safety Code.

2010 Canada Day Event Funding for Fairs and Festivals

1. The 2010 funding application from the event organizer for Fairs and Festivals Funding contained some areas of weaknesses which the Funding Supervisor noted resulted in a lower amount of funds being awarded.
2. The event organizer did not meet the clause in the terms and conditions to acknowledge funding from the City. The Funding Supervisor was not aware the condition was not being met until we informed them during the course of the audit. Management indicated that consideration is given to not awarding future funding where terms and conditions are not being met. Issues are discussed and resolved with the organization prior to making a final decision on an organization's ineligibility.

2010 Canada Day Event Park Permit Application Process

1. The Ottawa Rental Contract (park permit) was issued jointly in the name of an individual and the Italian Canadian Community Centre even though the application was in the name of Canada Day Arts Festival Inc.
2. The rate charged was the non-profit rate even though the Allocations Group did not obtain proof to confirm that the parties renting are all non-profit. Management has indicated that as this is the same individual who has been running this event through the Italian Canadian Community Centre for the past six years, there was no reason to verify if the party had changed status to for-profit. However, the OAG believes this should be confirmed annually as the status may change.
3. The event hours on the Ottawa Rental Contract shown as 7:00 a.m. to 11:00 p.m. differed from the organizer application and liquor license which showed an end time to 12:00 a.m. The later end time could result in additional City staff charges.
4. The number of participants identified by the event organizer ranges from 200 noted on the application, to 50,000 in the SEAT meeting minutes for the 2010 post-mortem, to 20,000 on the rental contract, to 200 on the liquor license, to 1,001+ on the Special Event application, to 4,000 on Canada Day and 200 on other days on the SEAT pre-event meeting minutes.
5. The application for a park permit entitled, "Request for Use of City of Ottawa Parks" which was explained by Allocations Group management as the document used to develop a tentative contract which is taken to the SEAT meeting. The application does not include sections to complete to identify if the organization is not-for-profit which would impact the price or that a SEAT meeting or Special Events application would be required.

6. The events file did not contain all required confirmations of documentation and lacked confirmation and proof that all required permits were in place (e.g., Ottawa Fire Services permit for fireworks, vendor permits). The Allocations Group did not have these permits. Management indicated that the Allocations Group, responsible for the park permit, only had the permits that are pertinent to them for issuing the use of the park, which included the liquor licence and insurance. The Program Manager, Event Central indicated that these permits would be located in the files of the various service areas and that Event Central staff would have called to confirm that these permits existed prior to the event. OAG requested copies of these permits which had not been provided to the OAG until January 27 and 28, 2011 as the Program Manager indicated they were under the impression that Ottawa Fire Services and By-Law and Regulatory Services were providing them. With respect to the 2010 food vendor permits, there were three vendor permits provided for food vendors which differed from the one food vendor listed on the "Application for Special Events". Therefore, there continues to be a lack of confirmation that all proper permits were in place.

3 STATUS OF IMPLEMENTATION OF 2010 AUDIT RECOMMENDATIONS

2010 Recommendation 1

That the City consider not renting the park to this event organizer based on past experiences.

2010 Management Response

Management agrees with this recommendation.

The department has considered the issue by consulting with the Ward Councillor, members of SEAT (Special Events Advisory Team) and other stakeholders and determined that the positive community impact of this event outweighs the negative issues associated with it. Management will attach appropriate conditions to future rentals and ensure suitable monitoring and enforcement to make sure that identified non-compliant activities do not reoccur with this event organizer.

Management Representation of the Status of Implementation of Recommendation 1 as of July 3, 2012

As stated in the management response, the event organizer was allowed to hold the Canada Day event in 2011 after additional conditions were attached to the permit. These included matters related to parking fees, overflow parking, aircraft, parking of large scale rides and vehicles along the waterway. This was in addition to the General Terms and Conditions and Specific Terms and Conditions for Park Use.

Also management ensured that suitable monitoring was undertaken prior to and on the day of the event.

In 2012, the organizer held a Canada Day event on federal lands.

Implementation of this recommendation is complete.

Management: % complete ***100%***

OAG's Follow-up Audit Findings regarding Recommendation 1

We have reviewed the Canada Day Andrew Haydon Park, Special Events Advisory Team (SEAT) post-mortem debrief in which we found demonstration that the City has considered not renting the park to this event organizer for the next Canada Day event based on past experience.

