

AUDIT AND OPERATIONAL REVIEW COMMITTEE - DECEMBER 5, 2008

REPORT ON THE MAYOR'S CITY-RELATED EXPENSES FOR 2007

Recommendation

The City Auditor recommends:

1. That the Report on the Mayor's City-Related Expenses for 2007 by the external auditing firm of Ernst & Young LLP be received.

Economic Impact

A Request for Proposal was issued to invited forensic auditing firms to submit a proposal on the conduct of an investigation on the Mayor's City-Related Expenses for 2007. The successful proposal was received from Ernst & Young LLP at a cost of \$40,774.29 (GST included). Subsequent to awarding the contract, additional time was required by the auditors, eg. the individual who initially raised concerns with the City had additional questions/information. In the interests of conducting a thorough investigation, additional time has been expended in completing the audit work. Staff are currently in discussions with the auditors with respect to fees.

Communications Plan

The auditors' findings and report will be presented in open session at the Audit and Operational Review Committee meeting.

Purpose

To present to the Audit and Operational Review Committee, the Report on the Mayor's City-Related Expenses for 2007 prepared by the external independent Chartered Accountant firm of Ernst & Young LLP.

Background - Analysis and Options

A resident of the City of Vaughan sent two letters (dated April 4, 2008 and May 2, 2008) to the City Manager and Members of Council. She expressed concern over the Mayor's expenses for 2007 and requested a forensic audit be done.

On April 14, 2008, Vaughan Council authorized the Audit and Operational Review Committee to retain an external forensic auditor, if required.

On May 6, 2008 the Audit and Operational Review Committee recommended that a forensic audit be undertaken by an independent external auditing firm and that a comprehensive report be brought back to the Committee. The City Auditor was appointed as co-ordinator of the project.

Ernst & Young LLP was the successful bidder and commenced the work in May 2008.

Relationship to Vaughan Vision 2020

This report is consistent with the priorities previously set by Council and the necessary resources have been allocated and approved.

Regional Implications

Not applicable

Conclusion

A forensic audit was commenced in May 2008. The report of the audit

findings will be presented at the Audit and Operational Review Committee meeting on December 5, 2008.

Attachments

Report on the Mayor's City-Related Expenses for 2007 prepared by Ernst & Young LLP.

Report prepared by:

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City Auditor

Respectfully submitted,

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