

**Audit Committee**  
**Comité de la vérification**

Agenda 7  
Ordre du jour 7

**Wednesday, November 24, 1999 - 2:00 p.m.**  
**Le mercredi 24 novembre 1999 - 14 h**

**Guigues Room, Terrace Level**  
**Bytown Pavilion, City Hall**

**Salle Guigues, Niveau Terrasse**  
**Pavillon Bytown, hôtel de ville**



**Confirmation of Minutes  
Ratification des procès-verbaux**

Minutes 6 (September 29, 1999)  
In-Camera Minutes 4 (October 27, 1999)

Procès-verbal 6 (Le 29 septembre 1999)  
Procès-verbal 4 huis clos (Le 27 octobre 1999)

## **Index**

### **Information Items**

#### **Articles pour information**

- |    |  |                                  |
|----|--|----------------------------------|
| 1. | <b>1998 Revised Financial Statements</b><br><b>États financiers révisés de 1998</b><br>Ref.: ACS1999-FN-FLM-0029 | <b>1</b><br><br><b>City Wide</b> |
|----|--|----------------------------------|

### **Action Items**

#### **Articles pour exécution**

- |    |  |                                   |
|----|--|-----------------------------------|
| 2. | <b>Review of Business Parks</b><br><b>Examens des parcs industriels</b><br>Ref.: ACS1999-AU-AUD-0019   | <b>3</b><br><br><b>City Wide</b>  |
| 3. | <b>Office of the City Auditor - 2000 Budget</b><br><b>Bureau du vérificateur de la Ville - Budget de 2000</b><br>Ref.: ACS1999-AU-AUD-0020           | <b>13</b><br><br><b>City Wide</b> |
| 4. | <b>Office of the City Auditor - 2000 Work Plan</b><br><b>Bureau du vérificateur de la Ville - Plan d'ensemble, 2000</b><br>Ref.: ACS1999-AU-AUD-0021 | <b>15</b><br><br><b>City Wide</b> |

### **Regional Reform** **Réforme régionale**

**Members' Reports - Enquiries**  
**Rapports des membres - demandes de renseignements**

Councillor/Conseiller Ron Kolbus, Chairperson/Président

Councillor/Conseiller Brian Mackey, Vice-Chairperson/Vice-président

Councillor/Conseiller Jim Bickford

Mayor/Maire Jim Watson

SEF

November 17, 1999

ACS1999-FN-FLM-0029  
(File: FCW1998/2 - AUD: 01)

Department of Finance

Ward/Quartier  
City Wide

- Audit Committee / Comité de la vérification

Information

## **1. 1998 Revised Financial Statements**

### **États financiers révisés de 1998**

#### **Information**

Submitted for the information of the Audit Committee are the following revised audited financial statements for the fiscal year ended 1998, as listed under List of Supporting Documentation.

The revision to the statements as presented to Audit Committee on September 29, 1999, is required due to finalization of the 1998 tax capping calculations and further analysis of the year end due to/due from the Region of Ottawa Carleton. This change, while considered material, impacts only the Consolidated Balance Sheet, as a \$3.7 million increase to 1998 Taxes receivable and a corresponding increase to Accounts payable and accrued liabilities.



November 18, 1999 (11:03a)

Mona Monkman  
City Treasurer

GS:gs

Contact: Geoff Simpson - 244-5300 ext. 1-3685

## List of Supporting Documentation

- Document 1 The Corporation of The City of Ottawa
- 1 a) Consolidated Statements comprising the Revenue Fund, Capital Fund, Reserves and Reserve Funds of the City of Ottawa, and the following Local Boards:

Ottawa Public Library Board  
The Sparks Street Mall Authority of the City of Ottawa  
The Board of Management for the Bank Street Improvement Area  
The Board of Management for the Westboro Improvement Area  
The Board of Management for the Rideau Area Improvement Area  
The Board of Management for the Sparks Street Improvement Area  
The Board of Management for the Somerset Village Business Improvement Area  
The Board of Management for the Somerset Heights Improvement Area  
The Board of Management for the Preston Street Business Improvement Area  
The Board of Management for the Byward Market Business Improvement Area

(Distributed Separately and On File with the City Clerk)

November 12, 1999

ACS1999-AU-AUD-0019  
(File: CMH1999-11)

Office of the City Auditor

Ward/Quartier  
City Wide

- Audit Committee / Comité de la vérification
- City Council / Conseil municipal

Action/Exécution

## 2. Review of Business Parks Examens des parcs industriels

### Recommendation

That the audit report on the Review of Business Parks, Document 1, be received and its recommendations be approved.



