

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF MAY 12, 2008

Item 1, Report No. 2, of the Audit and Operational Review Committee, which was adopted without amendment by the Council of the City of Vaughan on May 12, 2008.

1 INTERNAL AUDIT REPORT OF DEVELOPMENT AND TRANSPORTATION ENGINEERING

The Audit and Operational Review Committee recommends that this matter be referred to the next Audit and Operational Review Committee meeting.

Recommendation

The City Auditor recommends:

That the Internal Audit Report of Development and Transportation Engineering be received.

Economic Impact

The recommendations suggested by the auditor and the implementation of corrective actions in the audit report, will improve the effectiveness of risk management, control and governance processes of the department. Some impact will be economic and will be measurable in dollar terms, while others will provide intangible benefits which may not be measurable. Other benefits will be an improvement in the efficiency and effectiveness in the operations of the department. Internal Audit adds value to all areas of City activity which are audited.

Communications Plan

This is to be addressed by the Corporate Communications department.

Purpose

To present to the Audit Committee, the Internal Audit Report of Development and Transportation Engineering .

Background - Analysis and Options

The audit was part of the Internal Audit Work Plan which was approved by the Audit Committee.

The internal audit report is provided as an attachment. The report explains the definition and objective of internal auditing as well as the scope of internal audit work. The report includes, for all deficient items, (1) the observations of the auditor, (2) the implications, (3) the auditor's recommendations, (4) the commissioner's response for corrective actions and (5) the auditor's response to the corrective actions.

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

1. Based on the scope of audit work mentioned in the beginning of the audit report, areas reviewed were considered to be operating effectively, except for the noted observations for which the auditor made recommendations for improvement.

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2. The commissioner and director of the department/operation audited, have responded favourably to all observations and recommendations in the Internal Audit Report.
3. When all corrective actions are implemented, (1) internal controls will be improved, (2) the quality of performance in carrying out assigned responsibilities will be enhanced, (3) the department/operation will operate more effectively and efficiently and (4) the Internal Audit department will have added value to the organization and assisted members of the organization in the effective discharge of their responsibilities.

Attachments

Internal Audit Report of Development and Transportation Engineering .

Report prepared by:

Michael Tupchong, CA, CIA, CPA, CFE
City Auditor

(A copy of the attachments referred to in the foregoing have been forwarded to each Member of Council and a copy thereof is also on file in the office of the City Clerk.)

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Item 2, Report No. 2, of the Audit and Operational Review Committee, which was adopted without amendment by the Council of the City of Vaughan on May 12, 2008.

2 INTERNAL AUDIT REPORT OF THE PURCHASE AND SALE OF LANDS

The Audit and Operational Review Committee recommends that this matter be referred to the next Audit and Operational Review Committee meeting.

Recommendation

The City Auditor recommends:

That the Internal Audit Report of the Purchase and Sale of Lands be received.

Economic Impact

The recommendations suggested by the auditor and the implementation of corrective actions in the audit report, will improve the effectiveness of risk management, control and governance processes of the department. Some impact will be economic and will be measurable in dollar terms, while others will provide intangible benefits which may not be measurable. Other benefits will be an improvement in the efficiency and effectiveness in the operations of the department. Internal Audit adds value to all areas of City activity which are audited.

Communications Plan

This is to be addressed by the Corporate Communications department.

Purpose

To present to the Audit Committee, the Internal Audit Report of the Purchase and Sale of Lands .

Background - Analysis and Options

The audit was part of the Internal Audit Work Plan which was approved by the Audit Committee.

The internal audit report is provided as an attachment. The report explains the definition and objective of internal auditing as well as the scope of internal audit work. The report includes, for all deficient items, (1) the observations of the auditor, (2) the implications, (3) the auditor's recommendations, (4) the commissioner's response for corrective actions and (5) the auditor's response to the corrective actions.

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

1. Based on the scope of audit work mentioned in the beginning of the audit report, areas reviewed were considered to be operating effectively, except for the noted observations for which the auditor made recommendations for improvement.

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2. The commissioner and director of the department/operation audited, have responded favourably to all observations and recommendations in the Internal Audit Report.
3. When all corrective actions are implemented, (1) internal controls will be improved, (2) the quality of performance in carrying out assigned responsibilities will be enhanced, (3) the department/operation will operate more effectively and efficiently and (4) the Internal Audit department will have added value to the organization and assisted members of the organization in the effective discharge of their responsibilities.

Attachments

Internal Audit Report of the Purchase and Sale of Lands .