It has been decided that the City would agree to rent the park to this event organizer for the 2011 Canada Day event with some conditions detailed in a Special Event Agreement that was signed by the City of Ottawa Event Central Division Manager, the organizer and the City Councillor, Ward 7.

Additionally, a letter, dated June 27, 2011, outlining the specific conditions of the permit #34884 for the 2011 Canada Day event at Andrew Haydon Park, was sent to the organizer.

The conditions related to, but were not limited to, parking fees, overflow parking, aircraft and parking of large-scale rides and vehicles along waterway.

Finally, to ensure coordination and planning of the last necessary aspects for the event, including the City's responsibility for suitable monitoring, the SEAT met again with the organizer and all stakeholders on June 13, 2011.

OAG: % complete ***100%***

2010 Recommendation 2

That the City consider charging the event organizer with failing to comply with the terms and conditions of their park permit in violation of the Parks and Facilities By-law and that the event organizer be held accountable for any subsequent charges in violation of other policies or legislation. In the case of the helicopter, there was legal advice that this occurrence was enforceable through the Parks and Facilities By-law.

2010 Management Response

Management agrees with this recommendation.

Legal action has been considered. By-law and Regulatory Services consulted with Special Events and the General Manager of Parks, Recreation and Culture. It was determined that charges, in this instance, were not warranted since:

- the organizer discontinued the helicopter service immediately upon being contacted by the City
- the organizer met with SEAT and members of the Community Association to acknowledge his non-compliance with the Terms and Conditions
- the City and the Community Association had contacted Transport Canada to report the violation.

Management Representation of the Status of Implementation of Recommendation 2 as of July 3, 2012

Implementation of this recommendation is complete as per the management response.

Management: % complete 100%

OAG's Follow-up Audit Findings regarding Recommendation 2

The City contacted Transport Canada in September 2010 to inform them of the situation and ask if they issued a permit. On September 15, 2010, Transport Canada answered that Civil Aviation Operations did not grant permission for the helicopters rides. Transport Canada pursued the matter and charged a penalty of \$3,750 to the company that provided the helicopter rides.

A demonstration was found that the City considered charging the organizer with failing to comply with the terms and conditions of their park permit in violation of the Parks and Facilities By-law.

OAG: % complete 100%

2010 Recommendation 3

That upon receipt of by-law requests for service, that the City investigate compliance with City by-laws on a timely basis (including the Parks and Facilities By-law) and other legislative requirements and enforces City by-laws.

2010 Management Response

Management agrees with this recommendation.

The audit states: *"In our opinion, upon receipt of by-law requests for service, the City's By-law and Regulatory Services needs to take a lead role in ensuring that compliance with the City's by-laws and other legislative requirements are appropriately investigated and enforced in a timely manner."* The By-law and Regulatory Service Branch's

enforcement protocol is reactive enforcement and the deployment model is staffed accordingly.

The goal of By-law and Regulatory Services is to gain voluntary compliance through education as this is a more cost-effective, timely and amicable process vs. enforcement action, which can take months to achieve, all for the same outcome which is compliance.

Management Representation of the Status of Implementation of Recommendation 3 as of July 3, 2012

Implementation of this recommendation is complete as per the management response.

Management: % complete 100%

OAG's Follow-up Audit Findings regarding Recommendation 3

The Chief, By-law and Regulatory Service Branch explained that they learned from that experience that they needed to be more diligent in the future. They are also doing better planning for major events such as Canada Day.

OAG: % complete 100%

2010 Recommendation 4

That the City ensure that agreements include an audit clause to allow the City access to monitor the event organizer's records in order to confirm that money collected is used for the intended purpose.

2010 Management Response

Management agrees with this recommendation.

Event Central will be seeking Council's approval on a Special Events By-law in Q4 2011, to streamline the business process and event requirements for special events. The draft by-law, to be considered by Council later this year, will have an audit clause requirement that will allow the City access to monitor records for events that have conditions attached to their permits (e.g., parking), even if they don't receive any City funding for it.

Management Representation of the Status of Implementation of Recommendation 4 as of July 3, 2012

An audit clause has been incorporated in the Special Events By-law that is going forward to Committee/Council in Q1 2013.

The clause is currently worded as follows, "At the Manager's request, no permit holder shall fail to make available to the Manager any records or information providing proof that the monies collected by the permit holder, including donations and admission fee, in respect of off-street parking for the special event were used for their intended purpose, where such parking was the subject of an agreement with or exception by the City."

