

## **Auditor General Tables Annual Report to Audit Committee**

**Ottawa, March 12 2015** – Auditor General Ken Hughes today tabled his annual report to Audit Committee, covering 6 separate audits and 39 recommendations for improvements (of which City management has accepted all 39). In addition, Mr. Hughes tabled two reviews of issues that arose from reports to the Fraud and Waste Hotline. City Management agreed with all 6 recommendations from these reviews.

“I am pleased that our audits have been favourably received and that management agrees to our suggested changes that will not only save money but provide improved service to the residents of Ottawa,” said Mr. Hughes.

Two of the audits concern issues with OC Transpo, covering lost and found and bus service cancellations. Highlights of the audits include the following:

- OC Transpo has spent more than \$600,000 through a sole source contract to manage lost and found articles on its trains and buses. The audit also revealed an actual or potential conflict of interest involving one City employee.
- Cancellation alerts are not issued as promptly as they could be, and at times, are communicated after the next scheduled bus should have gone by.

The other audits cover IT governance, Environmental Assessment processes, ethics, and fleet service contracts. Findings include:

- The turnover at the Chief Information Officer position since 2012 has been substantial and there is no succession plan.
- The City has a clear understanding of the environmental assessment process but to avoid construction delays, the City needs to assess the impact of legislative changes on projects in progress.
- The ethical climate within the City of Ottawa is quite strong however there is a fear of reprisal with some municipal employees for reporting questionable behaviour.
- A new parts purchasing initiative actually increased the cost of parts and did not reduce delivery delays.

In addition, Mr. Hughes tabled two reviews of complaints to the Fraud and Waste Hotline:

- City Management relied on a developer’s appraisal rather than obtaining independent appraisals when it paid \$1.3 million dollars to buy the George Nelms Sports Park.



- A \$50,000 payment under the Community Benefit program did not follow the standard procedure.

The Annual report, detailed audit reports and reviews are available on the Auditor General's Website at [www.ottawa.ca](http://www.ottawa.ca)

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