

# COMMITTEE AGENDA



TO **Audit Committee**

DATE Tuesday, September 8, 2015

LOCATION Council Chambers

TIME 3:00 p.m.

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## DISCLOSURE OF PECUNIARY INTEREST AND GENERAL NATURE THEREOF

**CONFIRMATION OF MINUTES** – June 2, 2015 open meeting minutes

### PRESENTATIONS (Items with no accompanying report)

a) None

### CONSENT AGENDA

*The following resolutions have been prepared to facilitate the Committee's consideration of the various matters and are suggested for consideration. If the Committee wishes to address a specific report in isolation of the Consent Agenda, please identify the item. The item will be extracted and dealt with separately. The balance of the Audit Committee Consent Agenda will be approved in one resolution.*

ITEM	CITY PRESENTATION	DELEGATIONS	TO BE EXTRACTED
AUD-2015.13/GOV-2015.12 Report from Governance: Revisions to Internal Audit Charter	Ruvani Shaubel, Internal Auditor		✓
AUD-2015.14 Revised 2015 Internal Audit Workplan			
AUD-2015.15 Cash Handling - Guelph Transit Follow Up Audit			
AUD-2015.16 Print Room Follow Up Audit			
AUD-2015.17 Outstanding Motions of the Audit Committee			

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AUD-2015.18 2015 Audit Committee Interim Work Plan Status Report			
AUD-2015.19 Litigation Status Report			

Resolution to adopt the balance of the Audit Committee Consent Agenda.

**ITEMS EXTRACTED FROM CONSENT AGENDA**

Once extracted items are identified, they will be dealt with in the following order:

- 1) delegations (may include presentations)
- 2) staff presentations only
- 3) all others.

**STAFF UPDATES AND ANNOUNCEMENTS**

**ADJOURNMENT**

**NEXT MEETING** – November 3, 2015



**The Corporation of the City of Guelph  
Audit Committee  
Tuesday, June 2, 2015 at 3:00 p.m.**

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**Attendance**

Members: Chair K. Wettstein Mayor C. Guthrie  
Councillor P. Allt Councillor M. Mackinnon  
Councillor A. Van Hellemond

Councillors: Councillor B. Bell Councillor M. Salisbury (arrived at 3:24 pm)

Staff: Mr. A. Horsman, Deputy CAO, Infrastructure, Development and Enterprise  
Ms. K. Gray, Business Performance Specialist  
Mr. M. Amorosi, Deputy CAO, Corporate Services  
Ms. J. Sheehy, General Manager, Finance/Treasurer  
Ms. J. Surgeoner, Manager, Financial Reporting and Accounting  
Mr. D. McMahon, Council Committee Coordinator

Others Present: Ms. Elaine Read, Partner in Assurance and Advisory, Deloitte

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**Call to Order (3:00 p.m.)**

Chair Wettstein called the meeting to order.

**Disclosure of Pecuniary Interest and General Nature Thereof**

There were no disclosures.

**Confirmation of Minutes**

1. Moved by Councillor Van Hellemond  
Seconded by Mayor Guthrie

That the open meeting minutes of the Audit Committee held on April 8, 2015 confirmed as recorded.

*VOTING IN FAVOUR: Mayor Guthrie, Councillors Allt, MacKinnon, Van Hellemond and Wettstein (5)*

*VOTING AGAINST: (0)*

CARRIED

**Consent Agenda**

The following items were extracted:

**AUD-2015.9      2014 Draft Consolidated Financial Statements and External Audit Findings Report**

**AUD-2015.10      2014 Unconsolidated Financial Statements and Financial Highlights**  
**AUD-2015.11      Appointment of Audit Committee Members to the Evaluation**  
**Committee for the External Audit RFP**

**Balance of Consent Items**

5.      Moved by Mayor Guthrie  
         Seconded by Councillor Allt

That the balance of the Audit Committee June 2, 2015 Consent Agenda as identified below, be adopted:

**AUD-2015.12      Letter of Recommendation – 2014 Audit Results**

*VOTING IN FAVOUR: Mayor Guthrie, Councillors Allt, MacKinnon, Van Hellemond and Wettstein (5)*

*VOTING AGAINST: (0)*

CARRIED

**Extracted Consent Items**

**AUD-2015.9          2014 Draft Consolidated Financial Statements and External Audit Findings Report**

Ms. Elaine Read presented a high level overview of the 2014 Draft Consolidated Financial Statements and External Findings Report.

2.      Moved by Councillor Mackinnon  
         Seconded by Councillor Allt
1.      That Report CS-2015-51 entitled "2014 Draft Consolidated Financial Statements and External Audit Findings Report" be received.
2.      That the 2014 Draft Consolidated Financial Statements be approved.

*VOTING IN FAVOUR: Mayor Guthrie, Councillors Allt, MacKinnon, Van Hellemond and Wettstein (5)*

*VOTING AGAINST: (0)*

CARRIED

**AUD-2015.10      2014 Unconsolidated Financial Statements and Financial Highlights**

Ms. Jade Surgeoner provided highlights of the City of Guelph 2014 Unconsolidated Financial Statements and Financial Highlights.

3.      Moved by Councillor Allt  
         Seconded by Councillor Van Hellemond

That the Report CS-2015-50 entitled "2014 Unconsolidated Financial Statements and Financial Highlights" be received for information.

*VOTING IN FAVOUR: Mayor Guthrie, Councillors Allt, MacKinnon, Van Hellemond and Wettstein (5)*

*VOTING AGAINST: (0)*

CARRIED

**AUD-2015.11 Appointment of Audit Committee Members to the Evaluation Committee for the External Audit RFP**

It was requested that the clauses be voted on separately.

4. Moved by Mayor Guthrie  
Seconded by Councillor Van Hellemond

1. That report CS-2015-54 Appointment of Evaluation Committee for the Selection of the External Auditor be received.

*VOTING IN FAVOUR: Mayor Guthrie, Allt, Councillors MacKinnon, Van Hellemond and Wettstein (5)*

*VOTING AGAINST: (0)*

CARRIED

5. Moved by Mayor Guthrie  
Seconded by Councillor Van Hellemond

2. That Mark Mackinnon and Phil Allt be appointed to the Evaluation Committee.

*VOTING IN FAVOUR: Mayor Guthrie, Councillors Allt, MacKinnon, Van Hellemond and Wettstein (5)*

*VOTING AGAINST: (0)*

CARRIED

6. Moved by Councillor Allt  
Seconded by Councillor Van Hellemond

3. That Tara Baker and Jade Surgeoner be appointed to the Evaluation Committee.

*VOTING IN FAVOUR: Mayor Guthrie, Councillors Allt, MacKinnon, Van Hellemond and Wettstein (5)*

*VOTING AGAINST: (0)*

CARRIED

**Staff Updates or Announcements**

None.

**Adjournment (4:05 p.m.)**

7. Moved by Councillor Allt  
Seconded by Mayor Guthrie

That the meeting be adjourned.

CARRIED

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Dylan McMahon  
Council Committee Coordinator

**AUDIT COMMITTEE  
CONSENT AGENDA**

**Tuesday, September 8, 2015**

Members of the Audit Committee.

**SUMMARY OF REPORTS:**

The following resolutions have been prepared to facilitate the Committee's consideration of the various matters and are suggested for consideration. If the Committee wishes to address a specific report in isolation of the Consent Agenda, please identify the item. The item will be extracted and dealt with immediately. The balance of the Audit Committee Consent Agenda will be approved in one resolution.

**Reports from Administrative Staff**

<b>REPORT</b>	<b>DIRECTION</b>
<b>AUD-2015.13/ GOV-2015.12      REPORT FROM GOVERNANCE: REVISIONS TO THE INTERNAL AUDIT CHARTER</b>  1. That the Audit Committee receive the report CAO-A-1505 including attachments.  2. That following the input from Audit Committee, a further staff report with proposed amendments by staff, be referred back to Governance Committee for final recommendation to City Council.	Approve
<b>AUD-2015.14      REVISED 2015 INTERNAL AUDIT WORKPLAN</b>  That the Internal Auditor's report entitled Revised 2015 Internal Audit Work Plan and Appendix A be approved.	Approve
<b>AUD-2015.15      CASH HANDLING - GUELPH TRANSIT FOLLOW UP AUDIT</b>  That the Internal Auditor's report entitled Cash Handling – Guelph Transit Follow Up Audit with attached management's response to the recommendations (Attachment B) be received.	Receive
<b>AUD-2015.16      PRINT ROOM FOLLOW UP AUDIT</b>  That the Internal Auditor's report entitled Print Room Follow Up Audit with attached management's response to the recommendations (Attachment B) be received.	Receive
<b>AUD-2015.17      OUTSTANDING MOTIONS OF THE AUDIT COMMITTEE</b>  That report CS-2015-64 dated September 8, 2015, regarding outstanding motions of the Audit Committee, be received.	Receive

**AUD-2015.18      2015 AUDIT COMMITTEE INTERIM WORK PLAN  
STATUS REPORT**

Receive

That CS-2015-65 Audit Committee Interim Work Plan Status Report  
be received.

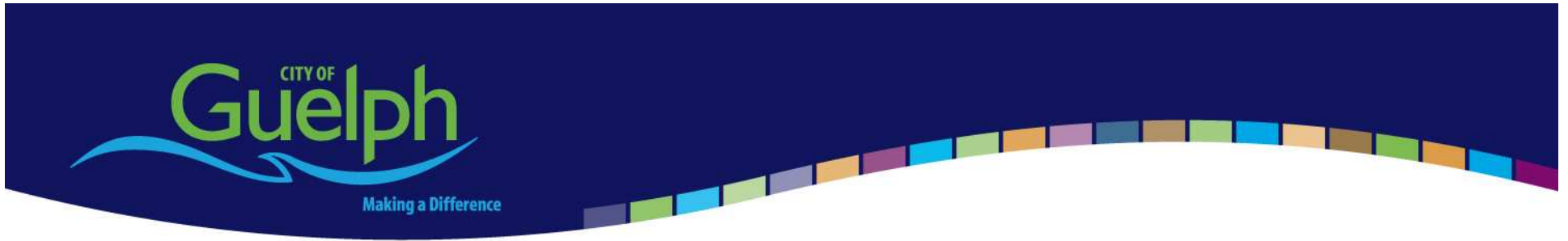
**AUD-2015.19      LITIGATION STATUS REPORT**

Receive

That the report of Legal Services regarding the status of City  
litigation dated September 8, 2015 be received.

attach.





# **Internal Audit function at the City of Guelph**

## THREE STREAMS OF ASSURANCE

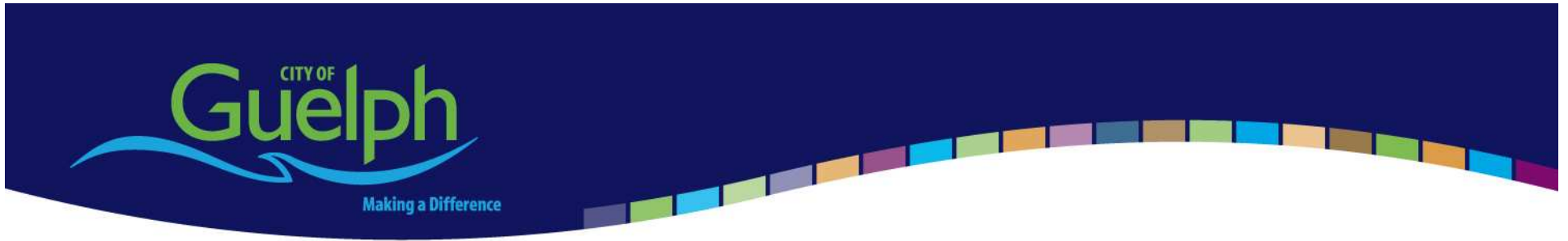
INTERNAL AUDIT	AUDITOR GENERAL	INTEGRITY COMMISSIONER
<p><b>MANDATE</b></p> <p><b>Responsibility to both Council and Administration</b> to assist senior management meet their responsibilities to maintain proper systems of internal controls identify and evaluate significant risk exposures and strengthen risk management throughout the City.</p>	<p><b>MANDATE</b></p> <p><b>Responsibility to Council</b> to audit government operations and provide Council with independent information, advice, and assurance regarding stewardship of public funds.</p>	<p><b>MANDATE</b></p> <p><b>Responsibility to Council</b> to provide advisory and investigation results to ensure compliance with standards of conduct expected of elected and appointed government officials.</p>
<p><b>MANDATE MET THROUGH</b></p> <p>Assurance services including the conduct of audits including:</p> <ul style="list-style-type: none"> <li>○ Compliance</li> <li>○ Operational</li> <li>○ Financial</li> <li>○ Forensic</li> <li>○ value for money</li> <li>○ internal controls</li> <li>• Business Performance/Optimization</li> <li>• Enterprise Risk Management</li> <li>• Special Investigations</li> <li>• Consulting/Advice</li> </ul>	<p><b>MANDATE MET THROUGH</b></p> <p>Assurance services including the conduct of audits including:</p> <ul style="list-style-type: none"> <li>○ Financial</li> <li>○ Performance (value-for-money)</li> <li>○ Special Investigations</li> </ul>	<p><b>MANDATE MET THROUGH</b></p> <p>Conducting inquiries into requests made by members of the public, Council, or members of Council, as to whether or not an elected or appointed government has contravened the Code of Conduct.</p>
<p><b>REPORT TIMELINE</b></p> <p>August 4, 2015 Governance Committee</p> <ul style="list-style-type: none"> <li>• Internal Audit Charter/Terms of Reference</li> </ul> <p>September 8, 2015 Audit Committee</p> <ul style="list-style-type: none"> <li>• Internal Audit Charter/Terms of Reference</li> </ul> <p>October 6, 2015 Governance Committee</p> <ul style="list-style-type: none"> <li>• Internal Audit Charter/Terms of Reference</li> </ul>	<p><b>REPORT TIMELINE</b></p> <p></p> <p></p> <p>October 6, 2015 Governance Committee</p>	<p><b>REPORT TIMELINE</b></p> <p></p> <p></p> <p>October 6, 2015 Governance Committee</p>

# THREE STREAMS OF ASSURANCE

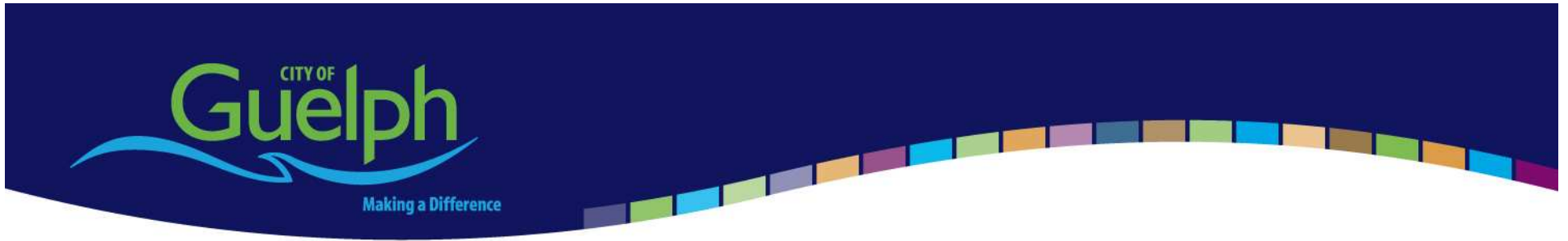
## INTERNAL AUDIT DEPARTMENT

### SERVICES PROVIDED





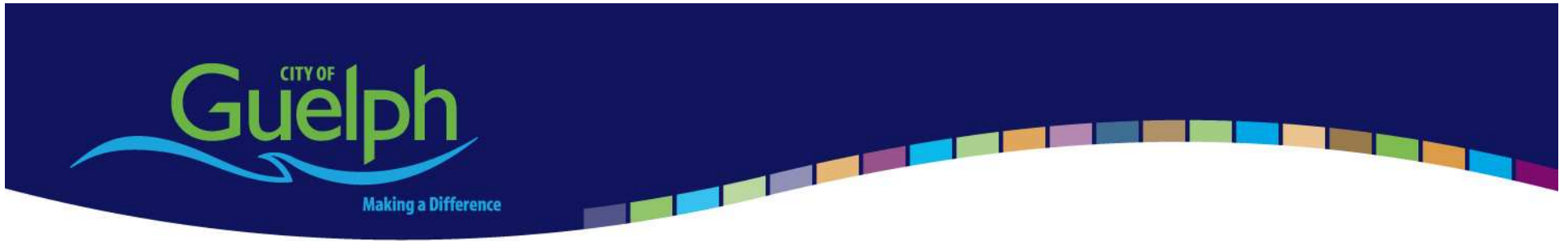
# **Internal Audit Charter Revisions**



# Agenda

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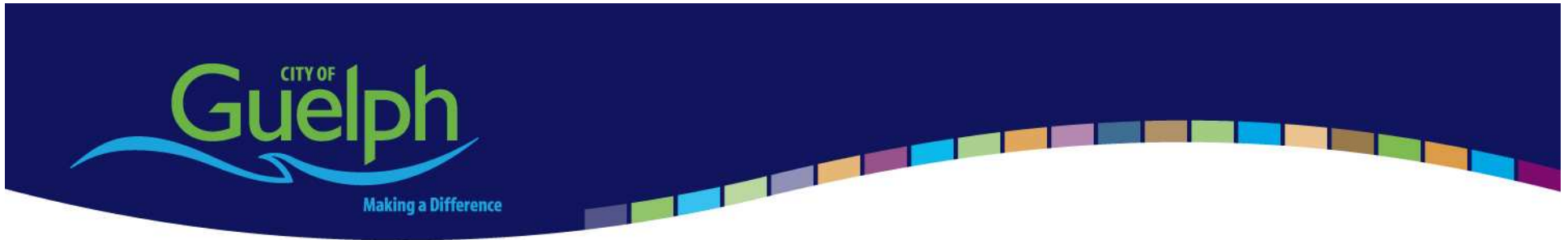
- Purpose
- Background
- Accountability and Reporting Relationships
- Services Provided
- Work Plan Process



## Purpose

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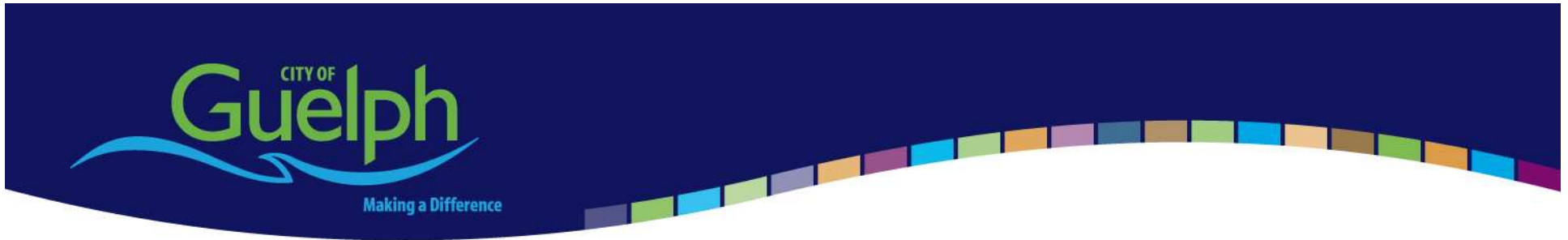
- Respond to Council direction (March 2015) to refine the processes and terms for functional and administrative reporting of the internal audit function as outlined in current Charter
- Report recommended amendments to the Charter in 2015 to the Governance Committee.