Management considers implementation of this recommendation to be substantially complete.

Management: % complete 75%

OAG's Follow-up Audit Findings regarding Recommendation 4

The DRAFT By-Law No. 2013, dated November 15/20/2012 were reviewed, and in the section entitled Review of Permit Holder's Records for Off-Street Parking there is an audit clause corresponding to what is stated in the management answer.

The Special Events By-law has to be approved by Committee/Council in Q1 2013.

OAG: % complete 75%

Management Representation of Status of Implementation of Recommendation 4 as of January 31, 2013

Management agrees with the OAG's follow-up audit finding.

The section entitled "Review of Permit Holder's Records for Off-Street Parking" of the DRAFT By-Law No. 2013, dated November 15/20/2012 contains an audit clause which addresses the Auditor's recommendation.

The DRAFT By-Law will be considered by Council on February 27, 2013. Once it is approved, implementation of this recommendation will be complete.

Management: % complete 75%

2010 Recommendation 5

That the City review the full costs incurred related to special events, such as this Canada Day Event, and establishes a policy to clearly define the costs that will be recovered for special events.

2010 Management Response

Management agrees with this recommendation.

Currently Event Central does track in-kind corporate costs for events that are processed through Event Central; however, more consistency is required in terms of how each department tracks their in-kind costs.

The draft Special Events By-law will allow for a supporting policy to be developed in 2012 to satisfy this recommendation.

Management Representation of the Status of Implementation of Recommendation 5 as of July 3, 2012

The Special Events By-law is going forward to Committee/Council in Q1 2013. Once the By-law is approved, a supporting policy will be developed to define the costs that will be recovered and ensure consistency in tracking of in-kind services

for special events within the corporation. Implementation of this recommendation will be complete in Q2 2013.

Management: % complete *35%*

OAG's Follow-up Audit Findings regarding Recommendation 5

In the DRAFT By-Law No. 2013, dated November 15/20/2012, there are four schedules that clearly define the in-kind, or recoverable, corporate costs. Schedule G presents the fees for the Paramedic Service Resource and Fire Service Resource. Schedule H presents the fees for Services Provided by Public Works. Schedule I presents the fees for Paid Duty Officers; and, Schedule J, the fees for services provided by By-law and Regulatory Services Branch.

A supporting policy needs to be developed to define the costs that will be recovered and ensure consistency in tracking of in-kind services for special events within the corporation. Implementation of this recommendation is planned to be complete in Q2 2013 after the approval of the Special Events By-law by Committee/Council and in the development of the supporting policy.

OAG: % complete *35%*

Management Representation of Status of Implementation of Recommendation 5 as of January 31, 2013

Management agrees with the OAG's follow-up audit finding.

The Special Events DRAFT By-Law, which will be considered by Council on February 27, 2013, includes chargeback fee schedules that reflect each department's cost recovery targets. Once the By-Law is approved, a supporting policy will be developed to define the costs that will be recovered and ensure consistency in tracking of in-kind services for special events within the corporation.

The DRAFT By-Law, currently states:

- The applicant shall pay the full amount indicated in the invoice provided, pursuant to subsection (1), no later than 14 days prior to the special event as required by the Deputy City Treasurer Revenue.
- In addition to subsection (b), the applicant shall pay any additional fees calculated after the occurrence of the special event by the Deputy City Treasurer Revenue for services provided by the City or by the Ottawa Police Service in relation to the special event, where such fees were not included in the invoice provided under subsection (1).

Implementation of this recommendation will be complete by June 2013.

Management: % complete

35%

2010 Recommendation 6

That the City review the City's spill reporting process to ensure that it includes complete and accurate documentation to clearly identify the complainant.

2010 Management Response

Management agrees with this recommendation.

The Spills reporting procedure at 311 has been reviewed and amended where an agent is now required to identify if the caller is a City employee or not and to note such for the record, in addition to asking for and recording name, address and contact information.

Management Representation of the Status of Implementation of Recommendation 6 as of July 3, 2012

Implementation of this recommendation is complete as per the management response.

Management: % complete

100%

OAG's Follow-up Audit Findings regarding Recommendation 6

We read the 311 Spills reporting procedure and reviewed it to determine whether agents have to identify and note:

- If the caller is a City employee or not;
- Name;
- Address;
- Contact information; and,
- The 311 agents have been made aware of this procedural change.