November 12, 1999 (12:27p)

Peter O'Callaghan  
City Auditor

Contact: Dev Loyola-Nazareth - 244-5300 ext. 1-3876

### Financial Comment

This report is administrative in nature. Any additional costs incurred in implementing these recommendations will be made from within existing resources.



November 16, 1999 (11:49a)

for Mona Monkman  
City Treasurer

EM:ari

## **Executive Report**

### **EXECUTIVE SUMMARY**

#### **INTRODUCTION**

This report deals with a review of the City's investment in business parks. The focus of the review was on Council's need to monitor these investments and on the information provided to Council by Management in support of this.

Although the responsibility to develop new business parks is now with the Regional Municipality of Ottawa-Carleton, the findings and recommendations in this report are highly relevant. They address the standard of accountability and performance reporting that Council should be asking for in relation to projects where the City is providing up-front financing and where there is business risk associated with the recovery of the City's costs. They also recognize that there is an ongoing management responsibility. Consequently, Council needs to be fully informed on the current status and future action plans for the parks in which the City continues to be actively involved and where there is unrecovered investment.

The following paragraphs summarize the report, the recommendations and management's responses.

#### **BACKGROUND**

Since 1983, the City has been involved in the development of three business parks, the Ottawa Business Park, the Hawthorne Business Park and the Ottawa Life Sciences Technology Park. The aim, in all cases, was to secure a supply of serviced land for light industrial or office buildings, with the strategic objectives of encouraging key industries to establish or remain in Ottawa, increasing the Ottawa tax base and creating local jobs.

The business arrangements were different for the three Parks. In the Ottawa Business Park, the City bought land, serviced it and offered it for sale. In the Hawthorne Business Park, the City initially paid for the servicing of private lands, accepting a conveyance of land in payment. That land, together with subsequent adjacent purchases, was serviced and offered for sale, in the same way as in the Ottawa Business Park. In the case of the Ottawa Life Sciences Technology Park, the City, under agreement, paid for the servicing of lands owned by the Ontario Development Corporation which undertook to reimburse the City or alternatively, in certain circumstances, convey lands to the City in satisfaction of the agreement.

The common factor in all three ventures was that the City was accepting a business risk of up-front investment in servicing lands with recovery of the investment to take place

over a number of years in the future. In the cases of the Ottawa Business and Hawthorne Business Parks, recovery of investment was dependent on market conditions. For the Ottawa Life Sciences Technology Park recovery depends on the operation of the options in the agreement with the Ontario Development Corporation. All Council decisions were based on a premise of full cost recovery and all management reports provided this assurance.

Given the business risks in these investments over a period of time, our audit approach focused on Council's need to monitor these investments. We, therefore, assessed the information that was provided to Council on the performance of the Parks, on results against the projections used to justify the investments, and on the changing business risks in the investments. In doing so, we recognize that the responsibility for the business parks portfolio has changed a number of times over the years and the key decisions related to the City's investments were made several years ago.

### **BROAD FINDINGS**

In terms of outcomes to date, the three parks are quite different.

The Ottawa Business Park has essentially achieved Council's objectives. It is a high quality business park; it has provided significant employment, assessment growth and additional taxes. It is expected to reach a financial break-even point by the end of the year. At that time, the Park will be 91% sold with 21 unsold acres providing the possibility of future revenues.

The Hawthorne Business Park remains 58% unsold, with unrecovered investment to date of \$13.476 million. There are related debenture payments of \$4.253 million (principal and interest) to be made in future years. Since 1993, there has been only one sale of about \$71,000.