## Background

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- Internal Audit function was established in July 2012 and the current Charter formulated soon thereafter;
- The *Internal Audit Charter* is to be reviewed at least once during each term of Council
- On May 26, 2014 Council passed a resolution to temporarily change the reporting structure of the internal audit function.
  - Recommendations included:
    - *That management continue to refine the processes and terms for functional and administrative reporting by the internal audit function and report back on any recommended amendments to the Internal Audit Charter, in 2015, to the Governance Committee.*
- This report addresses the recommendation 2 of the report CAO-A-1502 noted above.



## **Accountability & Reporting Relationships**

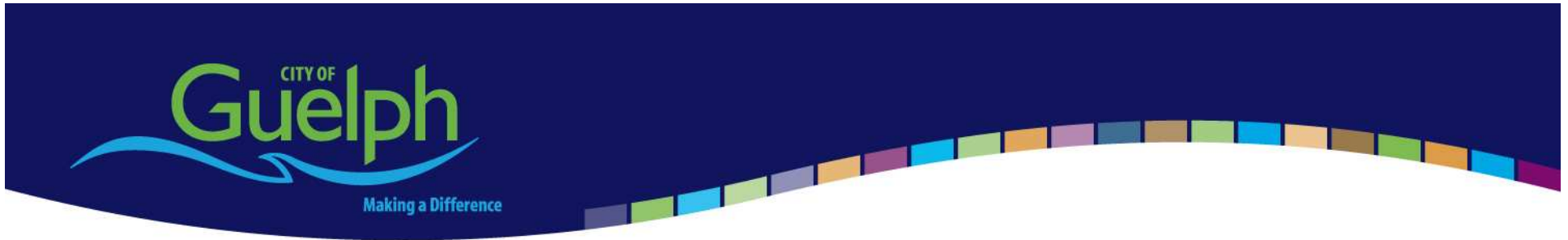
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### ***Current Practice***

#### **Internal Auditor will:**

- Report significant issues related to the adequacy and effectiveness of the City's processes for controlling its activities and managing its risks, including recommendations for improvements to those processes and managements' response for implementing corrective action.
- Annually provide information on the status of the annual audit plan, performance against benchmarks and the sufficiency of Internal Audit resources.



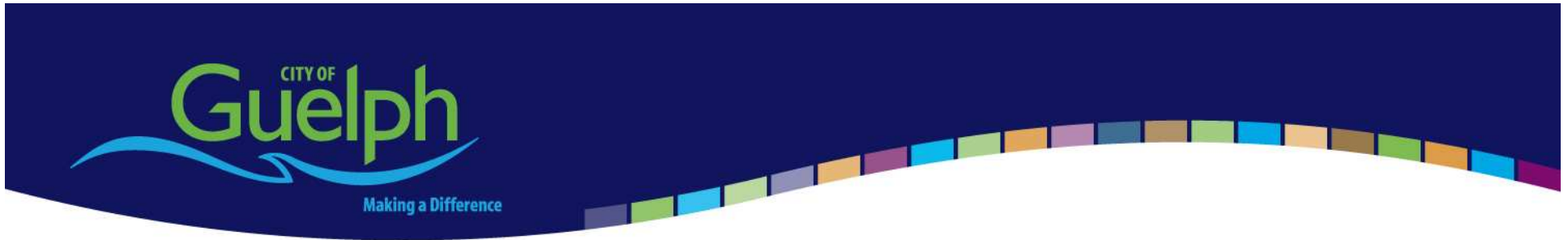


## **Accountability & Reporting Relationships**

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### **Functional Reporting to Audit Committee**

- Internal Auditor has direct reporting access to the Chair of the Audit Committee – this provides organizational independence for the Internal Auditor; (current practice)
- Committee is responsible to review and approve changes to the Internal Audit Charter (purpose, authority and responsibilities of the internal audit activity); (current practice)
- Committee is responsible for reviewing Internal Audit Work plan and forwarding it to Council for approval; (revised) and
- Committee receives audit reports and findings.(current practice)



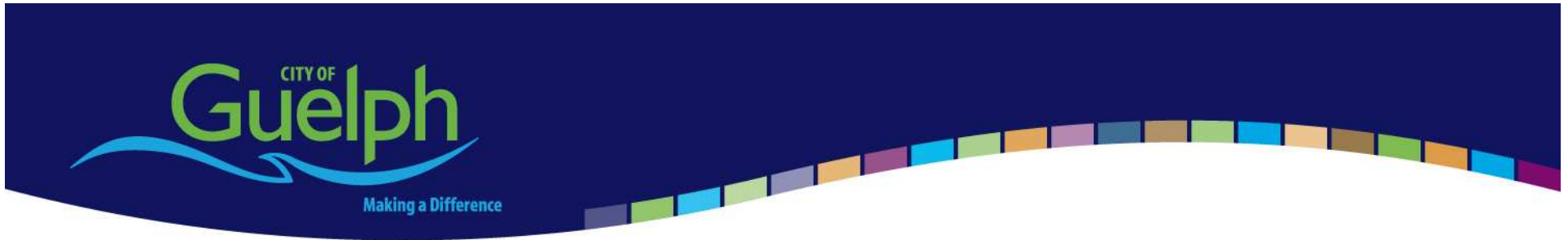
## **Accountability & Reporting Relationships**

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### ***Current Practice***

#### **Functional Reporting to Executive Team (including CAO)**

- Internal Auditor has direct reporting access to the Executive Team – this provides necessary authority to perform and report on work done;
- Discusses changes to the Internal Audit Charter with the Executive Team;
- Discusses draft Work plan with the Executive Team who provide input on operational constraints and timing re conduct of audit projects;
- The Executive Team receives and reviews audit reports brought forward by the Internal Auditor.



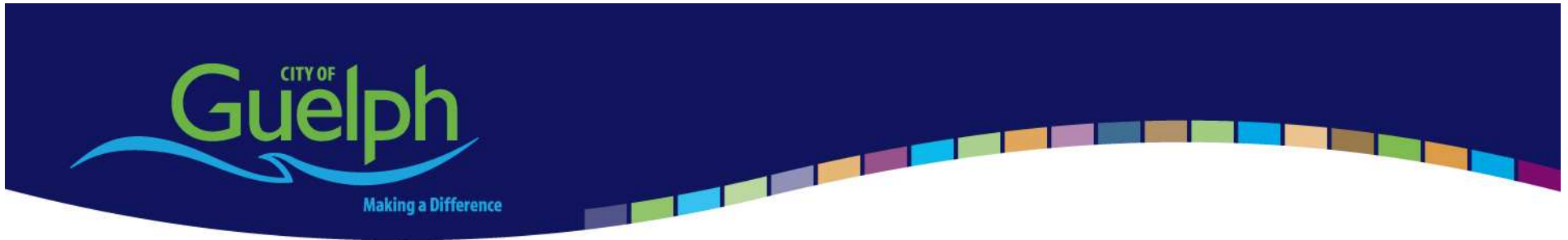
# **Accountability & Reporting Relationships**

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## ***Current Practice***

### **Administrative Reporting to CAO**

- The Chief Administrative Officer:
- Completes the Internal Auditor's Performance Evaluation – with input from the Executive Team and the Audit Committee;
- Reviews budget needs and ensures adequate resourcing of the Department;
- Approves time off, training submissions and expenses of the Internal Auditor; and
- Makes decisions relating to the hiring, discipline and termination of the Internal Auditor – with input from the Executive Team and Chair of Audit Committee.



## **Accountability & Reporting Relationships**

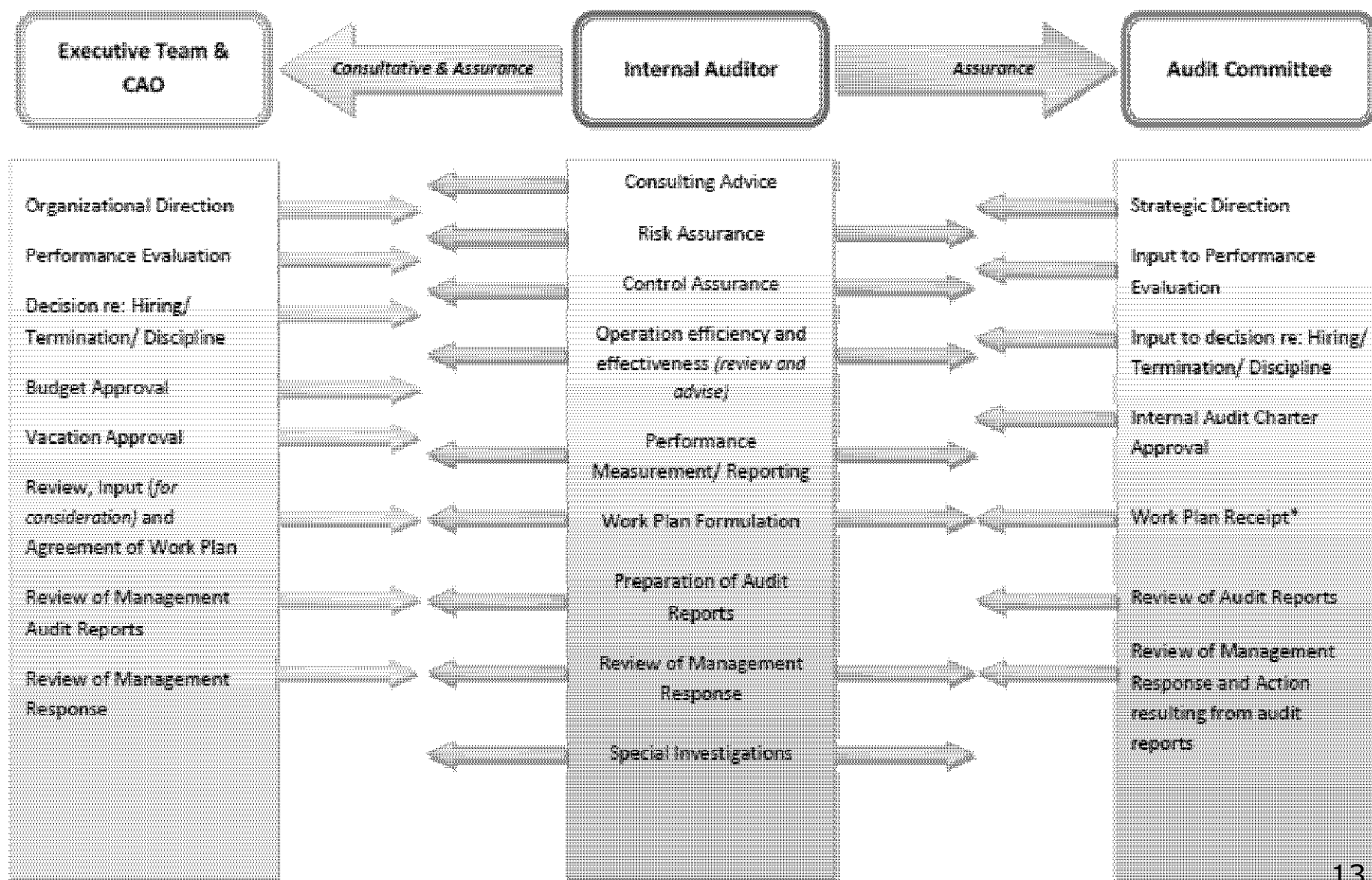
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### ***Current Practice***

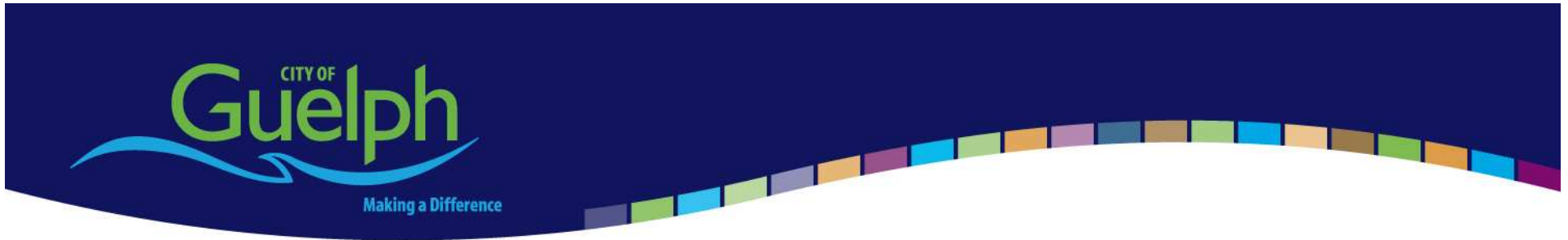
#### **What are the Changes?**

- Council as a whole is responsible for the approval of the Internal Audit Work plan forwarded by the Audit Committee; and
- No other changes in practice but the revised charter clearly outlines the current practices relating to functional reporting and administrative reporting.

# Accountability & Reporting Relationships



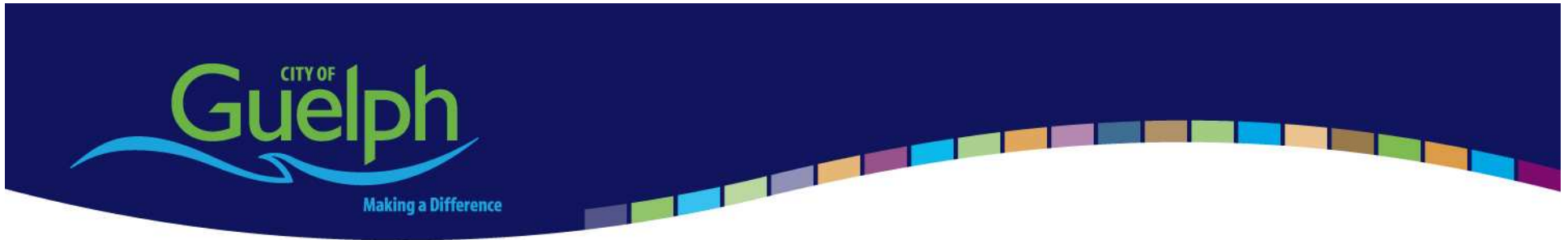
\*Audit Committee refers the work plan to Council for approval



## Services Offered

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- Assurance services including the conduct of compliance, operational, financial, forensic, value for money and internal control audits;
- Business performance and risk assessment;
- Information sessions on Internal Audit services re Enterprise Risk Management;
- Monitoring and reporting to senior management of the City's risk status and mitigation plans;
- Special investigations; and
- Consulting and advice upon request.



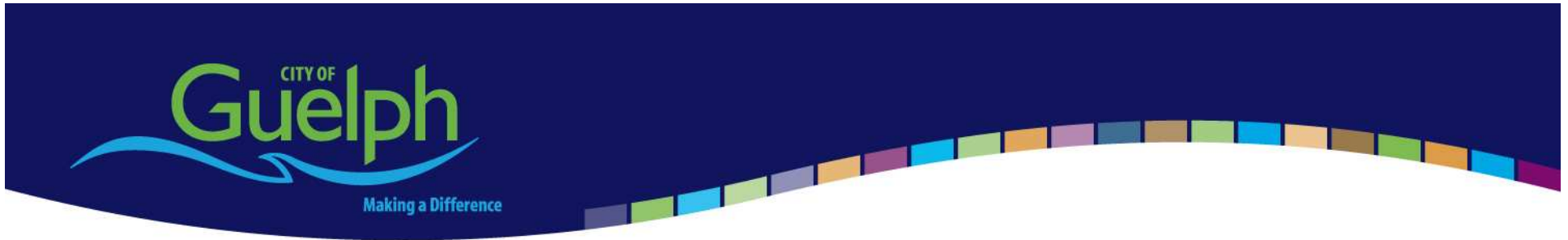
## Services NOT Offered

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In general, any type of activity that Internal Audit may be later called upon to audit.