The procedure is captured in their internal Knowledge Base which contains all procedures and information agents may need to carry out their duties; staff are required to access this Knowledge Base and follow the procedures indicated for each call, which would include any calls received to report spills.

OAG: % complete

100%

2010 Recommendation 7

That the City recover the costs related to the 2009 diesel spill.

2010 Management Response

Management agrees with this recommendation.

The Parks, Recreation and Cultural Services department worked with the Claims Unit to put the owner of the vehicle on notice of claim shortly after the City was aware of damage to the park. Staff has been corresponding with the insurance representatives for the vehicle that is suspected to have caused the fuel spill. On March 3, 2011, the insurer for the vehicle owner denied the City's claim on behalf of the insured. Legal Services will be reviewing this claim and, if appropriate, will initiate a lawsuit against the parties who appear to be responsible.

Management Representation of the Status of Implementation of Recommendation 7 as of July 3, 2012

The City formally commenced an action in late June 2011 against the organizers of the Canada Day event to preserve the two-year limitation period. Following issuance of the claim, discussions continued with the insurers for the organizers in an attempt to settle this litigation.

Settlement of this matter was finalised in Q1 2012 with the insurers for the event organizers. A Full and Final Release has been executed and an Order has been obtained from the Court dismissing the action on a without costs basis.

Management: % complete **100%**

OAG's Follow-up Audit Findings regarding Recommendation 7

On June 27, 2011, the City formally commenced an action against the organizers of the Canada Day event to preserve the two-year limitation period. The action was registered with the Ontario Superior Court of Justice by the City of Ottawa against the Italian-Canadian Community Center of the National Capital Region Inc. and Angelo Filoso. The plaintiff (the City of Ottawa) claimed Special damages in the amount of \$57,002..

On January 27, 2012, the City signed a Full and Final Release Agreement settlement as the City received a payment of \$30,127 from the Ride Insurance Company in recovery of the costs related to the 2009 diesel spill.

Legal Services considers this a reasonable resolution given the costs of Court proceedings and concluded this matter with certainty. There was uncertainty of outcome in this matter, had it proceeded to trial, given the length of time between the Canada Day event and the discovery of the spill some days later and the difficulty with proving what or who had caused the spill given the passage of time. The outstanding balance with interest should be deemed unrecoverable.

OAG: % complete **100%**

2010 Recommendation 8

That the City ensure that liability issues are appropriately managed and mitigated and that damages to City parks and facilities are recovered on a timely basis. As indicated in this audit, this would relate to helicopter rides, the diesel spill, and the non-compliant electrical hook-up.

2010 Management Response

Management agrees with this recommendation.

The City will manage and mitigate liabilities as it relates to events and festivals by seeking Council approval on the draft Special Events By-law in Q4 2011.

Further, all future permits to this organizer will include additional stringent Terms and Conditions that he will be required to meet. Also additional visits by City staff will be made to ensure enhanced on-site monitoring.

Staff will continue to work to recover costs to the extent it provides value to the City. Of note, the reimbursement of costs associated with the diesel spill was denied on March 3, 2011. Legal Services will review and take any appropriate legal action. The cost related to non-complaint electrical hook-up involved minimal overtime by the City electrician. The administrative cost for recovering the overtime amount was more than the amount itself and did not justify the recovery.

Management Representation of the Status of Implementation of Recommendation 8 as of July 3, 2012

The Special Events By-law is scheduled to go to Committee/Council in Q1 2013. The Special Events By-law identifies the responsibility of the event organizer to meet all City conditions, including insurance and emergency related-plans. Also, it gives the Manager the ability to:

- impose conditions on the permit, such as asking for a damage deposit for the event; and,
- deny the application. In this case, the applicant can appeal to the Licensing Committee.

Under the Indemnification and Insurance section, the draft By-law states that every applicant shall file with the Manager, proof of Commercial Liability Insurance acceptable to the City and subject to limits of no less than two million dollars inclusive per occurrence for bodily injury, death and damage to property, including loss of use thereof, for the duration of the special event.

The City Clerk and Solicitor is authorized to vary the insurance requirements of this section in relation to a special event, including imposing the requirement for additional insurance coverage.

Additional terms and conditions were imposed on the event that was held by this organizer in 2011. Also, management ensured that suitable monitoring was undertaken prior to and on the day of the event.

