

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF NOVEMBER 12, 2007

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 November 12, 2007.

1

CONFIRMATION / APPOINTMENT OF CHAIR
(Referred from Council meeting of October 9, 2007)

The Audit and Operational Review Committee recommends that Regional Councillor Gino Rosati be appointed Chair of the Committee.

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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 November 12, 2007.

2

TERMS OF REFERENCE AND INITIAL WORK PLAN

(Referred from Council meeting of October 9, 2007)

The Audit and Operational Review Committee recommends:

- 1) That Clauses 2 and 3 of the recommendation contained in the following report of the Deputy City Manager/Commissioner of Finance & Corporate Services, dated October 22, 2007, be approved;
- 2) That the following be added to the Terms of Reference and Work Plan:
 - conduct departmental reviews;
 - conduct structural, functionality and efficiency reviews; and
 - conduct an overall management review; and
- 3) That the words “including cost recovery” be inserted at the end of the first paragraph, under “Objective” in the Terms of Reference.

Further, the Audit and Operational Review Committee recommends:

That staff review opportunities to develop an external communications plan on the disclosure of Audit reports to the public.

Council, at its meeting of October 9, 2007, approved in part:

That Clauses 2 and 3 be referred to the next Audit and Operational Review Committee meeting for further discussion;

That the words “including cost recovery” be inserted at the end of the first paragraph, under “Objective” in the Terms of Reference

Report of the Deputy City Manager/Commissioner of Finance & Corporate Services, dated October 22, 2007

Recommendation

The Deputy City Manager/Commissioner of Finance & Corporate Services in consultation with the City Manager recommends:

- 1) That the presentation by Todd MacDonald of Performance Concepts Consulting be received;
- 2) That the attached Terms of Reference for the Audit and Operational Review Committee be approved; and
- 3) That the Initial Work Plan as indicated in the report be approved.

Economic Impact

There is no economic impact as a direct result of this report.

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Communications Plan

With Council approval an appropriate announcement will be provided. In addition the expanded role of the Committee which now includes operational reviews will be referenced in the budget forums that will be taking place this fall. This and other initiatives are all part ensuring residents are provided value for their property tax dollar.

Purpose

To respond to the direction provided at the June 25, 2007 Council meeting where staff were directed to prepare an expanded Terms of Reference for the Audit and Operational Review Committee as well as provide an initial workplan.

Background – Analysis & Options

The mandate of the Strategic Planning Committee was changed to provide more of a focus on strategic planning by removing the operational review component of that committee's mandate. Since operational reviews and continuous improvement are important aspects of any organization the mandate of the Audit Committee was expanded by Council on June 25, 2007 to include operational reviews. Council directed staff to redraft the committee's Terms of Reference and present an initial workplan.

Work To-date

Through Strategic Planning and the Budget Committee achievements have been made with respect measuring and improving performance. The efforts to-date provide a solid basis from which the Audit and Operational Review Committee can move forward. Some of the areas in which the Committee can play a role include:

1. Performance measurement;
2. Benchmarking; and
3. Process improvement.

In the past couple of years some work has been undertaken with respect to performance measurement and benchmarking. Performance measures were developed for City services on a prioritized basis. City services that were assigned the highest priority for developing performance measures were those services funded from property taxation. Today's presentation by Mr. Todd MacDonald of Performance Concepts Consulting is intended to provide Committee members with some background information and an understanding of the direction and the work that has taken place to-date.

The Initial Work Plan

The City's Operational and Compliance Auditor has an approved Work Plan (Attachment 2) that is being systematically implemented. The expansion of the scope of the Committee necessitates a review of the work plan. However since we are part way through the year and resources have already been assigned there are limitations on what changes or additions to the work plan can be implemented for the balance of the year. During the 2008 budget process the expanded mandate of the Committee is being taken into consideration when discussing initiatives and resource requirements.

Notwithstanding the foregoing there are some projects which can commence and be supplementary to the already approved work plan. These include the following:

1. Review of the corporate organization structure and reporting relationships;
2. Review services provided to or received from other related organizations.

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These projects are targeted for completion towards the end of 2007 or early in 2008. The projects will be undertaken with existing resources. Staff will be reporting back with a longer term work plan which will incorporate an updated work plan for the City's Operational and Compliance Auditor. The nature and extent of the 2008 work plan will depend on the resources allocated through the budget process and input from the Committee with respect to priorities.

Relationship to Vaughan Vision 2007

D-1 Enhance Productivity and Cost Effectiveness
B-1 Ensure Short-term and Long-term Financial Stability
D-2 Develop Internal and External Collaborative Solutions

Regional Implications

Not applicable

Conclusion

Staff recommends approval of the Terms of Reference and the initial work plan which is supplementary to the approved work plan of the Operational and Compliance Auditor.

Attachments

Attachment 1 – Audit & Operational Review Committee Terms of Reference
Attachment 2 – Current Approved Work Plan
Attachment 3 – Council Extract, Report No 1, Audit & Operational Review Committee, adopted at the Council meeting of October 9, 2007.

Report prepared by:

Clayton D. Harris,
Deputy City Manager/Commissioner of Finance & Corporate Services

(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.)