Despite their different current positions, our general concern with both parks is similar. Over the lives of these parks, Council neither asked for nor received reports from management that set out the financial performance of these parks against the projections and forecasts used to support the investments. Most reports from the responsible department focused on future expectations, and did not address performance to date as compared to plan. Since 1993 Council has received no performance reports on either park except capital project status reports, which essentially compare spending against budget but are not intended to focus on the bottom line.

Our concerns with the Ottawa Life Sciences Technology Park are different in nature. As previously mentioned, this project involved the City in financing the servicing of lands owned by the Ontario Development Corporation. The submission to Council in October 1991, seeking authority to enter into an agreement with the Ontario

Development Corporation, indicated unequivocally that the repayment of City's costs, with interest, would be guaranteed by the Ontario Development Corporation and that there would be no financial risk to the City. The agreement which was executed in July 1992, however, effectively gives the Ontario Development Corporation the option, in the event that some land remains unsold at December 31, 1999, of conveying these lands to the City, plus the proceeds of earlier sales, in satisfaction of its obligations to repay the City. This option significantly shifted the business risk to the City.

Council was not informed of this option. To date, there have been no land sales. If all lands are not sold before December 31, 1999, the Ontario Development Corporation has a year to exercise its option. The lands have been valued at approximately \$3.0 million. The City's costs at December 31, 1999 are estimated at \$4.1 million. Senior management are actively engaged in pursuing a purchaser for the available lands.

In summary, the position of the three parks is as shown below.

<b>ESTIMATED POSITIONS OF PARKS, DECEMBER 31, 1999</b> (rounded)		
<b>Parks</b>	<b>Unrecovered Investment (Cost - Revenues)</b>	<b>Unsold Land (Acres)</b>
Ottawa Business Park	(\$60,000)	21
Hawthorne Business Park	\$13,476,000	52
Ottawa Life Sciences Technology Park	\$4,077,000	N/A

There are future debenture payments to be made on all three parks. As of the current date, the following payments are outstanding (not discounted to net present value).

<b>Parks</b>	<b>Future Debenture Payments (Principal and Interest)</b>
Ottawa Business Park	\$160,000
Hawthorne Business Park	\$4,253,000
Ottawa Life Sciences Technology Park	\$3,012,000
<b>TOTAL</b>	<b>\$7,425,000</b>

For the Ottawa Business Park and Hawthorne Business Park, debenture costs are being charged to the operating budget. For the Ottawa Life Science Technology Park, debenture charges are being accrued as a receivable.

It was obvious to us throughout this review that, because of the City's accounting

practices, it was not at all easy for the managers involved to assess the financial performance of the parks. The Department of Finance needs to extend its support to managers with specific models that address the need to draw together all expenditures, carrying costs and revenues, with a focus on the bottom line.

The business parks are part of a category of investments where the City executes and finances works, the costs of which are to be wholly or partially recovered, and where there are business risks related to that recovery. For investments of this nature, Council must require, and expect to receive, sufficient and suitable information to hold management accountable for their representations, to monitor performance and to be appraised of and assess changing business risks. We do not believe that Council was well served in this respect in relation to the business parks. The following recommendations address a standard of accountability reporting that we feel is necessary.

### **RECOMMENDATIONS AND MANAGEMENT RESPONSES**

This report and the following recommendations have been fully discussed with management and management's responses are incorporated below.

**R1 That the Chief Administrative Officer ensure in the future that submissions to Council recommending investments of this nature should identify a specific accountability reporting structure for Council approval.**

#### ***Management Response (Office of the Chief Administrative Officer)***

*Agree with the recommendation. However, it is important to note today that neither the Council(s) who made the decisions nor the senior management(s) who were responsible for administering these projects are currently with the City.*

*Although we have no problem with the recommendation, the report notes that the City does not currently have the legislative authority to approve future business park projects, hence we will not have to concern ourselves over approving projects of this type in the future.*