Report prepared by:

Michael Tupchong, CA, CIA, CPA, CFE
City Auditor

(A copy of the attachments referred to in the foregoing have been forwarded to each Member of Council and a copy thereof is also on file in the office of the City Clerk.)

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Item 3, Report No. 2, of the Audit and Operational Review Committee, which was adopted without amendment by the Council of the City of Vaughan on May 12, 2008.

3 INTERNAL AUDIT REPORT OF THE LANGSTAFF ROAD RECONSTRUCTION AND BRIDGE REPLACEMENT (CAPITAL PROJECT)

The Audit and Operational Review Committee recommends that this matter be referred to the next Audit and Operational Review Committee meeting.

Recommendation

The City Auditor recommends:

That the Internal Audit Report of the Langstaff Road Reconstruction and Bridge Replacement be received.

Economic Impact

The recommendations suggested by the auditor and the implementation of corrective actions in the audit report, will improve the effectiveness of risk management, control and governance processes of the department. Some impact will be economic and will be measurable in dollar terms, while others will provide intangible benefits which may not be measurable. Other benefits will be an improvement in the efficiency and effectiveness in the operations of the department. Internal Audit adds value to all areas of City activity which are audited.

Communications Plan

This is to be addressed by the Corporate Communications department.

Purpose

To present to the Audit Committee, the Internal Audit Report of the Langstaff Road Reconstruction and Bridge Replacement.

Background - Analysis and Options

The audit was part of the Internal Audit Work Plan which was approved by the Audit Committee.

The internal audit report is provided as an attachment. The report explains the definition and objective of internal auditing as well as the scope of internal audit work. The report includes, for all deficient items, (1) the observations of the auditor, (2) the implications, (3) the auditor's recommendations, (4) the commissioner's response for corrective actions and (5) the auditor's response to the corrective actions.

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

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Conclusion

1. Based on the scope of audit work mentioned in the beginning of the audit report, areas reviewed were considered to be operating effectively, except for the noted observations for which the auditor made recommendations for improvement.
2. The commissioner and director of the department/operation audited, have responded favourably to all observations and recommendations in the Internal Audit Report.
3. When all corrective actions are implemented, (1) internal controls will be improved, (2) the quality of performance in carrying out assigned responsibilities will be enhanced, (3) the department/operation will operate more effectively and efficiently and (4) the Internal Audit department will have added value to the organization and assisted members of the organization in the effective discharge of their responsibilities.

Attachments

Internal Audit Report of the Langstaff Road Reconstruction and Bridge Replacement.

Reort prepared by:

Michael Tupchong, CA, CIA, CPA, CFE
City Auditor

(A copy of the attachments referred to in the foregoing have been forwarded to each Member of Council and a copy thereof is also on file in the office of the City Clerk.)

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Item 4, Report No. 2, of the Audit and Operational Review Committee, which was adopted without amendment by the Council of the City of Vaughan on May 12, 2008.

4 INTERNAL AUDIT REPORT OF ENFORCEMENT SERVICES

The Audit and Operational Review Committee recommends that this matter be referred to the next Audit and Operational Review Committee meeting.

Recommendation

The City Auditor recommends:

That the Internal Audit Report of Enforcement Services be received.

Economic Impact

The recommendations suggested by the auditor and the implementation of corrective actions in the audit report, will improve the effectiveness of risk management, control and governance processes of the department. Some impact will be economic and will be measurable in dollar terms, while others will provide intangible benefits which may not be measurable. Other benefits will be an improvement in the efficiency and effectiveness in the operations of the department. Internal Audit adds value to all areas of City activity which are audited.

Communications Plan

This is to be addressed by the Corporate Communications department.

Purpose

To present to the Audit Committee, the Internal Audit Report of Enforcement Services.

Background - Analysis and Options

The audit was part of the Internal Audit Work Plan which was approved by the Audit Committee.

The internal audit report is provided as an attachment. The report explains the definition and objective of internal auditing as well as the scope of internal audit work. The report includes, for all deficient items, (1) the observations of the auditor, (2) the implications, (3) the auditor's recommendations, (4) the commissioner's response for corrective actions and (5) the auditor's response to the corrective actions.

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

1. Based on the scope of audit work mentioned in the beginning of the audit report, areas reviewed were considered to be operating effectively, except for the noted observations for which the auditor made recommendations for improvement.