- Operational services for the City;
- Initiate or approve accounting transactions external to the Department;
- Service Rationalization studies;
- Service Reviews; and
- Cannot direct the activities of any employee in the City not assigned to work in the Internal Audit Department.



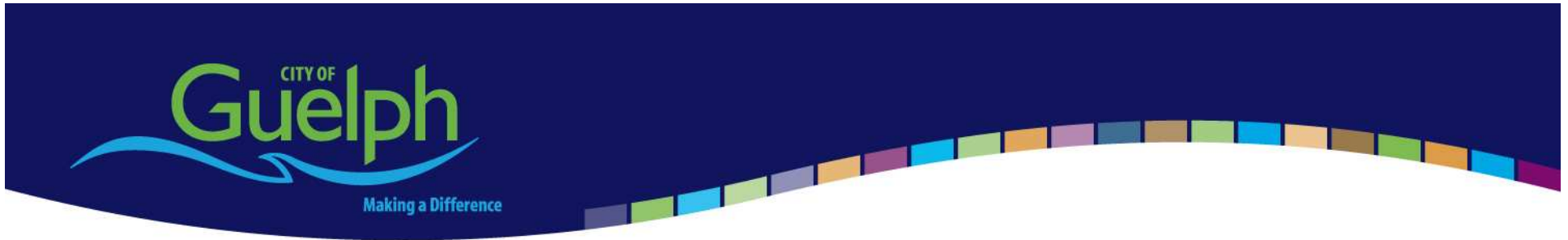


## **Work Plan Process Changes - Highlights**

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- 3-year Work plan
- All councillors (and Mayor) informed by e-mail 6-8 weeks prior to the initiation of Work plan process requesting suggestions for consideration;
- All senior management (including ET) informed by e-mail 6-8 weeks prior to the initiation of Work plan process requesting suggestions for consideration; and
- Finalized Audit Work plan submitted to Audit Committee who in turn forwards it to Council for approval



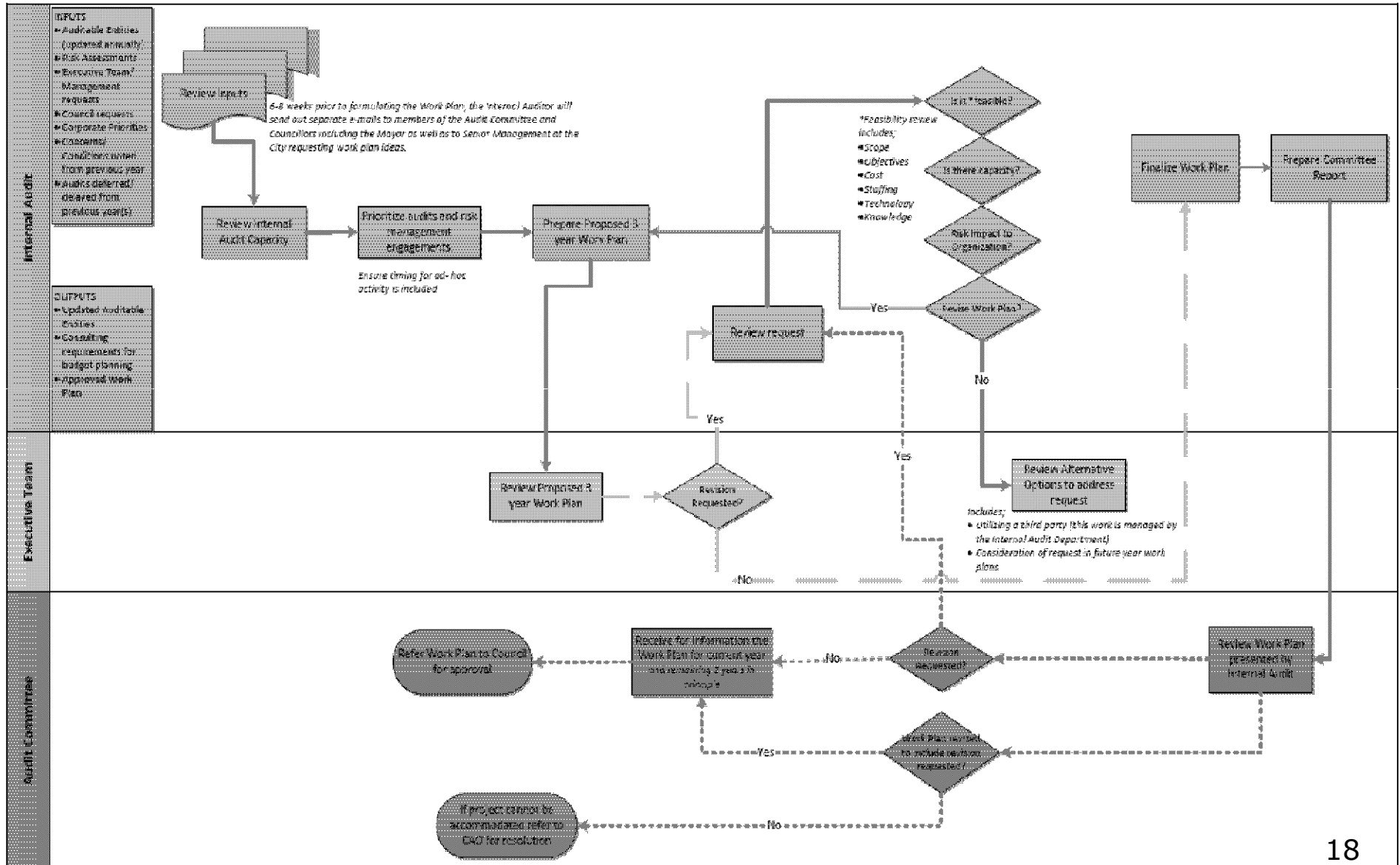


## **Why were changes to the Work Plan Process Made?**

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- A 3-year Work plan is in line with best practice adopted by other municipal audit entities and allows for more strategic decisions;
- Final approval of the work plan takes into consideration all individuals who had input into the process;
- All suggested projects risk prioritized at the same time and within the same process which results in a more efficient and objective process;
- Considers resource availability up front; and
- Simpler and saves times.

# Internal Audit Work Plan Process



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**THANK YOU!**  
**Q&A**



# STAFF REPORT



TO Governance Committee

SERVICE AREA Chief Administrative Officer, Office of the CAO

DATE August 4, 2015

**SUBJECT Revisions to Internal Audit Charter**

REPORT NUMBER CAO-A-1505

## EXECUTIVE SUMMARY

### PURPOSE OF REPORT

To respond to Council direction (March 2015) that management refine the processes and terms for functional and administrative reporting of the internal audit function and report recommended amendments to the Internal Audit Charter, in 2015 through Governance Committee.

CAO-A-1505 highlights proposed amendments to the Internal Audit Charter in alignment with the professional standards of the Institute of Internal Auditors (IIA). Amendments provide a clearer reflection of the mandate of the Internal Audit Department as well as the related functional and administrative responsibilities of the Audit Committee and the Chief Administrative Officer.

### KEY FINDINGS

Internal audit is an independent, objective and consulting activity designed to add value and improve an organization's operations. Typically in a municipal government setting, an Internal Auditor has dual functional reporting relationship with both Council and Executive management and this is distinct from an Auditor General, who reports only to City Council.

Internal audit's primary mandate is to assist senior management meet their responsibility to maintain proper systems of internal controls, identify and evaluate significant risk exposures, and strengthen risk management throughout the City. In order to maintain independence of the function, the services offered by the Internal Audit Department do not include conducting service reviews or rationalizations.

There are distinct functional roles in relation to the Internal Auditor for both the City's Audit Committee and the Chief Administrative Officer and/or Executive Team. The original Internal Audit Charter was silent on Internal Audit's functional reporting relationship to the Chief Administrative Officer. This omission has been corrected.

# STAFF REPORT

The Internal Audit Work Plan is developed with due regard to prioritizing the audit universe using risk-based audit methodology and with consideration of requests from Members of Council, senior management and staff. The finalized Work Plan is presented to Audit Committee for information and submitted to Council for their approval.

Further refinements are also provided to ensure the independence required for the Internal Auditor to establish his/her Work Plan. In case there is a request for a project that cannot be accommodated within the Work Plan, the Committee or Council may refer the project to the CAO for resolution.

## **FINANCIAL IMPLICATIONS**

N/A

## **ACTION REQUIRED**

Governance Committee to receive report CAO-A-1505 and provide input to staff.

Governance Committee to further refer CAO-A-1505 and input to Audit Committee (September/15) for their review and comment.

Once both Governance and Audit have provided input, staff will provide a further staff report with final recommendations to Governance Committee (October/15) for consideration to City Council.

## **RECOMMENDATION**

1. That the Governance Committee receive the report CAO-A-1505 including attachments.
2. That report CAO-A-1505 and the feedback of the Governance Committee be referred to the next meeting of the Audit Committee for their input.
3. That following the input from Audit Committee, a further staff report with proposed amendments by staff, be referred back to Governance Committee for final recommendation to City Council.

## **BACKGROUND**

Guelph City Council established its internal audit function in July 2012. Its role is to provide a systematic, disciplined approach to evaluating and improving the effectiveness of risk management, controls, policies and processes.

An *Internal Audit Charter* was created that defined the mandate, scope, authority, independence, responsibility and reporting structure of the function. The *Internal Audit Charter* is to be reviewed at least once during each term of Council.

# STAFF REPORT



Since 2012, the Internal Auditor has reported functionally to the Audit Committee.

On May 26, 2014 Council passed the following resolution to temporarily change the reporting structure of the internal audit function:

**GOV-2014.10 Internal Audit**

- 1. That the City of Guelph Internal Auditor report to the Committee of the Whole for the remainder of the 2010-2014 Council term; and*
- 2. That the Governance Committee review the reporting relationship for the Internal Auditor on an on-going basis commencing with the next term of Council.*

In response to this resolution, a report (CAO-A-1502) was brought forward to Governance Committee on March 3, 2015 by the CAO and the recommendations in this report were:

- 1. That internal audits will be reported through to the Audit Committee;*

*And;*

- 2. That management continue to refine the processes and terms for functional and administrative reporting by the internal audit function and report back on any recommended amendments to the Internal Audit Charter, in 2015, to the Governance Committee.*

This report addresses the recommendation 2 of the report CAO-A-1502 noted above.

## REPORT

The internal audit function is in its 3<sup>rd</sup> year of operation at the Corporation of the City of Guelph. As we gain a greater understanding of the role of the function, it is evident that there remain questions relating to reporting responsibilities and mandate that need to be answered. This report will aim to clarify and address the majority of these questions.

The highlights of the changes that are reflected in the revised *Internal Audit Charter* (hereinafter referred to as "the Charter") are addressed below:

### **1. Functional Reporting: Accountability and Reporting Relationships**

One of the key principles that govern internal auditing is independence. As such, the internal audit reporting structure attempts to provide as much independence as practically possible for the conduct of the work of the Internal Auditor.

# STAFF REPORT

a) Clarity regarding the functional report to the Chief Administrative Officer

The original Charter states that the Internal Auditor reports functionally to the Audit Committee and only administratively to the Chief Administrative Officer. In practice however, the Internal Auditor has reported both functionally and administratively to the Chief Administrative Officer, in addition to reporting functionally to the Audit Committee.

*(Note: Functional reporting in this context does not mean that the Internal Auditor is directed by the Chief Administrative Officer and/or Executive Team to conduct or not conduct an audit, report, amend or not report findings if he/she has deemed reporting is necessary considering the overall risk to the Corporation.)*

The Chief Administrative Officer is responsible for overseeing the Internal Auditor's performance based upon the Performance Development Plan (PDP). This requires both administrative and some functional oversight of the Internal Auditor related to his/her Work Plan, resourcing, professional standards and his/her skills and ability to achieve goals and objectives.

The actions noted below constitute functional reporting by the Internal Auditor to the Chief Administrative Officer and the Executive Team that is currently in place and has been in place in the Corporation since the inception of the Internal Audit Department.

1. discuss a draft Work Plan to ascertain if there are organizational or operational constraints;
2. incorporate concerns and suggestions, if deemed valid, into scope and timing of audits planned;
3. discuss draft reports to substantiate factual information and reasonableness of recommendations;
4. incorporate suggested amendments or changes where the Internal Auditor deems that a suggested change would result in fairer and more accurate reporting.
5. report if an audit needs to be delayed or postponed due to receipt of ad hoc requests or other circumstances as this delay may have operational impact on the Corporation and impact the completion of the Audit Work Plan.

In the revised Charter, sections now contain detailed and clearer outline of the functional and administrative role of the Chief Administrative Officer and/or Executive Team, namely:

- Sections 8: Independence;
- Section 9: Accounting & Reporting Relationship;
- Section 10: Work Plan; and
- Section 11: Audit Reports.

# STAFF REPORT

b) Clarity Regarding the functional report to the Audit Committee

In the original Internal Auditor Charter and continuing forward, the Audit Committee provides the Internal Auditor with organizational independence that is critical to ensuring that internal audit activity is free from management interference in determining the scope of audit projects, performing work and communicating results.

*(Note: Functional reporting to the Audit Committee does not mean that the Internal Auditor is directed by the Audit Committee to conduct or not conduct an audit, report, amend or not report findings if the Internal Auditor has deemed reporting is necessary considering the risk to the organization.)*

In addition, further functional responsibilities of the Audit Committee towards the internal audit function include:

1. ensuring that the Internal Auditor has direct reporting access to the Chair of the Audit Committee;
2. reviewing and approving changes to the purpose, authority and responsibilities of the internal audit activity, formally defined in the Internal Audit Charter;
3. reviewing the Audit Work Plan for the current year and audits planned for the two subsequent years; and
4. receiving all audit reports and findings brought forward by the Internal Auditor and direct questions to the Internal Auditor relating to the extent of work done and rationale for recommendations made in a given report.

One of the functional responsibilities noted above is the review of the Audit Work Plan by the Audit Committee. In the past 3 years, Audit Committee members and Councillors have suggested projects be added to the Audit Work Plan at different times.

Going forward, the Internal Audit Charter (see revised Section 10) proposes a more formal approach with specific action by the Internal Auditor to solicit input from all Councillors prior to risk prioritizing projects for inclusion in the Internal Audit Work Plan. Input would also be requested of the Chief Administrative Officer and the Executive Team as well as other senior management at the City. This action would ensure that all interested parties have an opportunity to contribute potential projects for risk prioritization conducted by the Internal Auditor and for the audit Work Plan to be finalized in a timely and efficient manner. Going forward, the Work Plan would also identify potential projects for consideration in subsequent years.

Further sections now contain detailed information on the interaction with the Audit Committee specifically Section 8: Independence, Section 9: Accountability and Reporting Relationship; Section 11: Audit Reports and Section 15: Amendments to the Internal Audit Charter.



## **2. Administrative Reporting: Accountability and Reporting Relationships**

The Internal Auditor obtains assurance of adequate resources to support the audit function by reporting administratively to the Chief Administrative Officer.

The Internal Auditor's annual performance evaluation is conducted by the Chief Administrative Officer with input from the Executive Team and the Audit Committee.

The hiring and termination of the Internal Auditor as well as any disciplinary action considered necessary is done by the Chief Administrative Officer after consulting with the Executive Team and the Chair of Audit Committee. Other administrative functions performed by the Chief Administrative Officer also include, but is not limited to, the approval of the requests for vacation, sick leave, payment of professional fees and training expenses submitted by the Internal Auditor.

The revised Charter, Section 9: Accountability and Reporting Relationships now details the administrative reporting to the Chief Administrative Officer.

## **CORPORATE STRATEGIC PLAN**

1.3 Organizational Excellence: Build robust systems, structures and frameworks aligned to strategy

2.3 Innovation in Local Government: Ensure accountability, transparency and engagement.

## **FINANCIAL IMPLICATIONS**

There are no financial implications associated with the revision of the Internal Auditor Department Charter

## **DEPARTMENTAL CONSULTATION**

Internal Audit  
Executive Team

## **COMMUNICATIONS**

N/A

## **ATTACHMENTS**

ATT-1 Internal Audit Charter  
ATT-2 Internal Audit Reporting Structure Graphic  
ATT-3 Internal Audit Work Plan Process Flow

# STAFF REPORT

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**Report Author:** Ruvani Shaubel, Internal Auditor

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**Recommended By**

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**CITY OF GUELPH**  
**Chief Administrator's Office**

## **INTERNAL AUDIT DEPARTMENT CHARTER**

### **1. OBJECTIVE OF CHARTER**

To provide a broad framework to guide the operations of the Internal Audit Department, including its overall mandate, services it will provide, and the professional standards and values it will adhere to in conducting internal audit activities.

### **2. DEFINITION OF INTERNAL AUDITING**

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.

### **3. MANDATE**

The Internal Audit Department was first established at the City of Guelph at the beginning of 2012 upon approval of funding within the City's 2012 budget. The mandate of the Department is to assist senior management meet their responsibilities to maintain proper systems of internal controls, identify and evaluate significant risk exposures and strengthen risk management throughout the City. This is accomplished by providing independent, objective assurance and consulting services designed to add value to and improve the City of Guelph's operations. Internal Audit uses a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

### **4. SERVICES OFFERED**

- Assurance services including the conduct of compliance, operational, financial, forensic, value for money and internal control audits;
- Business and risk assessment;
- Information sessions on Internal Audit services re Enterprise Risk Management; ongoing monitoring and reporting to senior management of the City's risk status and mitigation plans; and
- Special investigations.