*I do understand that the City Auditor has had these projects on the Audit Program for several years, however, it is unfortunate that these audits were not conducted at a time more akin to the timing of these projects. After all, the decisions to develop these parks were made in 1982 - Ottawa Business Park; 1988 - Hawthorne Business Park and 1992 - Ottawa Life Sciences Park. Attention in a more appropriate time frame may have caused measures to be instituted much earlier, which might have minimized the risk for Ottawa taxpayers. For the last 3 years, we have attempted to make the best of a bad situation.*

**R2 That such accountability reporting structures address the following points:**

- **Periodic status reports that assess a project’s performance with direct reference to the approved objectives, especially in terms of the financial goals and the key assumptions of the project’s business case.**
- **Identification and explanation of changes in the key assumptions; the risks inherent in those changes; the potential impacts of the risks on the project; and the adjustments to the project’s plan, including financial and resource projections, that are required as a result.**
- **Reporting the full range of the project’s major activities and accomplishments, past, present, and future as a context for the assessment of the project’s progress.**
- **Progressive submissions related to funding, expenditures, and revenues that disclose the project’s full financial picture to date; what the variances are from the plan; and how those variances are being managed.**

***Management Response (Office of the Chief Administrative Officer)***

*Agree with the recommendation. This recommendation represents “boiler plate” structures for how to ensure proper accountability reporting in the future to Council. Over the past three years, staff have attempted to follow a similar process for projects approved by Council. A good example of this was the Lansdowne project which mapped out a clear reporting process and decision-making regime before the project was “cleared for takeoff”.*

***Management Response (Department of Finance)***

*On the issue of reporting, the Finance Department has the following comments. The existing capital project reporting framework revolves around the quarterly Works In Progress reports to Council. The Internal Audit report indicates that these reports “essentially compare spending against budget but are not intended to focus on the bottom line.” It is acknowledged that the Works In Progress reports do not compare performance to objectives. However, these reports have been used by the Finance Department to alert Council to potential financial exposure. Reports in the past have indicated the funding problem with the Hawthorne Business Park and with other City projects. The reports are more than just an accounting of spending.*

- R3 That, in support of such an accountability framework, the Department of Finance work with project managers, as required, to create specific models that address the need to draw together all expenditures, carrying costs, and revenues, with a focus on the bottom-line.**

***Management Response (Department of Finance)***

*The Finance Department agrees that such support will be provided on an as needed basis. For the most part, existing capital reporting structures are sufficient for straightforward projects where the financing of expenditures is entirely through City funds. When the City enters into projects which depend on financial funding from external parties, and where there are business risks associated with that recovery, appropriate systems will be designed to track the achievement of the external funding in support of management's reporting against project objectives. These new systems should only be designed to cover projects that are initially identified by management to carry a degree of funding risk.*

- R4 That the Chief Administrative Officer, in his capacity as the executive responsible for the Economic Development Branch, bring forward to Council in the near future reports dealing with:**

- . **Prospects and strategies for Hawthorne Business Park; and**
- . **Status of the Ottawa Life Sciences Technology Park.**

***Management Response (Office of the Chief Administrative Officer)***

*Agree with the recommendation. Although staff in the past 2 - 3 years have worked hard to minimize the risk for the taxpayer, both Hawthorne and Life Sciences Parks continue to be works in progress. We will be bringing forward to Committee and Council, early in the new year, detailed strategies on how to promote the Parks. These strategies will document the measures we currently follow as well as new proposals. You will also note in the 2000 City Budget, both these Parks being listed as Corporate Priorities.*

***Management Response (Department of Finance)***

*This Internal Audit report makes reference to Ernst and Young's comments regarding the 1998 year end receivable balance for the Ottawa Life Sciences Technology Park. The Internal Audit report goes further to indicate that neither*

*Ernst and Young's nor the City Treasurer's comments should be read to mean that the City's exposure is covered by the value of the lands. This is accurate. Comments made regarding the year end financial reporting by both Ernst and Young and the Finance Department, as contained in Ernst and Young's written report to Audit Committee, were for the purpose of reporting on the financial statements. Issues of future funding problems, while not directly related to 1998 balance sheet reporting were separately disclosed to the Audit Committee by the City Treasurer. The City Treasurer is of the opinion that Audit Committee was provided with appropriate information on both the accounting balances and the financial exposure through the combination of the written Ernst and Young report (with management response) and as supplemented by the verbal briefing by the City Treasurer on the financial exposure at the September 29<sup>th</sup> Audit Committee meeting.*