Settlement of the 2009 diesel spill was finalised in Q1 2012 with the insurers for the event organizers. A Full and Final Release has been executed and an Order has been obtained from the Court dismissing the action on a without costs basis.

Implementation of this recommendation is substantially complete and will be completed by Q1 2013.

Management: % complete

75%

OAG's Follow-up Audit Findings regarding Recommendation 8

The DRAFT By-Law No. 2013 dated November 15/20/2012 presents the responsibility of the event organizer to meet all City conditions, including insurance and emergency-related plans. Also, it gives the Manager the ability to:

- impose conditions on the permit, such as asking for a damage deposit for the event; and,
- deny the application. In this case, the applicant can appeal to the Licensing Committee.

The review showed that under the draft By-law Indemnification and Insurance section, every applicant shall file proof of Commercial Liability Insurance acceptable to the City and subject to limits of no less than two million dollars inclusive per occurrence for bodily injury, death and damage to property, including loss of use thereof, for the duration of the special event.

The DRAFT By-law also outlines that the City Clerk and Solicitor is authorized to vary the insurance requirements of this section in relation to a special event, including imposing the requirement for additional insurance coverage.

The Special Events By-law has to be approved by Committee/Council in Q1 2013.

OAG: % complete

75%

Management Representation of Status of Implementation of Recommendation 8 as of January 31, 2013

Management agrees with the OAG's follow-up audit finding.

As confirmed in the Auditor General's review, the DRAFT By-Law contains sufficient conditions to fully address this recommendation.

The DRAFT By-Law will be considered by Council on February 27, 2013. Once it is approved, implementation of this recommendation will be complete.

Management: % complete

75%

2010 Recommendation 9

That the City ensure that post-mortems are pre-established on a timely basis within one month of the event especially for major events.

2010 Management Response

Management agrees with this recommendation.

For events where serious incidents have occurred as well as for routine events and festivals that take place during non-event season (September-April), post-mortems will be done within one month of the event. However, for routine events and festivals held during event season (May-August), post-mortems will be scheduled starting September when resources with the event history are available to participate.

Management Representation of the Status of Implementation of Recommendation 9 as of July 3, 2012

Implementation of this recommendation is complete as per the management response.

Management: % complete **100%**

OAG's Follow-up Audit Findings regarding Recommendation 9

We reviewed the 2011 Carivibe festival SEAT documents, as it's a major event that is held every year in June, during the event season. The review demonstrated that the post-mortem meeting was scheduled to occur on a timely basis after the event and the meeting occurred in August, which respects the commitment set by the City to schedule the meeting when resources with the event history are available for inclusion.

OAG: % complete **100%**

2010 Recommendation 10

That the City streamline the business process for permits for events in City parks and facilities to ensure documentation for requirements are met in advance of the event and that staff, especially grounds and enforcement staff, are familiar with the requirements and scope and limitations of the event.

2010 Management Response

Management agrees with this recommendation.

The Special Events By-law targeted to be before Council in Q4 2011 will streamline the business process for permits for events. The business process will address documentation requirements, the timing of them, and a step to ensure staff is familiar with the requirements, scope and limitations of the event.

Management Representation of the Status of Implementation of Recommendation 10 as of July 3, 2012

The Special Events By-law, scheduled to go to Committee/Council in Q1 2013, will address the concerns related to streamlining the process and will ensure that staff is familiar with requirements, scope and limitations of the event.

Streamlining the process will mean that Event Central would be the one point contact for the client. Event Central will be responsible for co-ordination of information/requirements and will obtain the approvals from all departments. Clients will now be required to provide more detailed information in their application, including some information being made mandatory. The client will then receive one permit from the City, eliminating the numerous permits that are currently issued by the departments individually. Once all compliance matters have been met, a "Special Event Permit" will be issued by Event Central. The draft By-law also stipulates instances where non-compliance would result in chargeable offences for clients.

The current go-live date for the implementation of the software program that will automate the process for event permits in City parks and facilities where all internal stakeholders will have access to this system, is October 31, 2012.

Implementation of this recommendation is partially complete and will be completed by Q1 2013.

Management: % complete *55%*

OAG's Follow-up Audit Findings regarding Recommendation 10

It has been decided by management that to streamline the process, Event Central would become the one point contact for the clients.

Toward this objective many actions were taken since the 2010 audit.