### **5. AUTHORITY/EXPECTATIONS**

The Internal Auditor is granted full, free and unrestricted access to any and all records, property and personnel relevant to any function under review. This access is provided under *The Protection of Privacy Act – Municipal Freedom of Information* (in particular, Sections 31(c) and 32(d)). All employees shall assist the Internal Auditor in fulfilling his/her objectives.

The Internal Auditor has the authority to conduct audits and reviews of all City departments, local boards including Downtown Guelph Business Association, the Elliott Community, Guelph Police Services and the Guelph Public Library, as well as other entities the City is related to or has an interest in.

To facilitate the conduct of internal audit activities, City of Guelph staff is expected to be:

- Co-operative and professional in their dealings with Internal Audit staff;
- Transparent in terms of providing accurate and complete information requested;

## **INTERNAL AUDIT DEPARTMENT CHARTER**

- Open in their communication;
- Proactive in identifying problems and requesting assistance; and
- Responsive to information requests and address issues brought forward.

### **6. VALUES AND PRINCIPLES**

In carrying out assurance and consulting activities, Internal Audit values and promotes:

- Integrity
- Professionalism
- Objectivity
- Transparency
- Ethical behaviour
- Accountability
- Fiscal Responsibility
- Continuous Improvement

### **7. PROFESSIONAL STANDARDS**

In planning and conducting audit activities and reporting results, the Internal Auditor is required to:

- Comply with standards for the professional practice of Internal auditing as set out by the Institute of Internal Auditors
- Comply with standards and ethics of staff's own professional bodies of certification where applicable
- Comply with internal standards and procedures typically set out in an Internal Audit Manual and that adhere to guidelines provided by the Institute of Internal Auditors.

### **8. INDEPENDENCE**

To provide organizational independence, the Internal Auditor reports functionally and administratively to the CAO and Executive Committee (the Team) and functionally to the Audit Committee. This relationship is further detailed in Section 9 below.

The Internal Auditor has unrestricted access to the Chair of the Audit Committee to whom all significant concerns relating to the adequacy and effectiveness of risk management, internal control and governance activities may be reported.

All Internal audit activities shall remain free of influence by any element of the organization (executive and senior management, Audit Committee and Council) to allow an independent and objective mental attitude necessary in rendering reports.

Internal Auditors shall have no direct operational responsibility or authority over any of the activities they review. As such, they shall not be involved in:

- Conducting service reviews, service rationalization reviews and making related recommendations;
- Developing or installing systems or procedures;
- Preparing records;
- Implementing recommendations made by Internal Audit; or
- Engaging in any other activity which would normally be audited.

## **INTERNAL AUDIT DEPARTMENT CHARTER**

### **9. ACCOUNTABILITY AND REPORTING RELATIONSHIPS**

The Internal Auditor in the discharge of his/her duties shall be accountable to the CAO and Executive Team (the Team) and to the Audit Committee of Council to:

- Report significant issues related to the adequacy and effectiveness of the City's processes for controlling its activities and managing its risks, including recommendations for improvements to those processes and managements' response for implementing corrective action.
- Annually provide information on the status of the annual audit plan, performance against benchmarks and the sufficiency of Internal Audit resources.

To provide for organizational independence, the Internal Auditor at the City of Guelph reports functionally to the Audit Committee of Council and both functionally and administratively to the Team. These separate reporting relationships help ensure independence, promote comprehensive audit objectivity and coverage, take operational constraints into consideration and assure adequate consideration and implementation of audit recommendations.

Functional reporting to the Audit Committee means that:

- the Internal Auditor has direct reporting access to the Chair of the Audit Committee;
- the Committee is responsible to review changes to the purpose, authority and responsibilities of the internal audit activity, formally defined in the Internal Audit Department Charter;
- the Committee is responsible to review the Audit Work plan and forward it to Council for approval;
- the Committee provides organizational independence for the Internal Auditor to ensure that the internal audit activity is free from management interference in determining the scope of internal auditing, performing work and communicating results; and
- The Committee receives audit reports and findings brought forward by the Internal Auditor and may direct questions to the Internal Auditor relating to the extent of work done and rationale for recommendations in a given report.

Functional reporting to the Team means that:

- the Internal Auditor has direct reporting access to the Team;
- the Internal Auditor discusses the draft Audit Work plan with the Team giving consideration to operational constraints and risks identified in finalizing the work plan;
- the Internal Auditor discusses any changes to the Audit Work plan brought about by unexpected circumstances and ad hoc requests with the Team on a timely basis;
- the Team receives all audit reports and findings brought forward by the Internal Auditor and may direct questions to the Internal Auditor relating to the extent of work done and rationale for recommendations in a given report.
- the Internal Auditor is provided with the necessary authority to perform assurance engagements at the City and expect issues identified to be resolved by City staff.

Administrative reporting to the Chief Administrative Officer means that:

- As an employee of the City of Guelph, the Internal Auditor's annual performance evaluation (PDP) is conducted by the CAO with input from the Executive Team and the Audit Committee;
- The Internal Audit Department's budget needs are discussed and the budget proposal approved by the CAO;

## **INTERNAL AUDIT DEPARTMENT CHARTER**

- The Internal Auditor's requests for time off, or expenses submitted is approved by the CAO;
- As employment matters including the hiring, discipline and potential termination of employees reside with the CAO as per the CAO Bylaw, the CAO will make related decisions pertaining to the Internal Auditor after consulting with the Executive Team and the Chair of the Audit Committee.

### **10. INTERNAL AUDIT WORK PLAN**

Internal Audit's primary responsibility is to assist senior management meet their responsibility to maintain proper systems of internal controls, identify and evaluate significant risk exposures and strengthen risk management throughout the City. This responsibility is considered when the Internal Auditor drafts the Audit Work plan.

Approximately 6-8 weeks prior to formulating the Work Plan, the Internal Auditor will send out separate e-mails to members of the Audit Committee and Councillors including the Mayor as well as to Senior Management at the City requesting work plan ideas. The projects are prioritized using Institute of Internal Auditor endorsed risk based methodology and the current year work plan is drafted along with projects planned for the next two years.

The Work plan will include the projects by title, a brief description of the approach/scope, information on the time requirement expected to complete the project and the year in which it will be undertaken.

A draft Work plan is brought forward to the Team to discuss timing and scope of projects selected and operational constraints that may impact timing. The Work Plan takes into consideration the availability of internal audit resources to complete the plan and allows for possible ad hoc requests that require completion on short notice.

The draft Work plan is also reviewed by the CAO to ensure it is achievable and reasonable in order to fulfill his/her administrative responsibilities in conducting the PDP of the Internal Auditor.

The Internal Audit Work plan is then presented to Audit Committee. If during their review a further project is suggested by motion, the Internal Auditor would take the request under advisement and report back to the Committee on what action if any can be taken giving consideration to the risk involved, comparison of risk to other projects on the plan and resource availability.

[Note: If a project cannot be accommodated within the Work plan, the Committee may refer the project to the CAO for resolution].

The Work plan is submitted to Council for their approval.

### **11. AUDIT REPORTS**

The findings, conclusions and recommendations resulting from the work conducted by the Internal Auditor will be first discussed with the appropriate client personnel and their comments taken into consideration prior to issuing a draft report.

The draft report will be issued to the appropriate department head, Deputy CAO, and in matters that impact on the whole Corporation, the CAO, and staff comments incorporated as appropriate prior to the report to management being finalized.

## **INTERNAL AUDIT DEPARTMENT CHARTER**

A final report will be issued to the Audit Committee itemizing findings, conclusions, recommendations and management response.

### **12. MANAGEMENT RESPONSES TO AUDIT REPORTS**

- Management responses will be incorporated into Internal Audit reports whenever possible.
- If the management response is not included with the report, a response will be provided to Committee within 30 days of the issuance of the audit report.
- Management response should include a timetable for anticipated completion of the recommended action and an explanation for any corrective action that will not be implemented.
- If management responses and status reports are to be provided separately to Committee, the Internal Auditor should be informed and provided a copy of the report for review prior to the report being released in the public agenda.

### **13. FOLLOW UP AUDIT REPORTS**

The Internal Auditor will be responsible for appropriate follow up on audit recommendations to determine the nature and extent of action taken by management on recommendations made and will report the results of this follow up.

### **14. PERFORMANCE MEASURES**




- Percentage of Internal Audit Recommendations Implemented
- Client Satisfaction Rate\*
- Number of Audits Completed

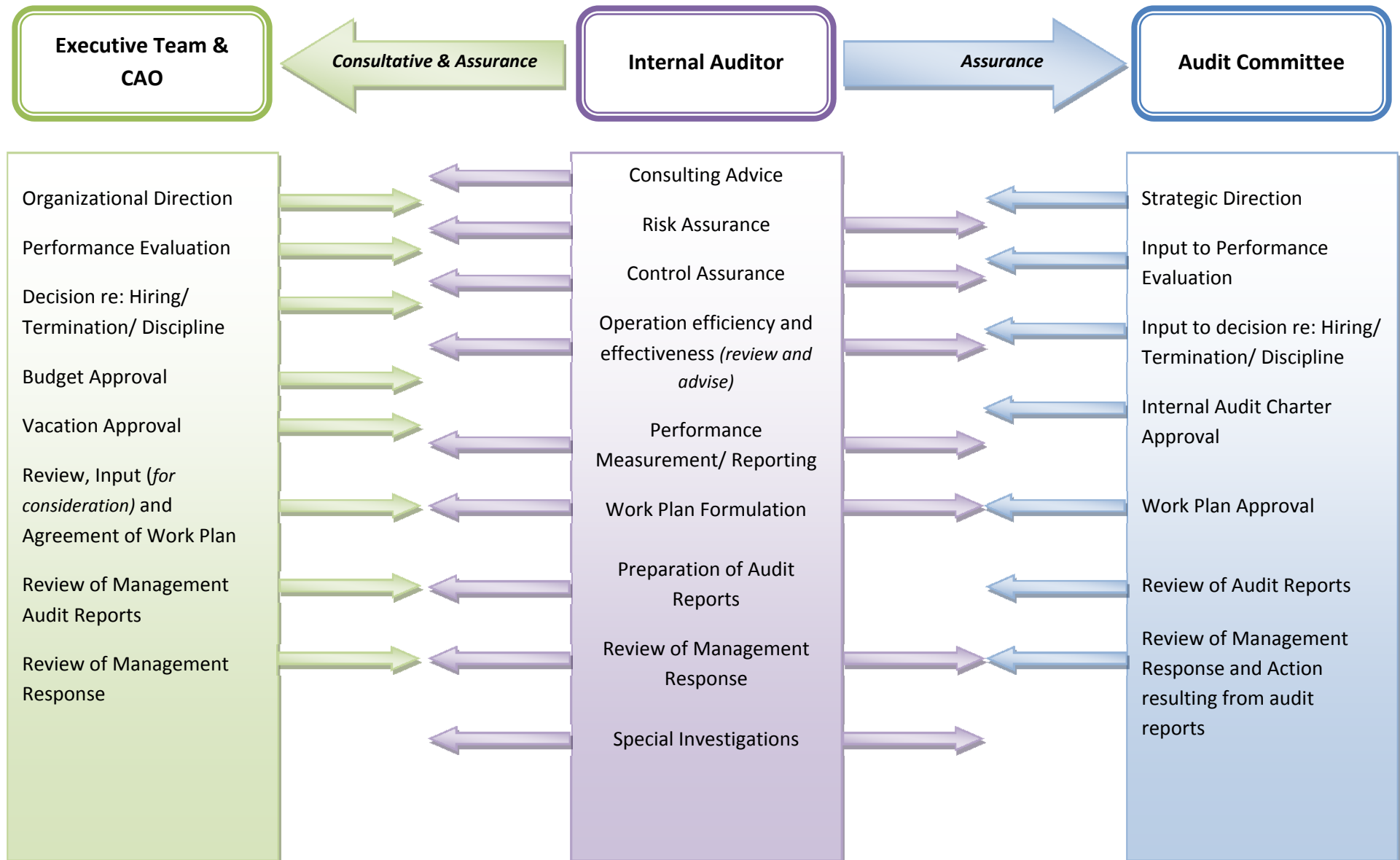
\* The Department is in the process of formulating a client satisfaction survey to be sent out to clients serviced starting in the 3<sup>rd</sup> quarter of 2015. These surveys cover client assessments of the value added by services provided, client satisfaction with services and the degree to which client expectations were met by the audit services provided.

### **15. AMENDMENT OF CHARTER**

The Internal Auditor will be responsible for regular review of the Internal Audit Charter. Amendments to the Charter are subject to the approval of the Team and the Audit Committee with recommendation to City Council.

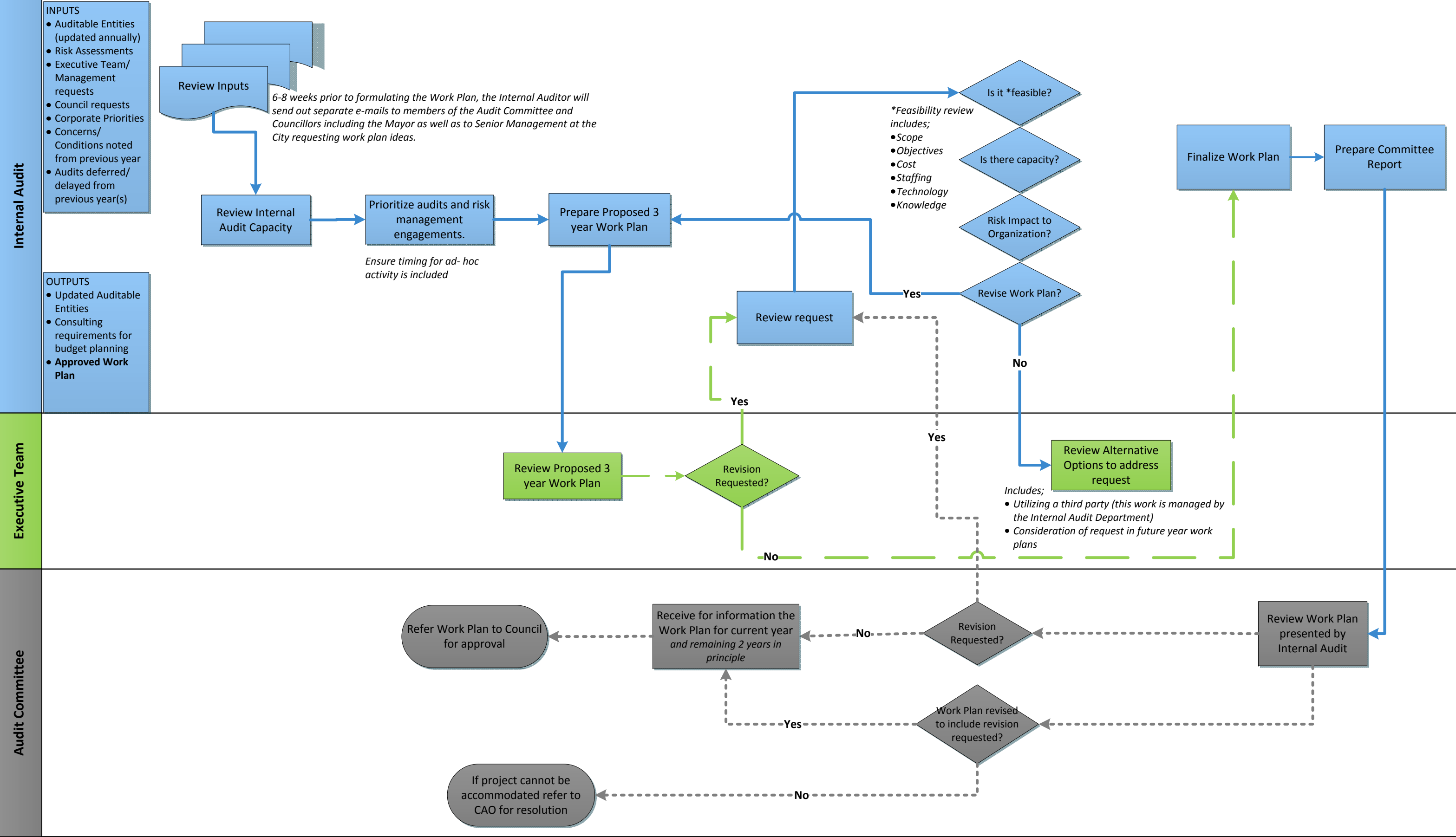
## FUNCTIONAL and ADMINISTRATIVE REPORTING

 Arrow indicates service, support, input, activity provided to and for the function directionally indicated  
  






Internal Audit Work Plan Development and Approval Process Flow



# STAFF REPORT



TO **Audit Committee**

SERVICE AREA CAO - Administration

DATE September 8, 2015

**SUBJECT Revised 2015 Internal Audit Work Plan**

REPORT NUMBER CAO-A-1509

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## EXECUTIVE SUMMARY

### PURPOSE OF REPORT

To recommend approval by Committee of the Revised 2015 Internal Audit Work Plan, as outlined in the Internal Audit Charter.

### KEY FINDINGS

Unexpected reduction of hours available to complete the number of audits in 2015 due to staff resource issues.

The results of two (2) follow up audits are presented to the September 8, 2015 Audit Committee, namely: Print Shop and Cash Handling Guelph Transit.