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2. The commissioner and director of the department/operation audited, have responded favourably to all observations and recommendations in the Internal Audit Report.
3. When all corrective actions are implemented, (1) internal controls will be improved, (2) the quality of performance in carrying out assigned responsibilities will be enhanced, (3) the department/operation will operate more effectively and efficiently and (4) the Internal Audit department will have added value to the organization and assisted members of the organization in the effective discharge of their responsibilities.

Attachments

Internal Audit Report of Enforcement Services.

Report prepared by:

Michael Tupchong, CA, CIA, CPA, CFE
City Auditor

(A copy of the attachments referred to in the foregoing have been forwarded to each Member of Council and a copy thereof is also on file in the office of the City Clerk.)

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Item 5, Report No. 2, of the Audit and Operational Review Committee, which was adopted without amendment by the Council of the City of Vaughan on May 12, 2008.

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COUNCILLOR EXPENDITURE POLICY

The Audit and Operational Review Committee recommends that this matter be referred to the next Audit and Operational Review Committee meeting.

Recommendation

The City Manager recommends:

That the following report be received for information purposes.

Economic Impact

Not applicable.

Communications Plan

This report is on the public agenda.

Purpose

To provide the Audit & Operational Review Committee with background information regarding council expenditure policies in the context of questions that have been raised.

Background - Analysis and Options

On April 4, 2008 the City Manager received a letter from a resident regarding the Mayor's expenses. The letter was provided to the Audit & Operational Review Committee meeting on April 14, 2008. At that meeting the Committee directed "That the City Manager provide any response or additional documentation with respect to Ms. Liddy's April 4th letter, to the Audit and Operational Review Committee in advance of the Committee's scheduled meeting of May 6, 2008."

This report is intended to provide information with respect to policies and also provide a context within which to consider the questions raised in the letter.

Council Budget/Expenditure Policy

The Council Budget/Expenditure Policy sets out the requirements as they relate to Council Corporate expenses as well as expenses relating to individual members of council. The policy has been amended by Council on various occasions and a copy of the most recent policy is provided as Attachment 1. The latest update was October 9, 2007.

Council Expenditure Policy for Cell Phones

The monthly statement for cell phones that are billed directly to the City are filed and maintained by the City. If a member of council has a cell phone for which they are billed directly, the member of council submits a claim for reimbursement using the City's expense form. In these instances the Council Expenditure policy 4.1.13 indicates that "it shall be the responsibility of each Member of Council to retain supporting invoices and documentation ." In addition the expense form which is signed by the member of council states that "I the undersigned hereby state, that I have

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incurred the expenses noted above while in the conduct of business related to Council and the Corporation of the City of Vaughan and that these expenses are not recoverable from any other source.”

Charges to Councillors Budgets

Section 2.4 of the Council Expenditure Policy indicates that Council approves a budget total for each Member of Council. The Council expenditure policy governs expenditures charged to Councillor budgets and Section 2.4 also states that “each Member of Council having discretion over allocations and spending within their own budgets” The only qualifier to the above is a policy approved by Council in 1997 that required the City Manager to approve the Mayor’s credit card expenses and the Mayor to approve the City Manager’s expenses. A copy of the policy is provided as Attachment 2.

Annual Reporting of Council Expenses

Each year members of council submit detailed budgets. At the end of each year budget to actual information is available. In addition the City publicly reports expenses incurred by each member of Council.

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

The policies that are in place regarding Councillor expenses have been provided to the Committee for their information.

Attachments

Attachment 1 – Council Budget / Expenditure Policy
Attachment 2 – Expense Reports

(A copy of the attachments referred to in the foregoing have been forwarded to each Member of Council and a copy thereof is also on file in the office of the City Clerk.)

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Item 6, Report No. 2, of the Audit and Operational Review Committee, which was adopted without amendment by the Council of the City of Vaughan on May 12, 2008.

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PERSONAL MATTER

The Audit and Operational Review Committee recommends:

- 1) That the confidential memorandum from Mayor Jackson, dated May 6, 2008, in response to Ms. Carrie Liddy's letter of April 4, 2008, be received;**
- 2) That the confidential written submission of Ms. Carrie Liddy, dated May 2, 2008, be received;**
- 3) That all documentation related to this matter be referred to an external forensic auditor to bring back a comprehensive report before the summer hiatus if possible, and that this be coordinated by the City's Internal Auditor; and**
- 4) That the deputation of Ms. Carrie Liddy, be received.**

Mayor Jackson declared an interest with respect to the foregoing matter as it relates to her expenses and following submission of documentation, left the meeting when the matter was considered.