



Audit Committee Minutes

September 18, 2020

9:30 a.m.

Council Chamber, 2nd floor, City Hall

Present: D. Iveson, A. Knack, T. Cartmell, B. Esslinger, M. Nickel, C. Burrows, O. Edmondson

1. Call to Order and Related Business

1.1 Call to Order

Mayor D. Iveson called the meeting to order at 9:33 a.m., on Friday, September 18, 2020.

1.2 Roll Call

Mayor D. Iveson confirmed the attendance of the following Councillors and Public Members: T. Cartmell, B. Esslinger, A. Knack, M. Nickel, C. Burrows, O. Edmondson.

Councillor B. Esslinger, C. Burrows and O. Edmondson participated electronically.

Councillors T. Cartmell, A. Knack and M. Nickel participated electronically for a portion of the meeting.

Mayor D. Iveson was absent with notice due to City business for a portion of the meeting.

Councillors M. Nickel and B. Esslinger were absent with notice for a portion of the meeting.

Councillors M. Banga, J. Dziadyk, S. Hamilton, B. Henderson, S. McKeen and A. Paquette, were also in attendance and participated electronically.

A. Laughlin, Interim City Manager; A. Giesbrecht, City Clerk; D. Beaudry, Deputy City Clerk; S. McKerry, K. Gibson, M. Barnes and C. Schlamp, Office of the City Clerk, were also in attendance.

1.3 Adoption of Agenda

Moved by: B. Esslinger

1. That the September 18, 2020, Audit Committee meeting agenda be adopted with the following changes:

Addition:

- 8.3 External Auditor - Non-audit Services Request - PRIVATE
(Sections 16 and 24 of the Freedom of Information and Protection of Privacy Act)

2. That the following items be dealt with together and be time specific as first items of business:

- 6.3 Part 1 City Productivity and Performance Audit: Management Staffing Analysis
- 6.4 Administrative Response to Office of the City Auditor - City Productivity and Performance Audit Management Staffing Analysis

With the unanimous consent of Committee, the motion carried.

Moved by: A. Knack

1. That the Orders of the Day be changed to adjourn at 12:30 p.m., Friday, September 18, 2020.

2. That item 6.5 - Forestry Services Audit be time specific at 11 a.m., Friday, September 18, 2020.

With the unanimous consent of Committee, the motion carried.

Moved by: A. Knack

That the Orders of the Day for the September 18, 2020, Audit Committee meeting be changed to continue on Friday, September 25, 2020, from 1:30 p.m., to 5:30 p.m, to deal with the remaining items on the agenda.

With the unanimous consent of Committee, the motion carried.

1.4 Adoption of Minutes

Moved by: A. Knack

That the June 25, 2020, Audit Committee meeting minutes be adopted.

In Favour (7): D. Iveson, A. Knack, T. Cartmell, B. Esslinger, M. Nickel, C. Burrows, and O. Edmondson

Carried (7 to 0)

1.5 Protocol Items

There were no Protocol Items.

2. Items for Discussion and Related Business

2.1 Select Items for Debate

The following items were selected for debate: 6.1, 6.2, 6.3, 6.4, 6.5, 6.6, 6.7, 6.8, 9.1 and 9.2.

2.2 Vote on Reports not Selected for Debate

The recommendation in the following report was passed without debate:
8.3 External Auditor - Non-audit Service Request.

2.3 Requests to Speak

Moved by: M. Nickel

That the Committee hear from the following speaker:

- 6.3 - Part 1 City Productivity and Performance Audit: Management Staffing Analysis

1. D. Wilson, Civic Service Union 52

In Favour (7): D. Iveson, A. Knack, T. Cartmell, B. Esslinger, M. Nickel, C. Burrows, and O. Edmondson

Carried (7 to 0)

2.4 Requests for Specific Time on Agenda

See Item 1.3 Adoption of Agenda.

3. Councillor Inquiries

There were no Councillor Inquiries.

4. Reports to be Dealt with at a Different Meeting

There were no Reports to be Dealt with at a Different Meeting.

5. Requests to Reschedule Reports

There were no Requests to Reschedule Reports.

6. Reports

6.1 Investigation

Items 6.1 and 6.2 were dealt with together.

D. Wiun, City Auditor; A. Laughlin, Interim City Manager; M. Persson, Chief Financial Officer and Deputy City Manager, Financial and Corporate Services; and B. Andriachuk, City Solicitor, made a presentation.

D. Wiun, City Auditor; M. Persson, Chief Financial Officer and Deputy City Manager and S. Padbury, Financial and Corporate Services, answered the Committee's questions.

Moved by: B. Esslinger

That the September 18, 2020, Office of the City Auditor report CR_8363, be received for information.