*During the meeting, the Treasurer advised Committee that while the receivable at December 31, 1998 did not need to be written down, the Treasurer also informed the Audit Committee that there was a future possible funding problem for the Ottawa Life Sciences Technology Park. Based on calculations performed by the Finance Department in the Spring of 1999, it appeared that the potential exposure could be as high as \$1.7 million. In addition, the Treasurer indicated that the recent sale of lands in the Ottawa Business Park for \$1.5 million, which was the subject of a report to the Policy, Priorities and Budgeting Committee the following day, could be used to fund the exposure on the Ottawa Life Sciences Technology Park. The chair of the Policy, Priorities and Budgeting Committee was also informed of the potential use of the Ottawa Business Park proceeds toward the financial requirements for the Ottawa Life Sciences Technology Park in the context of a discussion on the use of the proceeds from the Ottawa Business Park sale.*

*During the completion of the 1998 financial statements in 1999, the Finance Department reviewed whether the receivable of \$1.9 million from Ontario Development Corporation was properly stated on the financial statements or whether the amount should be reduced based on any impairment of the City's ability to recoup the funds recorded to date. The Department had adopted a practice in prior years of increasing the receivable on an annual basis as debenture payments were made. The accounting treatment was designed based on current municipal accounting practices around capital investments. Based on the appraised value of the land, it was determined by the Finance Department that the amount recorded on the balance sheet at December 31, 1998 was not overstated. This was the subject of Ernst and Young's report to Audit Committee. Management intended to review the situation for both the 1999 financial statements and in future years as it appeared that based on appraisals obtained during 1999, that the City would have to discount the receivable at a point in which it was higher than the appraised value of the land. The receivable is*

*increased annually by about \$420,000 for the debenture and \$230,000 for carrying charges to the end of 1999. Staff have determined that the City should begin to discount the value of the receivable in future years based on the appraised value. The recommended year 2000 budget contains a provision to offset the annual receivable increments of over \$420,000 by City funding to reflect the City's financial exposure. This is a conservative approach.*

## **Disposition**

The Office of the Chief Administrative Officer and Department of Finance to implement upon approval.

## **List of Supporting Documentation**

Document 1     Review of Business Parks (Distributed separately and on file with the City Clerk.)

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November 8, 1999

ACS1999-AU-AUD-0020  
(File: CBD3600/1999)

Office of the City Auditor

Ward/Quartier  
City Wide

- Audit Committee / Comité de la vérification
- City Council / Conseil municipal

Action/Exécution

### **3. Office of the City Auditor - 2000 Budget**

#### **Bureau du vérificateur de la Ville - Budget de 2000**

#### **Recommendation**

That the Audit Committee, in accordance with its Terms of Reference, make a recommendation to Council on the 2000 budget of the Office of the City Auditor, to be considered when Council deals with the City budget.



November 8, 1999 (3:21p)

Peter O'Callaghan  
City Auditor

Contact: Tracy McTaggart - 244-5300 ext. 1-3053

#### **Financial Comment**

Subject to City Council approval, funds in the amount of \$739,900 are available, as presented in the draft 2000 Operating Estimates for the operation of the Office of the City Auditor.



November 9, 1999 (10:46a)

for Mona Monkman  
City Treasurer

BH:cds

## Executive Report

### Reasons Behind Recommendation

The Audit Committee, according to its Terms of Reference, is responsible for recommending to Council the budget of the Office of the City Auditor.

Based on the current approved level of personnel resources and the guideline for the 2000 budget, the following constitutes a proposed 2000 budget estimate for the Office of the City Auditor.

The budget proposed for the Office is based on the same staff establishment as in 1999. The increase in personnel costs results from Corporate adjustments to labour costs.