Internal Audit plans to complete three (3) further audits by the end of 2015, namely: Follow up audits of Overtime and Learning and Development; and an operational audit of Solid Waste (Curbside Collection).

Five (5) audits are being deferred to 2016. These are: Audits of Purchase Cards, Fleet and Library Operations; Follow up Audits relating to Service Guelph and External Consulting.

The audit work plan has been revised to accommodate the complexity of the audits planned and availability of audit resources.

### FINANCIAL IMPLICATIONS

N/A

### ACTION REQUIRED

Audit Committee receive and approve the report, Revised 2015 Internal Audit Work Plan

# STAFF REPORT

## RECOMMENDATION

1. That the Internal Auditor's report entitled Revised 2015 Internal Audit Work Plan and Appendix A be approved.

## BACKGROUND

The Internal Audit Annual Work Plan was approved by the Audit Committee on April 8, 2015.

## REPORT

There has been an unexpected reduction of hours available to complete the number of audits in 2015 due to staff resource issues. The Department was without an Internal Auditor for at least 12 complete weeks of 2015.

To ensure efficient allocation of limited resources, the 2015 Internal Audit Work Plan has been revised, as detailed in *Appendix A: Revised Internal Audit Work Plan*. *Appendix B: 2015 Approved Internal Audit Work Plan* (previously approved 2015 Audit Work Plan) has been appended for information and comparison purposes.

To date, two (2) follow up audits have been completed. The audit work planned for the remainder of 2015 (17 weeks) includes two follow up audits and one operational audit.

Five (5) audits are being deferred to 2016. These will be prioritized and considered within the 2016 and multi-year Internal Audit Work Plan.

## CORPORATE STRATEGIC PLAN

1.3 Organizational Excellence – Build robust systems, structures and frameworks aligned to strategy.

2.3 Innovation in Local Government – Ensure accountability, transparency and engagement.

## DEPARTMENTAL CONSULTATION

N/A

## COMMUNICATIONS

N/A

# STAFF REPORT



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## ATTACHMENTS

Appendix A: Revised Internal Audit Work Plan

Appendix B: 2015 Approved Internal Audit Work Plan

A handwritten signature in black ink, appearing to read "R. Shaubel".

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### Recommended and Approved By

Ruvani Shaubel

Internal Auditor

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## REVISED INTERNAL AUDIT WORK PLAN

AUDIT	TYPE	SCHEDULE	COMMENTS
<b>CARRY OVER FROM 2014</b>			
Purchase Cards Phase I	Compliance	Deferred 2016	See Proposed New Audits below
<b>FOLLOW-UP AUDITS</b>			
Overtime		Q4	
Service Guelph		Deferred 2016	Deferred to 2016 annual follow up process
External Consulting		Deferred 2016	Deferred to 2016 annual follow up process
Learning & Development		Q4	
Print Shop		Complete	
Cash Handling – Transit		Complete	
<b>PROPOSED NEW AUDITS</b>			
Solid Waste	Operational, Comprehensive	Q4	
Fleet – Operations (Mechanics, Scheduling, Life-Cycle Management)	Operational	Deferred 2016	Deferred due to lack of capacity
Library	Operational, Comprehensive	Deferred 2016	Deferred due to lack of capacity
Cash Handling – Corporate Wide	Controls, Compliance		Replaced by Cash Handling – Transit Follow up Audit (see Follow Up Audits above)
Purchase Card Phase I & II	Compliance	Deferred 2016	Phase I identified need for expanded scope; Phase II added.
<b><u>Approximate # of weeks (Audit)</u></b>		<b><u>17 Weeks</u></b>	

## 2015 INTERNAL AUDIT WORK PLAN

AUDIT	TYPE	SCHEDULE	COMMENTS
CARRY OVER FROM 2014			
Purchase Cards	Compliance	Q1 - 4 wks.	Started Nov 2014, completed Jan 2015
FOLLOW-UP AUDITS			
Overtime		Q4 - 8 wks.	Required by I.I.A. standards.
Service Guelph		Q3 - 2 wks.	
External Consulting		Q3 - 4 wks.	
Learning & Development		Q4 - 4 wks.	
Print Shop		Q4 - 1 wk.	
PROPOSED NEW AUDITS			
Solid Waste	Operational, Comprehensive	Q1 - Q2 18 wks.	Capacity dependant
Fleet – Operations (Mechanics, Scheduling, Life-Cycle Management)	Operational	Q2 - Q3 13 wks.	
Library	Operational, Comprehensive	Q3 - Q4 16 wks.	
Cash Handling – Corporate wide	Controls, Compliance	Q3 - 4 wks.	
Approximate # of weeks (Audit)		74	
E.R.M. RISK MANAGEMENT		4	
ALLOWANCE FOR ADHOC		8	Based on 2 year averages
TOTAL FOR ALL PROPOSED	APPROX.	86	

# STAFF REPORT

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TO **Audit Committee**

SERVICE AREA CAO - Administration

DATE Sept 8, 2015

**SUBJECT Cash Handling Guelph Transit Follow Up Audit**

REPORT NUMBER CAO-A-1506

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## EXECUTIVE SUMMARY

### PURPOSE OF REPORT

To provide Committee with the findings and recommendations of the follow up audit on Cash Handling – Guelph Transit completed in July 2015.

### KEY FINDINGS

Transit has fully implemented about one half of the recommendations made by Deloitte in their report of December 2008. Of the remaining recommendations outstanding, some are partially complete.

In this report, Internal Audit has included the recommendations not fully implemented by Transit and others based on our findings, to present a total of nine recommendations. Implementing these recommendations on a timely basis and addressing problem issues as they arise will ensure Guelph Transit maintains an efficiently run and secure cash handling operation.

### FINANCIAL IMPLICATIONS

N/A

### ACTION REQUIRED

To receive this report.

## RECOMMENDATION

1. That the Internal Auditor's report entitled Cash Handling – Guelph Transit Follow Up Audit with attached management's response to the recommendations (Attachment B) be received.

# STAFF REPORT

## BACKGROUND

In 2008 the City of Guelph contracted with Deloitte to conduct an audit of the cash handling processes at Guelph Transit, specifically to assess the adequacy of controls to mitigate risks and identify improvement opportunities.

The Deloitte report of December 2008 outlined their findings and made 17 recommendations to Transit management.

Internal Audit followed up on the status of implementation of these recommendations.

## REPORT

See attached report and management's response appended.

## CORPORATE STRATEGIC PLAN

1.3 Organizational Excellence – Build robust systems, structures and frameworks aligned to strategy.

2.3 Innovation in Local Government – Ensure accountability, transparency and engagement.

## DEPARTMENTAL CONSULTATION

Guelph Transit

## COMMUNICATIONS

N/A

## ATTACHMENTS

Attachment A: Cash Handling Guelph Transit

Attachment B: Cash Handling Guelph Transit Management Response

**Report Author:** Ruvani Shaubel, Internal Auditor



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## Recommended and Approved By

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# Cash Handling Guelph Transit

Follow-Up Audit

**Internal Audit  
Report**

**July 23, 2015**



## Table of Contents

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## **EXECUTIVE SUMMARY**

Internal Audit concludes that Transit has fully implemented about half the recommendations made by Deloitte. Introducing direct supervision in the cash handling area as well as physical security measures such as card access and surveillance cameras have greatly reduced the risk of unauthorized access to the Coin Room. Transit has taken steps to implement some of the outstanding recommendations and plan to address the implementation of the remainder in its 2016 work plan and future budgets.

Including the recommendations made by Internal Audit as a result of this follow-up review there are 9 recommendations presented in this report. Implementing these recommendations on a timely basis and addressing problem issues as they arise will ensure that Transit maintains an efficiently run and secure cash handling operation.

Internal Audit findings, recommendations and Transit management's responses to the recommendations including the timelines for implementation are appended to this report as Appendix A.

## **PURPOSE**

The 2015 Audit Work plan of the Internal Audit Department identified a Corporate-wide cash handling review. Internal Audit subsequently determined that a follow up audit, of the findings and recommendations originally made by Deloitte in their report of December 2008 to Transit, was a better use of limited audit resources. This report presents Internal Audit findings on the follow up audit conducted in May 2015 to determine the progress made by Transit management relating to Deloitte's December 2008 reported findings.

## **SCOPE**

The scope of this follow up review was limited to the findings and recommendations made by Deloitte in 2008. Any additional audit findings noted while Internal Audit conducted the follow up review are noted and related recommendations are included.

## **METHODOLOGY**

- Physical observation of activities and walkthrough of processes within the coin room;
- Review of pertinent documentation;

- Interviews with Transit employees, namely the General Manager, Supervisor Transit Business Services, Cash Clerk and Clerical Assistant II; and
- Interviews with other City staff as necessary.

## BACKGROUND

In 2008 the City of Guelph contracted with Deloitte to conduct an audit of the cash handling processes at Transit, specifically to assess the adequacy of controls to mitigate risks and identify opportunities for improvement. The Deloitte report of December 2008 outlined their findings and made 17 recommendations to Transit management.

## INTERNAL AUDIT FINDINGS

Internal Audit findings noted below are organized in line with the section titles of the Deloitte report titles except for the last section where the title was added by Internal Audit. Where the recommendation made has not been fully implemented by Transit and/or where there are further related observations, Internal Audit has outlined further recommended action.

### *Policies and Standard Operating Procedures*

In response to the recommendations to develop formal policies, Transit formulated policies and procedures that address key cash handling processes in 2009. Even though Transit staff indicated that they review these policies with their supervisor, there was no documentation indicating that these policies were reviewed with staff or updated subsequent to 2009.

#### **Status: INCOMPLETE**

- 1. Recommendation:** In order to ensure that policies and procedures are up to date and reflect current practice, we recommend there be regular formal review and approval of all relevant policies. This should be done on an annual basis.
- 2. Recommendation:** In order to ensure a systematic means of tracking staff training related to policies, a properly completed training log should be maintained by the supervisor. This would also assist in performance management of staff and training of new staff.

### ***Key Performance Indicators***

Transit has relevant key performance indicators in place. In relation to “transit trash” and foreign coins, the practice is to record but not quantify the value of these items. Transit management has plans to conduct a pilot over a couple of months to determine if the effort to do so is warranted by the value of the items.

**Status: INCOMPLETE**

- 3. Recommendation:** In order to ensure that the effort expended in identifying and valuing items gathered in Transit boxes is beneficial and value added, we recommend that Transit management proceed to conduct the pilot as soon as possible and assess the results to make a decision on how to proceed relating to the various items inserted in fare boxes.

### ***Supervision***

A supervisory position has been in place at Transit since 2009. The supervisor has introduced controls such as secondary review, reconciliation and supervisory review to the cash handling process to ensure that there is adequate review of the initial cash counts. There is supervisory sign off of documentation used in the cash handling process.

**Status: COMPLETE**

### ***Cash Counts***

The supervisor does not recount the cash received and counted by the Clerk. However, as noted in above section on “Supervision”, there are internal controls in place to ensure accuracy and completeness of cash received. In addition there are security controls to ensure that the monies are deposited intact.

Given that recounting of cash does not take place, the controls surrounding cash counts can be further enhanced, by the supervisor conducting some surprise cash counts every month. This would also act as a deterrent to collusion by staff.

**Status: INCOMPLETE**

- 4. Recommendation:** In order to deter the potential of collusion by staff and to further enhance the controls surrounding cash, we recommend that the supervisor conduct some surprise cash counts every month on a random basis.

### ***Foreign coins, slugs and tokens***

There is no policy that addresses how foreign coins, slugs and tokens are handled or stored. As indicated under the section “Key Performance Indicators”, Transit management has plans to conduct a pilot to determine if the effort to count and account for these items is warranted and a value added exercise on a go forward basis.

**Status: INCOMPLETE**

- 5. Recommendation:** In order to ensure that foreign coins, slugs and tokens received by Transit are managed adequately and secured, we recommend that after completion of the pilot, management make decisions relating to the processing, recording and storage of these items. These decisions should be documented in a policy with clear direction to staff as to how to proceed in handling these items. This policy should be reviewed regularly and revised as needed based on changes to the magnitude and nature of items received.

### ***Half Coin Rolls***

Transit deposits all coins collected including incomplete rolls and loose change.

**Status: COMPLETE**

### ***Used Tickets***

Used tickets given to the public for goodwill are charged to a promotions account. At the time of our visit, we noted that even though the used tickets are stored in a bin in the secure access room, the shredding of the used tickets is conducted in an open area with no security or supervisory controls.

**Status: INCOMPLETE**

- 6. Recommendation:** In order to ensure that there are adequate controls surrounding used tickets up to and including the time that they are properly disposed of, we recommend that the process of disposal be conducted in an area that is video monitored or that there be adequate supervisory controls surrounding the process. Policies surrounding the storage and disposal process should be developed and documented and staff be trained in the proper procedures.

### ***Physical Security***

There were several access and safety issues surrounding the Coin Room identified by Deloitte. The majority of the physical security issues such as the installation of cameras and swipe cards for entry into the Coin Room have been put in place by Transit Management.

**Status: COMPLETE**

### ***Segregation of Duties***

Deloitte noted several instances where there was a lack of segregation of duties. The recommendation provided by Deloitte acknowledged the possibility of resource limitations and identified that adequate supervisory oversight of the process could mitigate the risks. Transit management has introduced supervisory oversight and the additional controls, Internal Audit has, recommended above with regard to surprise cash counts by the Supervisor and reconciliation of stock would act to further mitigate risks in the cash handling process.

**Status: COMPLETE**

### ***Mobility Services***

This Deloitte finding relates to floats carried in Mobility vehicles. Transit has discontinued the use of floats in Mobility vehicles. The users of these vehicles, use passes, tickets, provide exact change or purchase taxi scripts to use as fare and as such floats are unnecessary.

**Status: COMPLETE**

### ***City Departments with Transit Cash Handling Functions***

The Deloitte finding in this regard spoke to enhancing collaborative efforts between Transit and other City Departments. The finding used Fleet as an example but also referred to other City Departments in general.

Transit works with Service Guelph to facilitate the sale of passes and tickets and with Fleet in the off-loading of fare box containers. Our discussions with management at Service Guelph indicated that collaboration and problem resolution has improved and open discussions to continuously improve services that impact the public takes place. Our discussions with management of Fleet also indicate that collaborative efforts between Transit and themselves had improved greatly since 2008 and that any issues that surface are dealt with in a timely basis.

**Status: COMPLETE**

### ***Number of Individuals with Cash Counting Responsibilities***

Deloitte noted several Transit staff had access to the Coin room and that there were no security cameras installed. We noted during our audit that access to the coin room is now limited to two Clerks and the Supervisor and that Maintenance staff have access to deliver the mobility fare vaults when necessary. Security cameras are now in place.

**Status: COMPLETE**

### ***Conventional Buses***

Deloitte recommended that management pursue discussions with suppliers in order to consider the feasibility of purchasing meters and cash boxes that could detect deposited fake coins, tokens and slugs and discourage use of split tickets. Management informs us that the cost of boxes or meters with features that would facilitate detection is beyond budget at this time. However, the new tickets that have been introduced prevent copying and splitting. Based on management's assertions and budget restraints in the City, we agree that this recommendation cannot be pursued further at this time.

**Status: COMPLETE**

***Reconciliations***

Deloitte noted that reconciliation of various monthly activity and inventory was not being performed at Transit. In addition they noted that the Supervisor was not signing off bank reconciliation. Internal Audit noted that bank reconciliations are being signed off by the supervisor. However, we noted during our audit that even though ticket and pass stock are maintained in locked cabinets, there is no monthly reconciliation of tickets and passes to ensure that stocks in cabinet are what they should be. In addition, when ticket or pass stock is taken out, the forms indicating quantities taken out do not identify the date of withdrawal or the signature of the individual making the withdrawal.

**Status: INCOMPLETE**

- 7. Recommendation:** In order to ensure the security surrounding tickets and passes is effective, it is important that Transit management conduct monthly reconciliation of levels of stock remaining in the locked cabinets. In addition, to be able to follow up on discrepancies that are noted during the reconciliation process, the log indicating withdrawal and replenishment of stock should indicate date of such activity and signature of the individual making the deposit or withdrawal of stock.

***Delivery of Bus Tickets and Passes to Vendors***

Deloitte noted that transporting tickets, passes and cash not only pose a security risk for drivers but also lend itself to misappropriation by collusion between vendors and drivers. In response Transit management now uses a courier company to transport these cash and near cash items. In addition, transactions between the vendors and drivers are supported by invoice and cheque payments and cash is not exchanged between the two parties.

**Status: COMPLETE**



### ***Separation of Inventory and Coin Room***

Deloitte outlined various security issues in the coin room including the risk of fire due to storage of card boxes and other items stored in the coin room and ensuring bus passes and tickets are locked and maintained separately in the coin room. Internal Audit noted that there were no extraneous items stored in the coin room and that video surveillance was active in the coin room. Bus passes and tickets are now locked.

**Status: COMPLETE**

### ***Training***

Deloitte noted that there was no formal training in place for Cash Handling Clerks. We noted that even though Standard Operating Procedures were developed in 2009 and are presumably used as reference for staff, there is no evidence of training or retraining provided to the Clerks.

**Status: INCOMPLETE**

- 8. Recommendation:** In order to ensure that training efforts are tracked and training provided regularly, Internal Audit recommends that Transit management maintain a training log and that there be sign off when staff are trained and that the training module provided be itemized on the log.