Drafting the Special Event By-Law to be approved is one important element.

As stated in the DRAFT By-Law, Event Central will become responsible for co-ordination of information/requirements and will obtain the approvals from all departments.

The new Application Form, release 1.0 was reviewed and clients are now required to provide more detailed information in their application, including some mandatory information. The new Application Form has already been made available online at Ottawa.ca.

It is planned that after approbation of the Special Event By-Laws, the clients will receive only one permit from the City, eliminating the numerous permits that are currently issued by the departments individually.

In a February 23, 2011 memo, the City Deputy Manager informed the Mayor and Council that the city of Ottawa was named the 2010 Top North American City by the International Festival and Event Association (IFEA) in the population category of 500,000 to 1,000,000.

A significant increase in the number of events, coupled with the increasing demands on City services, created the need to start an advisory team to oversee the logistical requirements for events and provide guidance to ensure compliance with all government regulations.

The Special Events Advisory Team (SEAT) meets, when required, under the umbrella of Events Central and it represents key City services including but not limited to: Ottawa Police Service, Parks, Recreation and Cultural Services, Ottawa Paramedic Service, Ottawa Public Health, Ottawa Fire Services, OC Transpo, National Capital Commission, the Royal Canadian Mounted Police, Traffic Management and Operational Support, Ottawa Gatineau Film Office, City Wide Allocations, Alcohol and Gaming Commission of Ontario, Bylaw Services, and Building Services.

Event Central is very proud of this IFEA award, but still continues improving its way of dealing with events and streamlining their process.

They are presently implementing an off-shelf software program that will automate the process for event permits in City parks and facilities where all internal stakeholders will have access to this system. They made a presentation to the IT Sub-Committee explaining the project benefits and explaining that the project system demonstration will occur in Q1 2012. In this presentation, they acknowledge the Auditor General's recommendation that the City streamline business processes for event permits in the City.

Management has indicated that the Special Events By-law will be provided to Committee/Council in Q1 2013 for their consideration.

OAG: % complete *75%*

Management Representation of Status of Implementation of Recommendation 10 as of January 31, 2013

Management agrees with the OAG's follow-up audit finding.

As stated in the follow-up response, management has streamlined the permit process and Event Central will now be the one point of contact for all event clients. In addition, the INVISTA software was launched in November of 2012. This software, which automates the process for event permits in City parks and facilities, will be accessible to all stakeholders in order to enhance coordination of reviews.

The DRAFT By-Law will be considered by Council on February 27, 2013. Once it is approved, implementation of this recommendation will be complete.

Management: % complete *75%*

4 SUMMARY OF THE LEVEL OF COMPLETION

The table below outlines our assessment of the level of completion of each recommendation as of December 2012. It also outlines management's assessment of the level of completion of each recommendation as of February 2013.

CATEGORY	% COMPLETE	RECOMMENDATIONS	NUMBER OF RECOMMENDATIONS	PERCENTAGE OF TOTAL RECOMMENDATIONS
LITTLE OR NO ACTION	0 – 24	-	-	-
ACTION INITIATED	25 – 49	5	1	10%
PARTIALLY COMPLETE	50 – 74	-	-	-
SUBSTANTIALLY COMPLETE	75 – 99	4, 8, 10	3	30%
COMPLETE	100	1, 2, 3, 6, 7, 9	6	60%
TOTAL			10	100%

5 CONCLUSION

The majority of the recommendations made in the original 2010 audit have at least been partially implemented, including six of the ten recommendations, which have been fully implemented.

Two more recommendations will be fully implemented in Q1 2013 if the Special Events By-laws are approved by Committee/Council as planned by management.

For recommendation 5, in 2013, after approval of the Special Events By-law, the City will have to develop a supporting policy to define the costs that will be recovered for events and ensure consistency in tracking of in-kind services for special events.

Finally, the City still has some work to do in regards to recommendation 10 that concerns streamlining the business process for permits for events, including implementing its purchase of an off-shelf software program that will automate the process for event permits in City parks and to which stakeholders will have access.

This said, the OAG still wishes to outline the fact that even with the need to continue improving its business process, the City of Ottawa was named the 2010 Top North American City by the International Festival and Event Association (IFEA) in the population category of 500,000 to 1,000,000.

6 ACKNOWLEDGEMENT

We wish to express our appreciation for the cooperation and assistance afforded the audit team by management.