

CITY OF VAUGHAN

EXTRACT FROM COUNCIL MEETING MINUTES OF JANUARY 28, 2008

Item 1, Report No. 3, of the Audit and Operational Review Committee, which was adopted without amendment by the Council of the City of Vaughan on January 28, 2008.

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2007 AUDIT PLANNING REPORT - KPMG

The Audit and Operational Review Committee recommends approval of the recommendation contained in the following report of the Deputy City Manager/Commissioner of Finance & Corporate Services and the Director of Financial Services, dated December 12, 2007:

Recommendation

The Deputy City Manager/Commissioner of Finance & Corporate Services and the Director of Financial Services recommend:

- 1) That the following information be received; and
- 2) That the confidential Audit Planning report from KPMG, LLP for the 2007 audit be received under separate cover.

Economic Impact

Not applicable

Communications Plan

A communications plan is not applicable to this report.

Purpose

To provide the Audit and Operational Review Committee with the 2007 Audit Plan as provided by the City's external auditor KPMG, LLP. This plan was discussed with the City Manager and senior Finance staff and outlines the audit process, risks, approach and the team members assigned.

Background - Analysis and Options

Each year the City's external Audit firm meets with the City Manager, Deputy City Manager/Commissioner of Finance & Corporate Services and senior Finance staff to present the Audit plan for the upcoming interim and final audit of the current year. This discussion includes topics such as changes to accounting standards, financial reporting, materiality, risk, the timing and co-ordination with City staff and if there have been any events that took place during the year that would impact the scope of the audit. This year City staff requested an expanded audit to include a review of controls over electronic wire transfers. The use of electronic funds transfers has increased over the years for the payment of City financial obligations, investments and the receipt of monies. A review of the protocol, procedures and controls is now appropriate.

The overall audit process entails the planning of the audit, evaluating City controls, substantive testing and the final stage of evaluation and presentation of the audit findings, report to Senior Management and the Audit & Operational Review Committee.

Relationship to Vaughan Vision 2007

This report is consistent with the revised draft Vaughan Vision 2020 Corporate Strategic Map:
Strategic Objective - Ensuring Financial Sustainability.

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Regional Implications

None

Conclusion

To provide members of the Audit & Operational Review Committee with this year's 2007 audit plan and timelines.

Attachments

None

Report prepared by:

Barry E. Jackson, CGA
Director of Financial Services
Ext. 8272

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Item 2, Report No. 3, of the Audit and Operational Review Committee, which was adopted without amendment by the Council of the City of Vaughan on January 28, 2008.

2 **CORPORATE ORGANIZATIONAL REVIEW**

The Audit and Operational Review Committee recommends:

- 1) That the recommendation contained in the following report of the City Manager and the Deputy City Manager/Commissioner of Finance & Corporate Services, dated December 12, 2007, be approved; and
- 2) That all comments from Members of Council be taken into consideration during the review process.

Recommendation

The City Manager and the Deputy City Manager/Commissioner of Finance & Corporate Services recommend:

That the information be received for the purpose of information and discussion.

Economic Impact

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

Communications Plan

Not applicable at this point in time.

Purpose

To provide the Audit and Operational Review committee with background information in advance of the corporate reorganization report. Specifically the approach to be taken and copies of organizational structures for other municipalities.

Background - Analysis and Options

The City of Vaughan is a dynamic and growing municipality. In the past 25 years the City has grown from a small town with a population of approximately 20,000 to the 18th largest city in Canada with a population exceeding 240,000. The City is host to a diverse business community offering a wide range of services and employment opportunities. Vaughan is a net exporter of jobs. Over the 2001 to 2006 period the City of Vaughan was one of five (5) municipalities in the GTA with a population of more than 100,000 that had a population growth rate at least four (4) times the national average (+5.4%). Vaughan's growth rate was 31.2%. Growth rates of this magnitude put significant strains on municipal organizations and their resources. The other four (4) municipalities were as follows: Brampton 33.3%, Whitby 27.2%, Markham 25.4% and Richmond Hill with 23.2%.

Notwithstanding Vaughan's tremendous growth, the City continues to grow with the population forecasted to reach 434,000 by 2031. As the City grows it also evolves and the issues and the priorities change over time. Accordingly it is important to periodically review the City's organizational structure and confirm that the structure is appropriate given the City's priorities and Council's vision for the future.

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A review of the corporate organization structure is appropriate at this time. The City is finalizing its strategic plan, Vaughan Vision 2020, the position of Deputy City Manager has recently been filled and there is currently a vacancy at the Commissioner level. The approach being taken is that change will not be recommended for the sake of change. Recommendations that will be coming forward will be constructive and intended to put the City in a better position to meet the challenges ahead and implement Council's vision for the future.

This review will focus on the overall corporate structure and reporting relationships. The review is not intended to address issues or to make recommendations that would be "internal" and specific to a particular Commission, unless a recommended change directly impacts more than one Commission. To assist the review process organization charts for Vaughan, Markham, Mississauga, Brampton, Calgary, Peel Region and York Region have been obtained and are provided as Attachment 2. These municipalities were identified because they are primarily in the GTA, their populations are larger than the City of Vaughan's and due to the tremendous growth Vaughan will continue to experience, these municipalities can provide some insights into how they have structured their organizations to meet the challenges of growth.

Attachment 1 is a summary of some organizational characteristics based on the organization charts provided in Attachment 2. Each municipal organization is developed to address the needs of that specific municipality, however there are some general observations that can be drawn from the summary. Vaughan's City Manager has more direct reports than most City Managers. Although the number of Commissioners is relatively consistent across the sample municipalities, Vaughan's City Manager has a number of other reports. With respect to the City's vacancy at the Commissioner level, it appears that only the City of Brampton has a Commissioner of Economic Development. A further observation is that in some other jurisdictions the Libraries have a "dotted" line reporting relationship to a City Commissioner. Generally the reporting relationships have evolved and vary depending on the needs and issues in a specific municipality.

Relationship to Vaughan Vision 2007

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 purpose of this report is to provide the Committee with some background information with respect to other organization structures. Discussion and input is welcome and will be taken into consideration when staff bring forward recommendations.

Attachments

- Attachment 1 – Comparison of Municipal Organization Structures
- Attachment 2(a) - Organizational Chart for Vaughan
- Attachment 2(b) - Organizational Chart for Markham
- Attachment 2(c) - Organizational Chart for Mississauga
- Attachment 2(d) - Organizational Chart for Brampton
- Attachment 2(e) - Organizational Chart for Calgary
- Attachment 2(f) - Organizational Chart for Region of Peel
- Attachment 2(g) - Organizational Chart for Region of York

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Report prepared by:

Clayton Harris, CA
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.)

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Item 3, Report No. 3, of the Audit and Operational Review Committee, which was adopted without amendment by the Council of the City of Vaughan on January 28, 2008.



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BUDGET REQUEST

The Audit and Operational Review Committee recommends that \$60,000 be added to the budget for external assistance for the operations review.

The foregoing matter was brought to the attention of the Committee by Regional Councillor Gino Rosati.