### ***Security of Tickets transported in Canisters***

Internal Audit noted while conducting our walk through of the Coin Room, six fare canisters from the mobility buses being delivered. Three of the canisters were locked but three others were not. Two of the canisters could not be locked because they were over full while the third lock was broken.

**Status: INCOMPLETE**

- 9. Recommendation:** In order to ensure that tickets delivered are not misappropriated, Transit management should impress upon staff through training and include in an operating policy:
- the importance of locking the canisters and the need for more frequent deliveries to ensure canisters are not overloaded, and
  - that canisters should be placed out of service immediately if locks are broken until such time as they are repaired.

## **CONCLUSION**

Transit management has made efforts to address some of the significant recommendations made in the Deloitte report. However, there is more that can and should be done to ensure security surrounding cash, tickets and passes that are easily prone to misappropriation. At the same time, staff should be regularly

and adequately trained in the policies that govern the cash handling processes and documentation maintained to assist in this process.

## **NEXT STEPS**

Internal Audit will follow up at a later date to ascertain the status of the recommendations contained in this report.

**MANAGEMENT RESPONSE**  
**CASH HANDLING TRANSIT - FOLLOW-UP AUDIT**

Audit Finding	#	Audit Recommendation	Management Response		
			Agree/ Do not Agree	Comments/Action Plan	Timeline for Completion
<b>Policies and Standard Operating Procedures</b>					
In response to the recommendations to develop formal policies, Transit formulated policies and procedures that address key cash handling processes in 2009. Even though Transit staff indicated that they review these policies with their supervisor, there was no documentation indicating that these policies were reviewed with staff or updated subsequent to 2009.	1	In order to ensure that policies and procedures are up to date and reflect current practice, we recommend there be regular formal review and approval of all relevant policies. This should be done on an annual basis.	yes	Transit staff will review current SOPs and update as needed and get approval from Finance. The task of reviewing and updating these SOPs will be added to the annual work plan of the Business Services Specialist and approved by the Supervisor of Transit Business Services.	Oct-15
	2	In order to ensure a systematic means of tracking staff training related to policies, a properly completed training log should be maintained by the supervisor. This would also assist in performance management of staff and training of new staff.	Yes	Transit staff has inquired with HR to have these training requirements added to JDE, which will show up on the annual GAP reports.	Sep-15
<b>Key Performance Indicators</b>					
Transit has relevant key performance indicators in place. In relation to “transit trash” and foreign coins, the practice is to record but not quantify the value of these items. Transit management has plans to conduct a pilot over a couple of months to determine if the effort to do so is warranted by the value of the items.	3	In order to ensure that the effort expended in identifying and valuing items gathered in Transit boxes is beneficial and value added, we recommend that Transit management proceed to conduct the pilot as soon as possible and assess the results to make a decision on how to proceed relating to the various items inserted in fare boxes.	Yes	Transit staff will begin the pilot in July and will be completed in September. During the month of October, Transit Management will assess the results to make a decision on how to proceed. Guelph Transit will contact a foreign exchange company to inquire about exchanging the coin.	Oct-15
<b>Cash Counts</b>					
The supervisor does not recount the cash received and counted by the Clerk. However, as noted in above section on “Supervision”, there are internal controls in place to ensure accuracy and completeness of cash received. In addition there are security controls to ensure that the monies are deposited intact. Given that recounting of cash does not take place, the controls surrounding cash counts can be further enhanced, by the supervisor conducting some surprise cash counts every month. This would also act as a deterrent to collusion by staff.	4	In order to deter the potential of collusion by staff and to further enhance the controls surrounding cash, we recommend that the supervisor conduct some surprise cash counts every month on a random basis.	Yes	Deposits are verified by a second administration staff member. The Supervisor of Transit Business Services and/or the Business Services Specialist will conduct random monthly checks on cash counts. This process will be reflected in an updated SOP.	Sep-15

**MANAGEMENT RESPONSE**  
**CASH HANDLING TRANSIT - FOLLOW-UP AUDIT**

Audit Finding	#	Audit Recommendation	Management Response		
			Agree/ Do not Agree	Comments/Action Plan	Timeline for Completion
<i>Foreign coins, slugs and tokens</i>					
There is no policy that addresses how foreign coins, slugs and tokens are handled or stored. As indicated under the section “Key Performance Indicators”, Transit management has plans to conduct a pilot to determine if the effort to count and account for these items is warranted and a value added exercise on a go forward basis.	5	In order to ensure that foreign coins, slugs and tokens received by Transit are managed adequately and secured, we recommend that after completion of the pilot, management make decisions relating to the processing, recording and storage of these items. These decisions should be documented in a policy with clear direction to staff as to how to proceed in handling these items. This policy should be reviewed regularly and revised as needed based on changes to the magnitude and nature of items received.	Yes	Transit staff will begin the pilot in July and will be completed in September. During the month of October, Transit Management will assess the results to make a decision on how to proceed. Guelph Transit will contact a foreign exchange company to inquire about exchanging the coin. Once this is completed, the results will be documented in SOPs.	Oct-15
<i>Used Tickets</i>					
Used tickets given to the public for goodwill are charged to a promotions account. At the time of our visit, we noted that even though the used tickets are stored in a bin in the secure access room, the shredding of the used tickets is conducted in an open area with no security or supervisory controls.	6	In order to ensure that there are adequate controls surrounding used tickets up to and including the time that they are properly disposed of, we recommend that the process of disposal be conducted in an area that is video monitored or that there be adequate supervisory controls surrounding the process. Policies surrounding the storage and disposal process should be developed and documented and staff be trained in the proper procedures.	Yes	Currently there is no other location within the building. Staff will ensure that when tickets are being shredded that the Supervisor of Transit Business Services or Business Services Specialist is present to ensure all tickets are shredded. A log book will be kept to track the shredding.	Sep-15

**MANAGEMENT RESPONSE**  
**CASH HANDLING TRANSIT - FOLLOW-UP AUDIT**

Audit Finding	#	Audit Recommendation	Management Response		
			Agree/ Do not Agree	Comments/Action Plan	Timeline for Completion
<i>Reconciliations</i>					
Deloitte noted that reconciliation of various monthly activity and inventory was not being performed at Transit. In addition they noted that the Supervisor was not signing off bank reconciliation. Internal Audit noted that bank reconciliations are being signed off by the supervisor. However, we noted during our audit that even though ticket and pass stock are maintained in locked cabinets, there is no monthly reconciliation of tickets and passes to ensure that stocks in cabinet are what they should be. In addition, when ticket or pass stock is taken out, the forms indicating quantities taken out do not identify the date of withdrawal or the signature of the individual making the withdrawal.	7	In order to ensure the security surrounding tickets and passes is effective, it is important that Transit management conduct monthly reconciliation of levels of stock remaining in the locked cabinets. In addition, to be able to follow up on discrepancies that are noted during the reconciliation process, the log indicating withdrawal and replenishment of stock should indicate date of such activity and signature of the individual making the deposit or withdrawal of stock.	Yes	In June, Guelph Transit met with the IT Department to set up all fare media inventory in WAM. WAM will be used to manage the inventory, including checking it out to the vendors. Staff currently balances 'active stock' daily. 'Active Stock' are tickets and passes that have been removed from their packages. 'Passive Stock' which is inventory that has not been opened, is currently not balanced. Currently when stock is removed, a signature is on the form, but not the date. The date field has been added since the recent audit. Once all fare inventory is entered into WAM, this will be balanced daily. The Supervisor of Transit Business Services or Business Services Specialist will conduct monthly inventory checks. IT will be helping with the SOPs and work procedures for the inventory. Setting up the fare media inventory is a significant project that is on schedule to be completed by November 2015	Nov-15
<i>Training</i>					
Deloitte noted that there was no formal training in place for Cash Handling Clerks. We noted that even though Standard Operating Procedures were developed in 2009 and are presumably used as reference for staff, there is no evidence of training or retraining provided to the Clerks.	8	In order to ensure that training efforts are tracked and training provided regularly, Internal Audit recommends that Transit management maintain a training log and that there be sign off when staff are trained and that the training module provided be itemized on the log.	Yes	Guelph Transit management has inquired about having these training requirements entered in JDE to have it on the annual GAP training report. Guelph Transit will ensure there is a training manual regarding cash handling. The development of the training manual will be completed by December 2015	Dec-15

**MANAGEMENT RESPONSE**  
**CASH HANDLING TRANSIT - FOLLOW-UP AUDIT**

Audit Finding	#	Audit Recommendation	Management Response		
			Agree/ Do not Agree	Comments/Action Plan	Timeline for Completion
<i>Security of Tickets transported in Canisters</i>					
Internal Audit noted while conducting our walk through of the Coin Room, six fare canisters from the mobility buses being delivered. Three of the canisters were locked but three others were not. Two of the canisters could not be locked because they were over full while the third lock was broken.	9	In order to ensure that tickets delivered are not misappropriated, Transit management should impress upon staff through training and include in an operating policy: <ul style="list-style-type: none"><li>the importance of locking the canisters and the need for more frequent deliveries to ensure canisters are not overloaded, and</li><li>that canisters should be placed out of service immediately if locks are broken until such time as they are repaired.</li></ul>	Yes	Canisters are now being emptied twice a week. Quotes have been received for replacement canisters. There is no budget in 2015 to replace the canisters. Transit Fleet has requested Capital Funds for 2016 to make the purchase. Upon council approval of the 2016 Capital Budget, ETA for delivery is 12-14 weeks. SOP has been developed to ensure canisters are locked, not overloaded and to notify the Supervisor if broken. Guelph Transit will keep two spare canisters onsite to replace broken ones. All mobility vehicles must have a canister to collect fare media. If a third canister breaks before replacements are received, Guelph Transit cannot remove a mobility bus from service. Maintenance staff will work with the Supervisor of Mobility Services to ensure a sufficient temporary solution is in place.	Dec-15

# STAFF REPORT

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TO **Audit Committee**

SERVICE AREA CAO - Administration

DATE Sept 8, 2015

**SUBJECT Print Room Follow Up Audit**

REPORT NUMBER CAO-A-1508

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## EXECUTIVE SUMMARY

### PURPOSE OF REPORT

To provide Committee with the findings and recommendations of the follow up audit on the Print Room completed in August 2015.

### KEY FINDINGS

Clerk's department has fully implemented four (4) of the eight (8) recommendations made in the Internal Audit report relating to Print Room operations. Of the remaining recommendations outstanding, two (2) are planned for completion in 2015.

In this report, Internal Audit has included the recommendations not fully implemented by the Clerk's department and others based on our findings, to present a total of four (4) recommendations. Implementing these recommendations on a timely basis and addressing problem issues as they arise will ensure that the Print Room will be an efficiently run operation that supports the ongoing activities of the Corporation.

### FINANCIAL IMPLICATIONS

N/A

### ACTION REQUIRED

To receive this report.

## RECOMMENDATION

1. That the Internal Auditor's report entitled Print Room Follow Up Audit with attached management's response to the recommendations (Attachment B) be received.

# STAFF REPORT

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## BACKGROUND

In 2014 the Internal Audit department conducted a value-for-money audit of the Print Room operations.

The original report identified eight (8) recommendations. Internal Audit followed up on the status of implementation of these recommendations.

## REPORT

See attached report, management's response and late report statistics (provided by Clerk's department) appended.

## CORPORATE STRATEGIC PLAN

1.3 Organizational Excellence – Build robust systems, structures and frameworks aligned to strategy.

2.3 Innovation in Local Government – Ensure accountability, transparency and engagement.

## DEPARTMENTAL CONSULTATION

City Clerk's department

## COMMUNICATIONS

N/A

## ATTACHMENTS

Attachment A: Print Room Follow-Up Audit Report

Attachment B: Print Room Follow-Up Audit Management Response

Attachment C: Print Room Late Report Statistics

**Report Author:** Ruvani Shaubel, Internal Auditor



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### Recommended and Approved By

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# Print Room

## Follow-Up Audit

### **Internal Audit Report**

**July 31, 2015**





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## **EXECUTIVE SUMMARY**

Internal Audit concludes that the Clerk's Department has fully implemented 4 of the 8 recommendations in the Internal Audit report relating to Print Room operations dated September 23, 2014. There are plans in place to implement two of the remaining recommendations by the end of 2015. Internal Audit has made 2 additional recommendations to assist in the implementation of the outstanding issues.

Implementing all recommendations in this report on a timely basis and addressing problem issues as they arise will ensure that the Print Room will be an efficiently run operation that supports the ongoing activity of the Corporation.

## **PURPOSE**

The 2015 Audit Work plan of the Internal Auditor identified a follow up audit of the Print Room operations. This report presents the findings on the follow up audit conducted in July 2015 to validate the implementation status of the recommendations.

## **SCOPE**

The scope of this follow up review was limited to the findings and recommendations made by Internal Audit in September 2014.

## **METHODOLOGY**

- Review of management report to Corporate Services dated July 6, 2015;
- Request for further information and discussions with the City Clerk and the Deputy City Clerk;
- Discussions with the Manager of Procurement; and
- Review of pertinent documentation.

## **BACKGROUND**

In its original response, management had committed to getting most of the recommendations implemented by Q1 2015. Management issued a report to Corporate Services Committee on July 6, 2015 on the Status of Actions taken to implement the Internal Auditors recommendation.

## INTERNAL AUDIT FINDINGS

Internal Audit findings noted below correspond to the outline of the original Print Room Audit report.

### Print Room Operations

The original audit found that the print room operates effectively and efficiently and outsourcing this function would increase costs and reduce the flexibility of current production timelines.

The City Clerk's Office continues and will continue to offer the services provided by the Print Room.

**Status: COMPLETE**

### Print Room Supplies

The original audit found that Print room supplies are not secured and are often taken by other departments without appropriate charges allocated for paper, toner and other supplies.

Management plans to reconfigure space and introduce a lock to secure paper, toner and other supplies. The work order to initiate this work has been placed with Corporate Building Services and the work has been scheduled to be completed by Q4 2015.

**Status: INCOMPLETE**

- 1. Recommendation:** In order to ensure security and reduce chances of theft and misappropriation, we encourage management to follow through with its plans to secure the Print Room supplies as planned by Q4 2015.

### Paper Purchases

The original audit found that paper purchases are not made exclusively from the designated vendor which may result in higher costs for copy paper.

Management communicated with City department heads and managers in June 2015 to remind that all paper purchased should be from the designated vendor. However, given the short length of time since the communication, there is no evidence that the purchasing practices have changed.

**Status: INCOMPLETE**

- 2. Recommendation (New):** In order to monitor the source of paper purchases and to address any problem purchases directly with the departments responsible, it is recommended that Finance run a quarterly report, starting September 2015, that identifies paper purchases being made from vendors other than the designated vendor and report this information to the City Clerk for follow up with individual departments.

Paper Waste

The original audit found that the current process for distribution of agendas and packages is complex, labour intensive and often wasteful as the recipients often do not need all of the information they receive. They noted that on the average between 35 and 40 packages are produced while all documents printed are available online and easily accessible to staff.

It is our understanding that the City Clerk's department has been successful in reducing the packages from an original 43 to 25 which is a 42% decrease which has in turn resulted in some savings specifically with respect to reduced use of colour toner.

Management states however that the Committee Coordinators continue to spend a considerable amount of time setting up hard copy print of agendas and assembling copies. They contend that in their opinion, time savings will only be realized after the introduction of an electronic system which they hope to pursue through the Meeting Management Review project.

The City Clerk's department has taken action commencing Q1 2015 to reduce distribution of paper packages as recommended by the Internal Auditor. Internal Audit encourages the Department to continue in their reduction efforts going forward and pursue attempts at further efficiencies through the Meeting Management Review project.

**Status: COMPLETE**

Preparation time for Agendas

The original audit found that the Committee Coordinators spend an average of 15 to 24 hours per month in the print room preparing agendas and packages for Council, Committees, Media and Staff which was an inefficient and uneconomical

use of their time. The Internal Auditor recommended that if attempts made at reducing paper were not successful, that management consider hiring part time staff for this task.

As noted in previous finding, management has taken action to reduce paper copy distribution. They note however that the number of meetings have increased in 2015 which in turn results in more time spent by the Coordinators printing agendas and related material. A recommendation for better managing the number of meetings has been included as Recommendation 4 in this report.

**Status: COMPLETE**

#### Electronic submission of Reports

The original report found that reports and documents submitted to Clerk's for inclusion in Council and Committee packages are not always sent electronically resulting in more copying efforts and City Clerk's staff having to make manual insertions which further complicates the printing and document filing processes.

The procedure addressing the requirement for electronic submission has been in place since February 2015. The procedure has resulted in some time savings for the Department. However, as exceptions exist that require non-electronic formats to be submitted the time savings are not significant.

**Status: COMPLETE**

#### Staff Training

The original report found that staff were not fully trained in the use of all the features of the high-speed printers that had been recently acquired and were not utilizing the printers to their full capacity.

Management states that training has been scheduled with the vendor for late Q3.

**Status: INCOMPLETE**

- 3. Recommendation:** In order to obtain full use of the efficiencies afforded by the high-speed printers, we recommend that management get commitment from the vendor to schedule training as soon as possible.

### Late Submission of Reports

The original findings noted that nearly 50% of all reports are submitted late. This submission delay results in inefficiencies and staff working overtime to get agendas and packages processed on time. The report recommended a firmer submission deadline and that senior management strive to meet the deadlines except in urgent situations.

Management contends that part of the overtime attributed to the Department continues to be a result of dealing with late submission of reports by some areas of the City and the majority of the remainder is attributed to the escalation in the number of Committee and Council meetings scheduled in any given month.