The decrease in the consulting budget stems from the removal of one-time funds for specific audits which were included in the 1999 budget.

<b>Comparison Between 1999 and 2000 Budget</b>			
<i>ALLOCATION</i>	<i>1999</i>	<i>2000</i>	<i>COMMENTS</i>
Personnel Cost	\$609,700	<b>\$643,500</b>	Corporate labour cost adjustments.
Consulting (base)	\$50,000	<b>\$50,000</b>	Retain the same level of consulting.
Consulting (one-time)	\$142,500	<b>0</b>	One time consulting dollars allocated for specific audits.  Funded from a carry forward of 1998 budget and a contribution from the Department of Corporate Services  \$40,000 was removed by Audit Committee June 4, 1999 as part of the 1999 spending reduction.
Other	\$46,400	<b>\$46,400</b>	
<b>TOTAL</b>	<b>\$848,600</b>	<b>\$739,900</b>	

### Disposition

To be incorporated in the City budget to be presented to Council.

November 15, 1999

ACS1999-AU-AUD-0021  
(File: CMA2200/2000)

Office of the City Auditor

Ward/Quartier  
City Wide

- Audit Committee / Comité de la vérification
- City Council / Conseil municipal

Action/Exécution

#### **4. Office of the City Auditor - 2000 Work Plan**

#### **Bureau du vérificateur de la Ville - Plan d'ensemble, 2000**

### **Recommendation**

That the Audit Work Plan for 2000 as set out in Document 1 be approved.



November 15, 1999 (2:30p)

Peter O'Callaghan  
City Auditor

TAM:tam

Contact: Tracy McTaggart - 244-5300 ext. 1-3053

### **Financial Comment**

There is no financial implication as a result of Council's approval of this report. Any costs associated with the implementation of this report can be found within existing budget estimates.



November 16, 1999 (11:22a)

for Mona Monkman  
City Treasurer

EM:ari

## **Executive Report**

### **Reasons Behind Recommendation**

In March 1998, Council approved a three-year Work Plan for the Office of the City Auditor. The Work Plan included a list of projects the Office proposed to undertake over the term of Council derived from a structured risk assessment of City activities conducted by the Office. Each year, the City Auditor presents for approval a list of the specific audits, drawn from the three-year plan, to be completed over the next 12 months.

The Work Plan in Document 1 presents the audit projects proposed for 2000. This list differs somewhat from the earlier annual work plans in that it is based not only on the three-year Work Plan but also reflects a revised project selection using the criteria endorsed by Audit Committee in September 1999. The Chief Administrative Officer and Department Heads were also consulted in preparing this Work Plan and the draft was reviewed by Management Committee.

The next 12 months are likely to be a period of significant change and transition as the outcome of the Provincial Re-structuring initiative becomes known. Accordingly, the Work Plan will be reviewed quarterly during the year and the continuing relevance of each proposed audit re-assessed against the status and direction of the re-structuring initiative. The revised priorities will be brought forward to Audit Committee for review and confirmation as necessary.

The Work Plan presents tentative Audit Committee dates for the audits currently in progress and an estimated level of resources for the initial projects proposed for 2000. A schedule will be prepared upon approval of the Work Plan to indicate the timing and tentative Audit Committee date for each of the initial project.

In addition, the Office will, in response to the recent direction from the Audit Committee, bring forward information reports on emerging issues or significant new development in areas that are within the ambit of the Audit Committee.

### **Disposition**

The City Auditor to implement upon approval.

### **List of Supporting Documentation**

- |            |   |
|------------|---|
| Document 1 | Office of the City Auditor - 2000 Work Plan |
| Document 2 | Contemplated Audit Projects 1998-2000       |