In Favour (7): D. Iveson, A. Knack, T. Cartmell, B. Esslinger, M. Nickel, C. Burrows, and O. Edmondson

Carried (7 to 0)

6.2 Administration Response - Projects Audits

Items 6.1 and 6.2 were dealt with together.

Moved by: B. Esslinger

That the September 18, 2020, Integrated Infrastructure Services report CR_8342, be received for information.

In Favour (7): D. Iveson, A. Knack, T. Cartmell, B. Esslinger, M. Nickel, C. Burrows, and O. Edmondson

Carried (7 to 0)

6.3 Part 1 City Productivity and Performance Audit: Management Staffing Analysis

D. Wiun, City Auditor; A. Laughlin, Interim City Manager; K. Armstrong, Deputy City Manager, Employee Services; R. Smyth, Deputy City Manager, Citizen Services; G. Cebryk, Deputy City Manager, City Operations; and J. Meleisfste, Acting Deputy City Manager, Integrated Infrastructure Services, made a presentation.

D. Wilson, Civic Services Union 52, made a presentation and answered the Committee's questions.

D. Wiun, City Auditor; K. Armstrong, Deputy City Manager, Employee Services; J. Meleisfste, Acting Deputy City Manager, Integrated Infrastructure Services; and A. Laughlin, Interim City Manager, answered the Committee's questions.

Moved by: A. Knack

That the September 18, 2020, Office of the City Auditor report OCA00035, be received for information.

In Favour (5): D. Iveson, A. Knack, T. Cartmell, C. Burrows, and O. Edmondson

Carried (5 to 0)

6.4 Administrative Response to Office of the City Auditor - City Productivity and Performance Audit - Management Staffing Analysis

Moved by: A. Knack

That Audit Committee recommend to City Council:

That Administration return to the Fall 2020 Supplemental Operating and Capital Budget Adjustment deliberations as appropriate with two scenarios to reduce supervisor FTEs by 5% (up to 92 FTEs /\$13.2 million) and 10% (up to 184 FTEs/\$26.4 million), aligning with page 18 of the September 18, 2020, Office of the City Auditor report OCA00035.

In Favour (5): D. Iveson, A. Knack, T. Cartmell, C. Burrows, and O. Edmondson

Carried (5 to 0)

6.5 Forestry Services Audit

D. Wiun, City Auditor, made a presentation and answered the Committee's questions. G. Cebryk, Deputy City Manager, City Operations, answered the Committee's questions.

Moved by: M. Nickel

That the September 18, 2020, Office of the City Auditor report OCA00036, be received for information.

In Favour (6): A. Knack, T. Cartmell, B. Esslinger, M. Nickel, C. Burrows, and O. Edmondson

Carried (6 to 0)

6.6 Administration Response - Forestry Audit

Moved by: M. Nickel

That the September 18, 2020, City Operations report CR_8097, be received for information.

In Favour (6): A. Knack, T. Cartmell, B. Esslinger, M. Nickel, C. Burrows, and O. Edmondson

Carried (6 to 0)

6.7 Office of the City Auditor Recommendation - Follow-up Dashboard Report - As at September 8, 2020

D. Wiun, City Auditor, answered the Committee's questions.

Moved by: A. Knack

That the September 18, 2020, Office of the City Auditor report OCA00037, be received for information.

In Favour (6): A. Knack, T. Cartmell, B. Esslinger, M. Nickel, C. Burrows, and O. Edmondson

Carried (6 to 0)

6.8 Administrative Update to the Auditor's Dashboard

Moved by: A. Knack

That the September 18, 2020, Office of the City Manager report OCM00009, be received for information.

In Favour (6): A. Knack, T. Cartmell, B. Esslinger, M. Nickel, C. Burrows, and O. Edmondson

Carried (6 to 0)

7. Motions Pending

There were no Motions Pending.

8. Private Reports

Moved by: B. Esslinger

That Committee meet in private pursuant to sections 25 (disclosure harmful to economic and other interests of a public body) and 27 (privileged information) of the *Freedom of Information and Protection of Privacy Act* for the discussion of items 8.1 and 8.2.

In Favour (6): D. Iveson, A. Knack, T. Cartmell, B. Esslinger, C. Burrows, and O. Edmondson

Opposed (1): M. Nickel

Carried (6 to 1)

Committee met in private at 2:06 p.m., Friday, September 25, 2020.

Moved by: D. Iveson

That Committee meet in public.

In Favour (7): D. Iveson, A. Knack, T. Cartmell, B. Esslinger, M. Nickel, C. Burrows, and O. Edmondson

Carried (7 to 0)

Committee met in public at 2:35 p.m., Friday, September 25, 2020.