In our review of the latest statistics submitted by City Clerk's on submissions for May to August 2015 (see attachment C) we note a high percentage of late submissions each given month depending on the level of reporting activity. Even though certain situations most likely require last minute changes and late submission due to unforeseeable circumstances, others are likely due to poor planning and attention to deadlines.

The City Clerk makes a quarterly presentation of these statistics to the Executive Team, however to date there has not been a significant change in the late statistics due to this action.

From a reputational standpoint, there is risk to the City if the public perceive that delays have resulted in inadequate opportunity to read and understand reports and make decisions relating to deputations. These delays also act against the City's Open Government values of Openness, Transparency and Accountability.

#### **Status: INCOMPLETE**

**4. Recommendation (New):** In order to achieve efficiencies, reduce costs attributed to delays in reports reaching the City Clerk, and in keeping with the spirit of Open Government values, we recommend that the City Clerk:

- a)** Discuss with the General Manager, Human Resources the possibility of including Timely Reporting to Council and Committee as a performance measure in management's annual performance development plan; and
- b)** Discuss with the Executive Team, potential solutions for a firmer and more stringent adherence to Committee deadlines as well as opportunities for minimizing the number of meetings in any given month and together formulate an action plan with timelines to improve related performance at the City.



## **CONCLUSION**

The City Clerk's Department has made efforts to address the majority of the recommendations included in the Internal Audit Report of September 2014. Implementing the recommendations outstanding from the original Internal Audit Report as well as the additional recommendations included in this report would ensure that the City Clerk's Department continues to be a value added support service to the Corporation.

## **NEXT STEPS**

Internal Audit will follow up at a later date to ascertain the status of the recommendations contained in this report.

**MANAGEMENT RESPONSE  
PRINT ROOM FOLLOW UP AUDIT**

Audit Finding	#	Audit Recommendation	Management Response		
			Agree/ Do not Agree	Comments/Action Plan	Timeline for Completion
<b><i>Print Room Supplies</i></b>					
The original audit found that Print room supplies are not secured and are often taken by other departments without appropriate charges allocated for paper, toner and other supplies. Management plans to reconfigure space and introduce a lock to secure paper, toner and other supplies. The work order to initiate this work has been placed with Corporate Building Services and the work has been scheduled to be completed by Q4 2015.	<b>1</b>	In order to ensure security and reduce chances of theft and misappropriation, we encourage management to follow through with its plans to secure the Print Room supplies as planned by Q4 2015.	Agree	Staff are currently working through the processing of this request through Corporate Building services. Target completion remains Q4 2015.	Q4 2015
<b><i>Paper Purchases</i></b>					
The original audit found that paper purchases are not made exclusively from the designated vendor which may result in higher costs for copy paper. Management communicated with City department heads and managers in June 2015 to remind that all paper purchased should be from the designated vendor. However, given the short length of time since the communication, there is no evidence that the purchasing practices have changed.	<b>2</b>	In order to monitor the source of paper purchases and to address any problem purchases directly with the departments responsible, it is recommended that Finance run a quarterly report, starting September 2015, that identifies paper purchases being made from vendors other than the designated vendor and report this information to City Clerk's for follow up with individual departments.	Agree	Staff agree and are supportive of this recommendation. Staff have communicated with Finance and made arrangements to receive quarterly reports. Staff will follow-up with individual departments as needed and with support from this quarterly report.	Ongoing
<b><i>Staff Training</i></b>					
The original report found that staff were not fully trained in the use of all the features of the high-speed printers that had been recently acquired and were not utilizing the printers to their full capacity. Management states that training has been scheduled with the vendor for late Q3.	<b>3</b>	In order to obtain full use of the efficiencies afforded by the high-speed printers, we recommend that management get commitment from the vendor to schedule training as soon as possible.	Agree	Staff are working to secure times with the print equipment vendor and will host training as soon as practicable.	Q3 2015

MANAGEMENT RESPONSE  
PRINT ROOM FOLLOW UP AUDIT

Audit Finding	#	Audit Recommendation	Management Response		
			Agree/ Do not Agree	Comments/Action Plan	Timeline for Completion
<b>Late Submission of Reports</b>					
<p>The original findings noted that nearly 50% of all reports are submitted late. This submission delay results in inefficiencies and staff working overtime to get agendas and packages processed on time. The report recommended a firmer submission deadline and that senior management strive to meet the deadlines except in urgent situations.</p> <p>Management contends that part of the overtime attributed to the Department continues to be a result of dealing with late submission of reports by some areas of the City and the majority of the remainder attributed to the escalation in the number of Committee and Council meetings scheduled in any given month.</p> <p>In our review of the latest statistics submitted by City Clerk's on submissions for May to August 2015 we note a high percentage of late submissions each given month depending on the level of reporting activity. Even though certain situations most likely require last minute changes and late submission due to unforeseeable circumstances, others are likely due to poor planning and attention to deadlines.</p> <p>The City Clerk makes a quarterly presentation of these statistics to the Executive Team, however to date there has not been a significant change in the late statistics due to this action.</p> <p>From a reputational standpoint, there is risk to the City if the public perceive that delays have resulted in inadequate opportunity to read and understand reports and make decisions relating to deputations. These delays also act against the City's Open Government values of Openness, Transparency and Accountability.</p>	4	<p>In order to achieve efficiencies and reduce costs attributed to delays in reports reaching the City Clerk, and in keeping with the spirit of Open Government values, we recommend that the City Clerk:</p> <p>a) Discuss with the General Manager, Human Resources the possibility of including Timely Reporting to Council and Committee as a performance measure in management's annual performance development plan; and</p> <p>b) Discuss with the Executive Team, potential solutions for a firmer and more stringent adherence to Committee deadlines as well as opportunities for minimizing the number of meetings in any given month and together formulate an action plan with timelines to improve related performance at the City.</p>	Agree	The City Clerk will arrange discussions with the GM, Human Resources and seek time with the Executive Team to discuss adherence to Council and Committee report deadlines along with number of meetings.	Q4 2015

Print Room Late Report Statistics – May to August 2015

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**August 2015  
SUMMARY BY DIVISION**

SERVICE AREA	TOTAL	PREVIEW INFO LATE	% LATE	FINAL INFO LATE	% LATE
CAO	3	0	0%	3	100%
PS	-	-	-	-	-
CS	3	0	0%	1	33%
IDE	-	-	-	-	-

**July 2015  
SUMMARY BY DIVISION**

SERVICE AREA	TOTAL	PREVIEW INFO LATE	% LATE	FINAL INFO LATE	% LATE
CAO	4	0	0%	3	75%
PS	9	0	0%	1	11%
CS	4	0	0%	0	0%
IDE	15	0	0%	3	20%

**June 2015  
SUMMARY BY DIVISION**

SERVICE AREA	TOTAL	PREVIEW INFO LATE	% LATE	FINAL INFO LATE	% LATE
CAO	7	0	0%	1	14%
PS	4	0	0%	1	25%
CS	14	0	0%	6	43%
IDE	19	0	0%	1	5%

**May 2015  
SUMMARY BY DIVISION**

SERVICE AREA	TOTAL	PREVIEW INFO LATE	% LATE	FINAL INFO LATE	% LATE
CAO	-	-	-	-	-
PS	5	0	0%	0	0%
CS	13	0	0%	0	0%
IDE	16	1	6%	2	13%

# STAFF REPORT



TO Audit Committee

SERVICE AREA Corporate Services, Finance

DATE September 8, 2015

**SUBJECT Outstanding Motions of the Audit Committee**

REPORT NUMBER CS-2015-64

## EXECUTIVE SUMMARY

### PURPOSE OF REPORT

To advise the Audit Committee of the status of all outstanding Committee resolutions and to advise the Committee if there are any outstanding resolutions that may no longer be of community and Council interest.

### KEY FINDINGS

Staff reviewed all outstanding motions and recommend that one outstanding motion be eliminated from the list as it has been addressed. A further five items will remain on the outstanding motion list and continue to be resourced in accordance with the approved annual budget. The status of all outstanding motions is provided.

### FINANCIAL IMPLICATIONS

There are no direct financial implications for the resolutions presented here.

### ACTION REQUIRED

That report CS-2015-64 dated September 8, 2015, regarding outstanding motions of the Audit Committee, be received.

## RECOMMENDATION

That report CS-2015-64 dated September 8, 2015, regarding outstanding motions of the Audit Committee, be received.

## BACKGROUND

For some time, with input from the Clerk's Department, a record of outstanding motions of Committee has been maintained. The Executive Team has directed that an update of all outstanding motions be brought to each Committee of Council. The biannual report may include recommendations, where appropriate, to eliminate from the list any outstanding motions that may no longer be of priority to the Committee.

# STAFF REPORT

## REPORT

Please find attached for information the outstanding motion list for the Audit Committee, including the status of the work and the timing, where available, for when the work is scheduled for completion.

It is recommended that the resolutions marked as "Completed" be taken off the list. Those resolutions marked as "On Hold" and "In Progress" are recommended to remain on the listing, for future reporting and the provision of on-going status updates.

Based on the attached schedule, staff considers one resolution to be completed and therefore it should be taken off future reporting. Staff will continue working towards clearing the remaining five resolutions in future periods.

## CORPORATE STRATEGIC PLAN

Innovation in Local Government

2.3 Ensure accountability, transparency and engagement.

## DEPARTMENTAL CONSULTATION

Clerks Department

## COMMUNICATIONS

N/A

## ATTACHMENTS

Attachment A: Audit Committee Outstanding Resolutions

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Corporate Services  
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Mark.Amorosi@guelph.ca

# AUDIT COMMITTEE OUTSTANDING ITEMS

ATT A

Date	Resolution	Contact/Dept	Status
<b>CORPORATE SERVICES</b>			
June 2, 2015	<p>That Report CS-2015-51 entitled "2014 Draft Consolidated Financial Statements and External Audit Findings Report" be received.</p> <p>That the letter from the Guelph Police Services Board dated June 10, 2015, regarding moving forward with the establishment of a police reserve, be referred to staff for consideration during the BMA study.</p>	Finance	In Progress: BMA has started their review of the City's reserves and the results of their study will be presented to Council during the September 21, 2015 meeting. The letter from Guelph Police Services Board will be explored as part of this review.
April 27, 2015	<p>That the recommendations in report "CAO-A-1504, Internal Audit – 2015 Work Plan", be approved.</p> <p>That staff explore the feasibility of amending the 2015 Internal Audit Work Plan to include the Corporate Energy Program audit and report back to the Audit Committee on the ability to carry out this audit.</p>	Internal Audit	<p>In Progress: The Governance Committee received report CAO-A-1505 "Revisions to Internal Audit Charter" on August 4, 2015. Governance Committee further referred CAO-A-1505 to Audit Committee for input and review. Once both Audit Committee and Governance Committee have provided input, staff will provide a further report with final recommendations to Governance Committee in October. The revised Internal Audit Charter clearly outlines the following process for amending the internal audit work plan.</p> <p>"If a project is suggested by motion, the Internal Auditor would take the request under advisement and report back to the Committee on what action if any can be taken given consideration to the risk involved, comparison of risk to other projects on the plan and resource availability."</p> <p>The Corporate Energy Program audit will likely be addressed through the development of the 2016 work plan in accordance with the revised charter.</p>
November 25, 2013	<p>That report CAO-C1307 "Overtime Audit: Management's Response", including Attachment #1 "Summary of Management's Response" be received.</p> <p>That a practice be established of the Internal Auditor to report back on a quarterly report on outstanding recommendations on previously completed audits.</p>	Internal Audit	<p>Completed: The Internal Auditor provides a verbal update on the work plan status at every Audit Committee Meeting.</p>
April 11, 2012 FIN-12-04 refers	<p>THAT Report FIN-12-04 dated April 11, 2012, entitled "Preliminary Overview – PSAB 3260 – Liability for Contaminated Sites" be received;</p> <p>AND THAT staff proceed with the phased approach for implementation of PSAB 3260 as presented in FIN-12-04 and that a preliminary listing of contaminated sites be presented to Audit Committee in 2012;</p> <p>AND THAT staff provide an annual status report to Audit Committee on the implementation of accounting standard PSAB 3260 - Liability for Contaminated Sites.</p>	Finance/Engineer ring	In Progress: Finance brought forward a contaminated sites policy for Audit Committee approval in August 2014. This policy outlined the accounting and implementation process for this accounting standard. As this accounting standard is not being adopted until December 31, 2015 there is an implementation plan that spans the years of 2014 – 2015.

September 8, 2015

# AUDIT COMMITTEE OUTSTANDING ITEMS

ATT A

Date	Resolution	Contact/Dept	Status
March 7, 2011	That staff be directed to provide an update at the next meeting on the internal audit activities including the cash process review and the purchasing/tendering by-law process review.	Finance	<p>In Progress:</p> <p>In 2014 Finance started the cash review process and expects to be able to present the results to Senior Management in October 2015, including a priority matrix and implementation strategy. The report is expected to come to Audit Committee in November of 2015. In order to mitigate any risk associated with the delay in this reporting, the Internal Auditor completed a "Cash Holdings, Control and Compliance Audit" which went forward to Committee on March 6, 2014.</p> <p>The Purchasing Policy and by-law were approved by Council on June 23<sup>rd</sup>, 2014.</p>
September 13, 2010	That the debt management policy be amended to provide stronger direction regarding debt proceeds issued in advance of completion of a project.	Finance	<p>On Hold:</p> <p>This resolution will be addressed upon a wholesome review of the debt management policy which is expected in 2016.</p>



# STAFF REPORT



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TO Audit Committee

SERVICE AREA Corporate Services, Finance

DATE September 8, 2015

**SUBJECT 2015 Audit Committee Interim Work Plan Status Report**

REPORT NUMBER CS-2015-65

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## EXECUTIVE SUMMARY

### PURPOSE OF REPORT

To provide Council with a mid-year update on the work completed by Audit Committee as of June 30, 2015.

### KEY FINDINGS

The Audit Committee is tracking as expected against the 2015 work plan with amendments to the following sections:

- 1) When the original work plan was presented to Audit Committee in February the internal audit function was reporting to Council. The work plan has been amended to reflect that the internal audit function now reports to Audit Committee; and
- 2) The original work plan included a performance evaluation of the external auditors which staff removed since the City is going out for proposals on audit services in 2015.

### FINANCIAL IMPLICATIONS

There are no financial implications resulting from this report.

### ACTION REQUIRED

That CS-2015-65 2015 Audit Committee Interim Work Plan Status Report be received.

## RECOMMENDATION

That CS-2015-65 2015 Audit Committee Interim Work Plan Status Report be received.

## BACKGROUND

On February 3, 2015 Audit Committee approved a 2015 Annual Work Plan in Report CS-2015-08. This current report is a mid-year status update on the work completed by Audit Committee through June 30, 2015 with respect to this plan.

## REPORT

Attached to this report in Appendix 1 is the 2015 Interim Work Plan Status Report which will provide Council with information on the work Audit Committee has completed during 2015.

Highlights since February 3, 2015 include:

- The Committee approved the 2015 work plan.
- The Committee received the Internal Auditor's 2014 Annual Report.
- The Committee approved the 2015 Internal Audit work plan.
- The Committee received an overview of the appointment process for the City's external auditor which will occur later in 2015.
- The Committee appointed members to the Evaluation Committee for the external audit request for proposal.
- The Committee received a presentation from Deloitte that outlined the external audit results of the 2014 Consolidated Financial Statements.
- The Committee reviewed the City of Guelph's financial statements including those of the consolidated entities and recommended the 2014 Consolidated Financial Statements to Council for approval.

Changes to the original audit plan include:

- When the original work plan was presented to Audit Committee in February the internal audit function was reporting to Council. The work plan has been amended to reflect that the internal audit function now reports to Audit Committee.
- Annually the Chair of the Audit Committee presents feedback from staff to the external auditor related to their performance during the annual audit. In 2015 this was included in the plan, however since Deloitte has fulfilled their 2010-2014 audit services, staff have removed this from the plan. The intent of the evaluation and report has always been to assess performance of the auditor to determine if they should be retained for an additional year. Since 2015 will be the first year of the new external audit term this was deemed unnecessary.

# STAFF REPORT



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## **CORPORATE STRATEGIC PLAN**

Innovation in Local Government

2.3 Ensure accountability, transparency and engagement.

## **DEPARTMENTAL CONSULTATION**

Internal Audit was consulted in the preparation of this report.

## **FINANCIAL IMPLICATIONS**

There are no financial implications resulting from this report.

## **COMMUNICATIONS**

No communication approach is necessary.