## Part II - Supporting Documentation

Document 1

### Audit Work Plan 2000

Project	Description	Tentative Audit Committee Date/ Estimated Level of Resources
<b>IN-PROGRESS</b>		
Performance Reporting	<i>Review of corporate performance reporting and opportunities for improved information for accountability.</i>	In-Progress, January 2000
Appropriation & Expenditure Control	<i>Review of the corporate budget, approval, monitoring and control processes.</i>	In-Progress, January 2000
<b>INITIAL PROJECTS</b>		
Payroll System Implementation	<i>Post-implementation review of the of the SAP Human Resources/ Payroll system. Review will look at: the extent to which project objectives and budget were achieved; relationship with the external service provider and efficiency and effectiveness of both the IT and business process elements of the project.</i>	Team of: . internal staff . IT consultant  3 months (approx. 180 person days)
Assets and Equipment	<i>Review of the processes and controls in place to track and manage the City's physical assets. (Vehicles, furniture, computer hardware and software and small, mobile equipment.) Assessment of the accuracy of City's inventories of these assets.</i>	Process review. 2 months (approx. 100 person days)  Inventory count (if required) summer 2000, hours to be determined
Cash Handling	<i>Review of the processes and controls over the handling of cash and other receipts at City facilities and the Client Service Centre.</i>	2 months (approx. 100 person days)

Project	Description	Tentative Audit Committee Date/ Estimated Level of Resources
<b>INITIAL PROJECTS (Continued)</b>		
Workplace Safety and Insurance	<i>Review of the processes and management of claims under this program. Review will look at: compliance with legislation and collective agreements, management and cost of program, effectiveness of accommodation / re-integration processes.</i>	3 months (approx. 180 person days)
Fire Services	<i>Follow-up Audit: - Fire Department Review, 1992. - Ekos Program Evaluation of Fire Prevention, March 1998</i>	1.25 months (approx. 30 person days)
GIS System Implementation	<i>Review of the GIS system. Review will look at the extent to which project objectives have been achieved, the success of re-engineering initiatives; external business relationships and the efficiency and effectiveness of the implemented processes.</i>	Subject to appropriate resource availability.
Corporate Records Management	<i>Review of Corporate processes for records and document management, to establish current status and challenges.</i>	3 months (approx. 180 person days)
<b>OTHER POTENTIAL AUDIT PROJECTS</b>		
Property Taxes	<i>Continuation of 1999 review. Focus on review of the capped class billing, control structures in place for the 2000 billing cycle and remaining tax reform implementation/impacts.</i>	
Leisure Services	<i>Review of the management and operation of Leisure Services.</i>	
Roads and Sidewalk Maintenance	<i>Audit of management systems and controls over road and sidewalk maintenance operations.</i>	
Public Markets	<i>Review of the operations of the Byward and Parkdale markets including rental agreements and collections.</i>	
Building Maintenance	<i>Review of the management of maintenance and renovations programs for City buildings.</i>	

## Contemplated Audit Projects 1998-2000

(Originally reviewed by Audit Committee - March 1998)

1. MAJOR AUDITS: OPERATIONS			Status
<b>URBAN PLANNING &amp; PUBLIC WORKS</b>	1. <i>Roads and Sidewalk Maintenance</i>	<i>Audit of management systems and controls over road and sidewalk maintenance operations.</i>	<i>Future</i>
	2. <i>RMOC Contract</i>	<i>Review of the operation of the contract with RMOC for the winter maintenance of regional roads.</i>	<i>Completed 1999</i>
	3. <i>Building Maintenance</i>	<i>Review of the management of maintenance and renovations programs for City buildings.</i>	<i>Future</i>
	4. <i>Planning</i>	<i>Review of operations of the Planning Branch.</i>	<i>Cancelled (by Audit committee)</i>
<b>COMMUNITY SERVICES</b>	5. <i>Lansdowne Park</i>	<i>Review of the operation and programming of Lansdowne Park.</i>	<i>Cancelled (Transfer to RMOC)</i>
	6. <i>Leisure Services</i>	<i>Review of the management and operation of Leisure Services.</i>	<i>Future</i>
<b>CORPORATE SERVICES</b>	7. <i>Corporate Records Management</i>	<i>Review of Corporate processes for records and document management.</i>	<i>Future</i>
<b>CORPORATE FUNCTIONS</b>	8. <i>Performance Reporting</i>	<i>Review of corporate performance reporting and opportunities for improved information for accountability.</i>	<i>In-Progress 1999</i>
	9. <i>Administrative Support</i>	<i>Review of administrative support services on a Corporate basis.</i>	<i>Cancelled (1)</i>