8.1 Major Capital Project Review

Items 8.1 and 8.2 were dealt with together.

Committee met in private at 2:06 p.m., Friday, September 25, 2020, pursuant to sections 25 (disclosure harmful to economic and other interests of a public body) and 27 (privileged information) of the *Freedom of Information and Protection of Privacy Act*.

In Attendance:

- D. Iveson
- M. Banga
- T. Cartmell
- J. Dziadyk
- B. Esslinger
- A. Knack
- M. Nickel
- C. Burrows
- O. Edmonson
- A. Laughlin, Interim City Manager
- D. Wuin, City Auditor
- B. Andriachuk, City Solicitor
- A. Giesbrecht, City Clerk
- D. Beaudry, Deputy City Clerk
- K. Gibson, Office of the City Clerk (Meeting clerk)
- C. Schlamp, Office of the City Clerk (Meeting clerk)
- E. Norton, Office of the City Clerk (Meeting clerk)
- C. Owen, Deputy City Manager, Communications and Engagement
- G. Cebryk, Deputy City Manager, City Operations
- J. Meliefste, Deputy City Manager, Integrated Infrastructure Services
- S. Ebrahim, Office of the City Manager (Subject matter expert)
- M. Laban, Office of the City Manager (Subject matter expert)
- L. Cooper, Office of the City Auditor (Subject matter expert)
- A. Turcza-Karhut, Office of the City Manager (Legal Services)
- J. Banford, Integrated Infrastructure Services (Subject matter expert)

- P. Ladouceur, Integrated Infrastructure Services (Subject matter expert)

Committee met in public at 2:35 p.m., Friday, September 25, 2020.

Moved by: B. Esslinger

1. That the September 18, 2020, Office of the City Auditor report CR_8364 and the September 18, 2020, Integrated Infrastructure Services report CR_8338, be received for information.

2. That the September 18, 2020, Office of the City Auditor report CR_8364 and the September 18, 2020, Integrated Infrastructure Services report CR_8338, remain private pursuant to sections 25 (disclosure harmful to economic and other interests of a public body) and 27 (privileged information) of the *Freedom of Information and Protection of Privacy Act*.

Members of the Committee requested that the motion be split for voting purposes.

Part 1 of Motion, put:

1. That the September 18, 2020, Office of the City Auditor report CR_8364 and the September 18, 2020, Integrated Infrastructure Services report CR_8338, be received for information.

In Favour (6): D. Iveson, A. Knack, T. Cartmell, B. Esslinger, C. Burrows, and O. Edmonson

Opposed (1): M. Nickel

Carried (6 to 1)

Part 2 of Motion, put:

2. That the September 18, 2020, Office of the City Auditor report CR_8364 and the September 18, 2020, Integrated Infrastructure Services report CR_8338, remain private pursuant to sections 25 (disclosure harmful to economic and other interests of a public body) and 27 (privileged information) of the *Freedom of Information and Protection of Privacy Act*.

In Favour (5): D. Iveson, T. Cartmell, B. Esslinger, C. Burrows, and O. Edmonson

Opposed (2): A. Knack, and M. Nickel

Carried (5 to 2)

Summary of Committee's Decision on items 8.1 and 8.2:

1. That the September 18, 2020, Office of the City Auditor report CR_8364 and the September 18, 2020, Integrated Infrastructure Services report CR_8338, be received for information.

2. That the September 18, 2020, Office of the City Auditor report CR_8364 and the September 18, 2020, Integrated Infrastructure Services report CR_8338, remain private pursuant to sections 25 (disclosure harmful to economic and other interests of a public body) and 27 (privileged information) of the *Freedom of Information and Protection of Privacy Act*.

Carried

8.2 Administration Response - Major Capital Project Review Audit

Items 8.1 and 8.2 were dealt with together. See item 8.1.

8.3 External Auditor - Non-audit Services Request

Moved by: M. Nickel

1. That the request from KPMG to submit a proposal for consulting services as outlined in Attachment 1 of the September 18, 2020, Financial and Corporate Services report FCS00069, be approved.

2. That the September 18, 2020, Financial and Corporate Services report FCS00069 remain private pursuant to sections 16 (disclosure harmful to business interests of a third party) and 25 (disclosure harmful to economic and other interests of a public body) of the *Freedom of Information and Protection of Privacy Act*.

In Favour (7): D. Iveson, A. Knack, T. Cartmell, B. Esslinger, M. Nickel, C. Burrows, and O. Edmonson

Carried (7 to 0)

9. Notices of Motion and Motions without Customary Notice

Mayor D. Iveson asked whether there were any Notices of Motion. There were none.

10. Adjournment

The meeting adjourned at 2:41 p.m., Friday, September 25, 2020.

Chair

City Clerk