



## **Audit Sub-Committee**

### **MINUTES 6**

**Thursday, 24 May 2012, 10:00 a.m.**

**Champlain Room, 110 Laurier Avenue West**

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**Present:** Councillor R. Chiarelli (Chair)  
Councillors A. Hubley (Vice-Chair),  
R. Bloess, K. Egli, E. El-Chantiry, M. Wilkinson

**Regrets:** Councillor S. Desroches

#### DECLARATIONS OF INTEREST

No declarations of interest were filed.

#### CONFIRMATION OF MINUTES

Minutes 5 of 24 November 2011 were confirmed.

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**Note:** 1. *Except where otherwise indicated, reports requiring Council consideration will normally be presented to Council on 13 June 2012 in Finance and Economic Development Committee Report 21.*

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## CITY MANAGER'S OFFICE

1. QUALITY ASSURANCE REVIEW – OFFICE OF THE AUDITOR GENERAL  
ACS2012-CMR-OCM-0002 CITY-WIDE

### REPORT RECOMMENDATION

**That the Audit Sub-Committee recommend that the Finance and Economic Development Committee recommend Council receive the attached Office of the Auditor General Quality Assurance Review report prepared by PricewaterhouseCoopers LLP.**

Mr. Darren Budd, Director of Consulting, Internal Audit & Risk Management with PricewaterhouseCoopers LLP, spoke to a PowerPoint presentation, which served to provide Committee with an overview of the report. A copy of his presentation is held on file with the City Clerk.

After the presentation, Mr. Budd, Mr. Alain Lalonde, Auditor General, and Mr. Kent Kirkpatrick, City Manager, responded to Members' questions with respect to auditing standards, best practices, processes, timelines, the results of this review and next steps.

Following these exchanges, the report recommendation was put to Committee and CARRIED as presented.

## AUDITOR GENERAL'S OFFICE

2. OFFICE OF THE AUDITOR GENERAL (OAG) – RESPONSE TO THE QUALITY ASSURANCE REVIEW  
ACS2012-OAG BVG-0001 CITY-WIDE

### REPORT RECOMMENDATION

**That the Audit Sub-Committee recommend that the Finance and Economic Development Committee recommend Council approve the OAG's response to the Quality Assurance Review, including the adoption of City of Ottawa OAG Audit Standards and amendments to the By-law governing the OAG, as contained in this report and its attachments.**

Mr. Alain Lalonde, Auditor General, spoke to a PowerPoint presentation, which served to provide Committee with an overview of the report. A copy of his presentation is held on file with the City Clerk.

Following the presentation, Mr. Lalonde, Mr. Kent Kirkpatrick, City Manager, and Mr. Rick O'Connor, City Clerk and Solicitor, responded to Members' questions with respect to processes, timelines and next steps.

Following these exchanges, Councillor Wilkinson moved an amendment to the report recommendation and Councillor El-Chantiry proposed a direction to staff, both of which are set-out below.

MOTION ASC 01/06

Moved by Councillor M. Wilkinson

**That the report recommendation be amended to remove references to approving amendments to the By-law governing the OAG and to replace these references with a direction for the OAG to work with the City Clerk and Solicitor to bring back amendments to the By-law governing the OAG, highlighting these changes.**

CARRIED

The report recommendation was then put to Committee and approved as amended by Motion ASC 01/06. For ease of reference, the amended recommendation is set out below.

**That the Audit Sub-Committee recommend that the Finance and Economic Development Committee recommend Council:**

- 1. Approve the OAG's response to the Quality Assurance Review, including the adoption of City of Ottawa OAG Audit Standards as contained in this report and as outlined in Document 1; and**
- 2. Direct that the OAG work with the City Clerk and Solicitor to bring back amendments to the By-law governing the OAG, highlighting the changes to same.**

CARRIED as amended

DIRECTION TO STAFF

Further to the PricewaterhouseCoopers LLP recommendation with respect to "Fact Validation and Management Responses", that the OAG bring forward a report on the revised protocol in September, in advance of his 2011 Annual Report.

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## CITY TREASURER AND FINANCE TRÉSORERIE ET FINANCES DE LA VILLE

3. 2011 CITY OF OTTAWA CONSOLIDATED FINANCIAL STATEMENTS  
ACS2012-CMR-FIN-0020 CITY-WIDE
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### REPORT RECOMMENDATION

**That the Audit Sub-Committee recommend that the Finance and Economic Development Committee recommend Council approve the 2011 City of Ottawa Consolidated Financial Statements.**

Ms. Marian Simulik, City Treasurer, introduced the Ernst and Young representatives appearing before Committee on this item: Ms. Deanna Monaghan, Ms. Suzanne Gignac and Mr. Ahsan Ahmed.

Ms. Mona Monkman, Deputy City Treasurer, spoke to a PowerPoint presentation, which served to provide Committee with an overview of the staff report. Ms. Deanna Monaghan, Ms. Gignac and Mr. Ahmed then spoke to a PowerPoint presentation, which provided Committee with an overview of the audit results. Copies of both presentations are held on file with the City Clerk.

Following these presentations, Ms. Simulik, Ms. Monkman and Ms. Monaghan responded to Members' questions.

The report recommendation was then put to Committee and CARRIED, as presented.

4. SINKING FUND FINANCIAL STATEMENTS AND DISTRIBUTION OF  
SURPLUS  
ACS2012-CMR-FIN-0021 CITY-WIDE
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**That the Audit Sub-Committee recommend that the Finance and Economic Development Committee recommend Council approve:**

1. The Sinking Fund Financial Statements for 2011; and
2. The distribution of the sum of \$1,671,412.36 from the City of Ottawa Sinking Fund representing the surplus in excess of the debenture commitment authorized by By-law 33 of 1991 which matured on February 28, 2011, to the City of Ottawa.

CARRIED

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ADJOURNMENT

The Committee adjourned the meeting at 11:55 a.m.

*Original signed by*  
*D. Blais*

*Original signed by*  
*Councillor R. Chiarelli*

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Committee Coordinator

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Chair