<b>2. OTHER OPERATIONAL AUDITS</b>			<b>Status</b>
<b>URBAN PLANNING &amp; PUBLIC WORKS</b>	<b>10. Warehousing / Inventories</b>	<i>Review of the management of City goods and materials inventories.</i>	<i>Completed September 1999</i>
	<b>11. Business Parks</b>	<i>Review of operation and financing of the City's business parks.</i>	<i>Completed November 1999</i>
	<b>12. Public Markets</b>	<i>Review of rental and cash handling activities at the Byward and Parkdale markets.</i>	<i>Future</i>
<b>CORPORATE SERVICES</b>	<b>13. Workplace Safety and Insurance Compensation (Former W.C. B.)</b>	<i>Review of the management of workers' compensation claims and related issues.</i>	<i>Future</i>
<b>CORPORATE FUNCTIONS</b>	<b>14. Real Estate Function</b>	<i>Review of the management and operation of corporate real estate activities.</i>	<i>Cancelled (1)</i>
	<b>15. Budgetary Information</b>	<i>Review of the corporate budget process with reference to the adequacy of information for informed decision making.</i>	<i>In-progress</i>

3. FINANCIAL AUDITS			Status
<i>FINANCE</i>	<i>16. Assessment and Billing</i>	<i>Review of the management of assessment and taxation billing.</i>	<i>Completed September 1999</i>
	<i>17. Treasury Services</i>	<i>Review of the collection and investment functions of Treasury Services.</i>	<i>Cancelled (1)</i>
	<i>18. Reserve Fund Management</i>	<i>Review of the management and accountability reporting of the City's reserves and reserve funds.</i>	<i>Future</i>
<i>CORPORATE FUNCTIONS</i>	<i>19. Accounts Receivable</i>	<i>Review of the corporate process for managing and controlling accounts receivable.</i>	<i>Completed January 1999</i>
	<i>20. Accounts Payable</i>	<i>Review of the corporate processes for managing and controlling accounts payable.</i>	<i>Cancelled (1)</i>
	<i>21. Financial Policy</i>	<i>A review of the adequacy and appropriateness of corporate and departmental financial policy guidance.</i>	<i>Cancelled (1)</i>
	<i>22. St. Laurent Facility</i>	<i>Review of 1997 actual results against business plan as directed by Council.</i>	<i>Completed April 1999 - Audit Committee deleted reqmt for annual reviews</i>

4. FOLLOW-UP ACTIVITIES			Status
<i>These reviews provide status reports on the implementation of recommendation arising from earlier audit work.</i>			
<b>URBAN PLANNING &amp; PUBLIC WORKS</b>	23. <i>Vehicle and Equipment Pool</i>	<i>Vehicle and Equipment Pool Audit, 1995.</i>	<i>Completed 1998</i>
	24. <i>Engineering Department Revenues</i>	<i>Engineering Department Revenues Audit, 1996 and first follow-up report dated February 1998.</i>	<i>Completed 1998</i>
<b>COMMUNITY SERVICES</b>	25. <i>Fire Department</i>	<i>Fire Department Review, 1992.</i>	<i>Future</i>
	26. <i>Fire Prevention Program Evaluation</i>	<i>Ekos Program Evaluation of Fire Prevention, March 1998.</i>	<i>Future</i>
<b>CORPORATE (FINANCE)</b>	27. <i>Delegation Part I</i>	<i>Review of Delegation in relation to the purchase of goods and services, 1996.</i>	<i>Completed July 1999</i>
	28. <i>Tendering Specifications</i>	<i>Review of Tendering Specifications, 1997.</i>	<i>Cancelled (1)</i>
	29. <i>Expense Claims</i>	<i>Review of Expense Claims, 1997.</i>	<i>Completed July 1999</i>

- (1) Project is cancelled based on the application of the criteria endorsed by Audit in September 1999 for selection of audit projects for 2000.