

Audit of the IT Capital Expenditures and Project Approval Process

Consistent Priority-Setting Criteria Required

Ottawa, February 25, 2009 – Ottawa’s Auditor General reports that the City needs to have a more consistent approach to setting its Information Technology (IT) priorities. The finding is part of an audit of the City’s IT Capital Expenditures and Project Approval Process presented in Alain Lalonde’s report to Council today.

“Overall, the City does not have a consistent priority setting mechanism to establish IT related priorities”, concludes Mr. Lalonde. “In addition, the escalation/resolution process for disputes arising from the priority-setting process has not been clearly documented.”

In addition, the report points out that while the recommendations arising from the Mayor’s recent eGovernance Task Force have yet to be implemented; management anticipates they will be in place by the time the 2010 budget is presented to Council.

Other findings include:

- The role of Executive Management Committee as the final approval authority should be clarified;
- The current process allows departments to receive budget approval before projects have been prioritized; and,
- There is a need to centralize IT capital funding under a single authority.

Of the 14 recommendations, management agrees with 13.

The **Audit of IT Capital Expenditures and Project Approval Process** is available on the Auditor General’s Web site at ottawa.ca.

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Audit of the Parking Function

City Has No Parking Strategy

Ottawa, February 25, 2009 – There is no overall strategy to manage the entire parking operations within the City of Ottawa. The audit finding is part of a report released today by the City’s Auditor General, Alain Lalonde.

“No plan exists that encompasses all aspects of parking including zoning changes, cash-in-lieu, residential on-street permits, new areas, rate setting and on and off-street operations”, observes Alain Lalonde. “There has not been a lead group responsible for the overarching parking function at the City to ensure an appropriate and coordinated direction.”

Management will develop a parking management strategy that is strongly aligned with the Audit. With respect to parking occupancy rates, Management agrees to undertake a comprehensive study, as part of the overall strategy.

The report goes on to state that:

- Several areas, some outside the responsibility of the Parking Operations Section, are not being proactively and comprehensively managed;
- The City is collecting, on average, fees based on occupancy of only 2-3 hours per weekday per parking space. Management should conduct a review of parking occupancy rates;
- No formal, standard reviews of revenues are in effect to ensure dollars collected is reasonable based on past experience; and,
- Meters are not tested regularly to ensure they are working.

Management has agreed with all 17 recommendations contained in the audit.

The **Audit of the Parking Function** is available on the Auditor General’s Web site at ottawa.ca.

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Audit of the Building Code Services Process for 215 Preston Street

Multiple Building Code Violations at 215 Preston

Ottawa, February 25, 2009 – The City’s Auditor General has found that numerous violations of the Provincial Building Code took place during renovations to a building at 215 Preston Street.

“Even though staff was aware that work was proceeding without a permit, the City did not pursue more forceful action that could have led to additional prosecutions”, says Alain Lalonde in his report.

The audit findings include the following:

- The owner proceeded with demolition and the renovations without the appropriate demolition and building permits;
- During the time from the last Stop Work Order, the City Inspector did not monitor the site;
- Staff had the duty to enforce the legislative requirements of the Building Code but did not;
- The City issued a Partial Occupancy Permit without having received all the required professional engineer and architect reports; and,
- The City should have used stricter methods to prevent what appears to be blatant disregard for the Code, the Building By-law and the requirements of the policies, guidelines and standards.

Management has indicated that enforcement of the Building Code requires striking a balance between enforcement obligations and the business objectives of the property owner. The audit recommends that compliance to the Building Code Act be ensured at all times.

Of the 12 recommendations made in the audit, management has agreed with 4.

The **Audit of the Building Code Services Process for 215 Preston Street** is available on the Auditor General’s Web site at ottawa.ca.

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Audit of Hospitality and Other Ethical Matters

Positive Changes Seen After City Manager's Directive

Ottawa, February 25, 2009 – Since a City Manager's directive in June 2007 prohibiting City staff from accepting gifts, entertainment and hospitality, virtually all such activity has stopped. This is the key finding in the audit of Hospitality and Other Ethical Matters released today by Alain Lalonde, the City's Auditor General. The audit was launched after numerous reports to the Fraud and Waste Hotline were received.

“Prior to the City Manager's memo of June 15, 2007, the acceptance of hospitality was widely prevalent throughout the Corporation,” says Mr. Lalonde. “There was a very positive change after this time, as nearly all staff have adhered to the new directive.”

However, the audit concludes that some employees continue to have close personal relationships with suppliers or have a conflict of interest and there remains a need for vigilance, to ensure that former practices are not revived.

The report recommends a series of measures to improve the management of conflict of interest

Management has agreed with all 7 recommendations contained in the audit.

A summary report of the **Audit of Hospitality and Other Ethical Matters** is available on the Auditor General's Web site at ottawa.ca.

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Auditor General's Evaluation of the City's Fraud and Waste Hotline

Council Decision to Implement Hotline Achieved Desired Objectives

Ottawa, February 25, 2009 – Implementing the Fraud and Waste Hotline at the City of Ottawa met Council's objectives. This observation was part of the Auditor General's Evaluation of the City's Hotline presented at Council. Alain Lalonde's report indicates that the Hotline, which has been in operation for three years, has been well received by the majority of City staff.

“Our survey of City staff shows that most believe the Hotline to be of value and should continue to operate as a vehicle to report incidents of suspected fraud and waste,” says Mr. Lalonde. Over 2,200 City employees responded to the survey, with 60% indicating that they would use it to report their concerns.

The report recommends that the Hotline continue to be provided to City staff and that it also be made available to the public.

The report on the **Evaluation of the City's Fraud and Waste Hotline** is available on the Auditor General's Web site at ottawa.ca.

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