## **ATTACHMENTS**

ATT-1 2015 Audit Committee Interim Work Plan Status Report

### **Report Author**

Jade Surgeoner

Senior Corporate Analyst, Financial  
Accounting and Reporting

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### **Recommended By**

Janice Sheehy

General Manager, Finance and  
City Treasurer

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### **Approved By**

Mark Amorosi

Deputy CAO

Corporate Services

519-822-1260 x2281

Mark.Amorosi@guelph.ca

**REPORT CS-2015-65 SEPTEMBER 8, 2015**

**ATTACHMENT 1**

**2015 Interim Work Plan Status Report**

External Audit	Frequency			Comments
	Annual	Term	Need	
Review the external auditors' proposed audit scope and approach, including coordination of audit effort with City staff	•			Completed February 3, 2015.
Review with management and the external auditors the result of the audit including any difficulties encountered and all other matters required to be communicated to the Committee under Generally Accepted Auditing standards	•			Completed June 2, 2015.
Resolve any disagreements between management and the external auditors regarding financial reporting			•	Will be addressed if the need arises. No issues noted to date.
At the conclusion of the audit, consult with the external auditors, without the presence of management, regarding internal financial controls, compliance and the fullness and accuracy of the City's financial statements	•			The opportunity was available for Audit Committee members to consult with Deloitte without the presence of management during the June 2, 2015 meeting.
Ensure the timely presentation of the external auditor's annual audit report to Council	•			Completed June 22, 2015.
Financial Statements	Annual	Term	Need	Comments
Review significant accounting and reporting issues, including complex or unusual transactions, highly judgmental areas and recent professional and regulatory pronouncements and understand their impact on the financial statements	•			Completed June 2, 2015.
Review the representation letter provided by management to the external auditors	•			Completed June 2, 2015.
Prior to the presentation of the annual financial statements to Council, review the financial statements and consider whether they are complete, consistent with information known to committee members and reflect appropriate accounting principles	•			Completed June 2, 2015.
Recommend to Council the approval and distribution of the annual financial statements	•			Completed June 2, 2015.
External Auditor Performance and Review	Annual	Term	Need	Comments
Review and confirm the independence of the external auditors by obtaining statements from the auditors on relationships between the auditors and the city, including non-audit services, and discussing the relationships with the auditors	•			Completed June 2, 2015.
Direct and review the performance evaluation process for the external auditor	•			Not applicable for the 2014 year.
Recommend changes to the external auditor's compensation for Council approval			•	New RFP is required for 2015 as the current contract with Deloitte was for the period of 2010-2014. Recommendation expected to be made in November 2015.
Periodically determine whether a RFP should be issued to select an external auditing firm. As per the Ontario Municipal Act 2001 section 296(3), the external auditor shall not be appointed for a term exceeding five years			•	New RFP is required for 2015 as the current contract with Deloitte was for the period of 2010-2014. Recommendation expected to be made in November 2015.
Participate in the selection of an external auditing firm by reviewing the RFPs and bids received, interviewing potential auditing firms and recommending the external auditor for final approval to the Council			•	Methodology and evaluation process for evaluating the RFP applicants was presented to Audit Committee in April 2015. Recommendation from the Evaluation Committee expected in November 2015.

<b>Compliance</b>	<b>Annual</b>	<b>Term</b>	<b>Need</b>	<b>Comments</b>
Obtain regular updates from management and others (legal counsel, external auditors) regarding compliance with laws and regulations having a material impact on the financial statements including: tax and financial reporting, legal withholding requirements & environmental protection laws and regulations	•			Ongoing throughout the year. No issues noted to date regarding non compliance.
Review by-laws and policies specifically regulating the conduct of members of council, staff and suppliers			•	Will be addressed if the need arises. No issues noted to date.
Review the findings of any examinations by regulatory agencies and any auditor observations			•	Will be addressed if the need arises. No issues noted to date.
Discuss with the City Solicitor, any significant legal, compliance, or regulatory matters that may have a material effect on the financial statements or the business of the City, or on the compliance policies of the City.			•	Consistent with most large organizations, it is common to have ongoing regulatory reviews throughout the year. Any significant findings will/would have been brought to Council's attention as soon as staff is aware of a situation.
Review the results of management's investigation and follow-up for any instances of non-compliance			•	Will be addressed if the need arises. No issues noted to date.
Review the effectiveness of the system established to ensure compliance			•	Will be addressed if the need arises. No issues noted to date.
<b>Risk Management &amp; Internal Control</b>	<b>Annual</b>	<b>Term</b>	<b>Need</b>	<b>Comments</b>
Understand the scope of the external auditor's review of internal financial control over financial reporting and obtain reports on significant findings and recommendations, together with management's responses and the timing of the disposition of significant findings.	•			Completed June 2, 2015.
Consider the effectiveness of the City's internal control system for the safeguarding of assets, including information technology security and control and the adequacy of policies and procedures			•	Completed June 2, 2015.
Review management and program performance regarding efficiency, effectiveness and economy in the use of resources			•	Will be addressed through internal audit reviews and on an as needed basis.
Review the effectiveness of management reporting systems regarding administrative and program performance.			•	Will be addressed if the need arises. No issues noted to date.
Direct other risk management and internal control projects as identified and referred by Council			•	Will be addressed if the need arises. No issues noted to date.
<b>Reporting</b>	<b>Annual</b>	<b>Term</b>	<b>Need</b>	<b>Comments</b>
Ensure the creation of semi-annual information report to Council on progress achieved by the Committee and any concerns or issues that have been identified. The report shall be prepared by the Committee Chair with input from staff.	•			Mid-year reporting for 2015 is included in this report. Committee expected to receive final report for 2015 in February 2016 to be reported to Council.
Provide an open avenue of communication between the external auditors and City Council	•			Completed June 2, 2015.
<b>Internal Audit</b>	<b>Annual</b>	<b>Term</b>	<b>Need</b>	<b>Comments</b>
Establish and review regularly the Internal Auditor Charter			•	Revisions to the Internal Audit Charter approved by Governance Committee during the August 4, 2015 meeting.
Review and approve the internal auditor annual work plan	•			Completed April 8, 2015.
Monitor progress of the approved internal audit work plan	•			2014 Annual Report was presented to Audit Committee April 8, 2015. 2015 progress will be monitored throughout the year with an annual report presented early 2016.

<b>Adequacy of the City's Resources</b>	<b>Annual</b>	<b>Term</b>	<b>Need</b>	<b>Comments</b>
Review the nature of evolving or developing businesses managed by the City, including those changes occasioned by business or process redesign			•	Will be addressed as the need arises. No items to note to date.
As new businesses and ventures are embarked on by the City, gain comfort that all appropriate processes have been put in place to evaluate feasibility of the new business and to ensure proper resources, both human and financial, have been provided.			•	Will be addressed as the need arises. No items to note to date.
<b>Other</b>	<b>Annual</b>	<b>Term</b>	<b>Need</b>	<b>Comments</b>
In conjunction with management and the external auditors, develop an annual work plan for the Committee that identifies priorities, objectives and timelines for key deliverables.	•			Completed June 2, 2015.
With Council approval, retain independent counsel, accountants, or others to advise the Committee or assist in the conduct of a review.			•	Will be addressed as the need arises. No issues noted to date.
After consultation with the Chief Financial Officer/Treasurer and the external auditors, gain a reasonable assurance, at least annually, of the quality and sufficiency of the City's accounting and financial personnel and other resources.	•			Completed June 2, 2015.
It is recognized that from time to time, other issues will be referred to the Committee for review and input. These items will be addressed on an as needed basis.			•	Will be addressed as the need arises. No issues noted to date.
Review mandate and make recommendations for change if any		•		Considered annually however no review or revision required at this time.
Financial literacy and training	•			An education session was held as part of the Committee orientation process. In addition, more information on the new accounting standard PS 3260 Liability for Contaminated sites will be provided in November.
<p>Legend:</p> <p>Annual - Audit Committee to review each fiscal year</p> <p>Term - Audit Committee to review each term of Council</p> <p>Need - Audit Committee to review when the need arises</p>				

# STAFF REPORT



TO Audit Committee

SERVICE AREA Office of the Chief Administrative Officer  
Legal Services

DATE September 8, 2015

**SUBJECT Litigation Status Report**

REPORT NUMBER CAO-LR-1507

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## EXECUTIVE SUMMARY

### PURPOSE OF REPORT

To provide information regarding the current status of litigation involving the City.

### KEY FINDINGS

The amount of litigation, excluding Planning and insured matters, that the City is involved in has remained static more or less throughout 2015. The number of matters, excluding insured matters, being handled by external legal counsel has remained the same throughout 2015.

### FINANCIAL IMPLICATIONS

N/A

### ACTION REQUIRED

Receive

## RECOMMENDATION

That the report of Legal Services regarding the status of City litigation dated September 8, 2015 be received.

## BACKGROUND

Legal Services reports on the status of the litigation involving the City on a semi-annual basis.

## REPORT

The attached chart sets out the details of the litigation the City is involved in and the resolutions which have occurred since the last report in February, 2015.

# STAFF REPORT



There continues to be a significant amount of OMB work, in all areas - policy, development applications and Committee of Adjustment.

Legal Services continues to seek resolution of the litigation and OMB matters in a timely fashion and has been successful in resolving a number of matters in the last six months.

## **CORPORATE STRATEGIC PLAN**

2.3 Ensure accountability, transparency and engagement.

## **DEPARTMENTAL CONSULTATION**

N/A

## **COMMUNICATIONS**

N/A

## **FINANCIAL IMPLICATIONS**

N/A

## **ATTACHMENTS**

Litigation Status Report as of August 24, 2015

Original signed by Scott Worsfold  
(per)

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### **Submitted and Recommended By**

Donna Jaques

City Solicitor

X 2288

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# LITIGATION STATUS REPORT

As of August 24, 2015

## COURT ACTIONS

Matter	Description	History	Current Status	Counsel
<b>Wyndham Corporate Centre Inc. v. City of Guelph</b> Ontario Superior Court of Justice Court File No. CV 09 09638600	<ul style="list-style-type: none"> <li>The Plaintiff commenced an action seeking damages from the City in the amount of \$225,000 and aggravated damages in the amount of \$150,000 relating to the alleged failure of the City to remove carpets from the property at 2 Wyndham Street following expiration of the lease.</li> </ul>	<ul style="list-style-type: none"> <li>September 29, 2009 – City served with Statement of Claim</li> <li>October 15, 2010 - City served Statement of Defence</li> <li>Plaintiff has hired new lawyer as of October 2013</li> <li>City requested court to issue a Status Notice on this action on July 7, 2014</li> <li>Status notice issued by the Court July 16, 2014</li> <li>Plaintiff filed timetable for action on October 9, 2014</li> </ul>	<ul style="list-style-type: none"> <li>New litigation timetable agreed to. Affidavits of documents to be served by September 30, 2015</li> </ul>	Legal Services
<b>Galatianos v. City of Guelph and R. Reynen</b> Ontario Superior Court of Justice Court File No. 464/11	<ul style="list-style-type: none"> <li>Action commenced by Galatianos for general damages, misfeasance in public office and an injunction restraining the City from entering his property without 24 hours notice</li> <li>Based on Galatianos failing to comply with a notice to clean up his property under the Yard Maintenance Bylaw and the City undertaking the clean up.</li> </ul>	<ul style="list-style-type: none"> <li>June 21, 2011 – Statement of Claim served on City</li> <li>July 19, 2011 – City served and filed its Statement of Defence</li> <li>December 6, 2011 – Amended Statement of Claim served on City</li> <li>Examinations for Discovery held June 28, 2012</li> <li>City's discovery undertakings complete as of August 1, 2012</li> <li>Plaintiff's undertakings complete as of August 30, 2012</li> <li>January 23, 2014 – matter transferred to Small Claims Court</li> <li>May 8, 2014 – Settlement conference held</li> <li>November 20, 2014 – trial scheduled - adjourned</li> <li>June 24, 2015 – trial completed</li> </ul>	<ul style="list-style-type: none"> <li>October 9, 2015 – written submissions being filed and a decision will be rendered</li> </ul>	Legal Services
<b>Westminster Woods v. City of Guelph</b> Superior Court of Justice Court File No. 707/13	<ul style="list-style-type: none"> <li>Claim re Stage III Services pursuant to Subdivision Agreement</li> </ul>	<ul style="list-style-type: none"> <li>October 4, 2013 – Statement of Claim served on City</li> <li>November 12, 2013 - City filed Statement of Defence</li> <li>November 25, 2013 – Reply served on City</li> <li>March 2014 – Discovery agreement prepared</li> </ul>	<ul style="list-style-type: none"> <li>Discoveries to be held by winter 2016</li> </ul>	Legal Services  Aird & Berlis

**LITIGATION STATUS REPORT**  
**As of August 24, 2015**

<b>COURT ACTIONS</b>				
<b>Matter</b>	<b>Description</b>	<b>History</b>	<b>Current Status</b>	<b>Counsel</b>
		<ul style="list-style-type: none"> <li>• City filed Affidavit of Documents on May 30, 2014</li> <li>• Plaintiff served Affidavit of Documents November 27, 2014</li> </ul>		
<b>Wiseman v. Guelph</b> Superior Court of Justice Court File No. 638/14	<ul style="list-style-type: none"> <li>• Slip and Fall – March 25, 2014</li> </ul>	<ul style="list-style-type: none"> <li>• August 25, 2014 – Statement of Claim served on City</li> <li>• September 11, 2014 – City served Defence</li> <li>• January 6, 2015 – City's Affidavit of Documents served</li> </ul>	<ul style="list-style-type: none"> <li>• November 4, 2015 – discoveries scheduled</li> </ul>	Legal Services
<b>Anselmini v. City of Guelph</b> Superior Court of Justice Court File No. 859/14	<ul style="list-style-type: none"> <li>• Slip and Fall – July 6, 2013</li> </ul>	<ul style="list-style-type: none"> <li>• November 12, 2014 – Statement of Claim served on City</li> <li>• December 3, 2014 – City served Defence</li> </ul>	<ul style="list-style-type: none"> <li>• October 6, 2015 – discoveries scheduled</li> </ul>	Legal Services
<b>17 Cork West Ltd. v. City of Guelph</b> Superior Court of Justice Court File No. 116/15	<ul style="list-style-type: none"> <li>• Property Standards issue regarding retaining wall</li> </ul>	<ul style="list-style-type: none"> <li>• March 16, 2015 – Notice of Application served on City</li> <li>• August 17, 2015 – Application heard</li> <li>• August 21, 2015 – Decision received dismissing application</li> </ul>	<ul style="list-style-type: none"> <li>• August 21, 2015 – City's cost submissions served and filed</li> </ul>	Legal Services
<b>City of Guelph v. Phou</b> Small Claims Court File No. 15-306	<ul style="list-style-type: none"> <li>• Damage to traffic signal pole – December 6, 2012</li> </ul>	<ul style="list-style-type: none"> <li>• May 7, 2015 – City issued Plaintiff's Claim</li> <li>• August 19, 2015 – Claim served on Defendant</li> </ul>	<ul style="list-style-type: none"> <li>• Awaiting Defence</li> </ul>	Legal Services
<b>Davis v. City of Guelph</b> Divisional Court File No. DC-15-56	<ul style="list-style-type: none"> <li>• Appeal Small Claims Court decision of April 21, 2015</li> </ul>	<ul style="list-style-type: none"> <li>• June 22, 2015 – Appeal book served on City</li> </ul>	<ul style="list-style-type: none"> <li>• October 16, 2015 – appeal scheduled to be heard</li> </ul>	Legal Services
<b>Fava v. City of Guelph</b> Superior Court of Justice Court File No. 522/15	<ul style="list-style-type: none"> <li>• Appeal decision of Property Standards Committee</li> </ul>	<ul style="list-style-type: none"> <li>• July 13, 2015 – Notice of Application served on City</li> </ul>	<ul style="list-style-type: none"> <li>• September 29, 2015 – Application scheduled to be heard</li> </ul>	Legal Services
<b>City of Guelph v. Teknos</b> Superior Court of Justice Court File No. 579/15	<ul style="list-style-type: none"> <li>• Confirmation of an Emergency order pursuant to section 15.7 of the Building Code Act</li> </ul>	<ul style="list-style-type: none"> <li>• July 9, 2015 – Emergency order to secure building issued</li> <li>• July 15, 2015 – Building services secured abandoned building from vandalism</li> <li>• July 30, 2015 – Application issued by Court as there is a requirement under the Act to have the order confirmed by the Court</li> </ul>	<ul style="list-style-type: none"> <li>• September 15, 2015 – application scheduled to be heard</li> </ul>	Legal Services

# LITIGATION STATUS REPORT

As of August 24, 2015

## COURT ACTIONS RESOLVED SINCE January 19, 2015

Matter	Description	History	Current Status	Counsel
<b>Davis v. City of Guelph</b> Small Claims Court Court File No. 13-600	<ul style="list-style-type: none"> <li>Property Damage - June, 2013</li> </ul>	<ul style="list-style-type: none"> <li>August 9, 2013 – Plaintiff's Claim received by City</li> <li>August 15, 2014 – Trial scheduled - adjourned</li> <li>November 6, 2014 – trial commenced</li> <li>March 19, 2015 – trial scheduled to continue, plaintiff failed to appear</li> <li>April 21, 2015 – claim dismissed as plaintiff failed to appear</li> </ul>	<ul style="list-style-type: none"> <li>This matter is complete</li> </ul>	Legal Services
<b>R. v. Louws</b> Appeal of Court File No. 485/13	<ul style="list-style-type: none"> <li>Decision December 1, 2014 dismissing the careless driving charge</li> </ul>	<ul style="list-style-type: none"> <li>December 17, 2014 - City issued Notice of Appeal</li> <li>April 16, 2015 – appeal scheduled to be heard</li> <li>Appeal allowed and matter remanded back to trial at POA</li> </ul>	<ul style="list-style-type: none"> <li>This matter is complete</li> </ul>	Legal Services
<b>1266304 et al. v. City of Guelph</b> Ontario Superior Court of Justice Court File No. 90/10	<ul style="list-style-type: none"> <li>Action commenced by 14 builders/developers for damages in the amount of \$2,000,000 for breach of contract (subdivision agreements), negligent misrepresentation, unjust enrichment and breach of trust relating to allegations of "additional" development charges being improperly imposed for "hard" services.</li> </ul>	<ul style="list-style-type: none"> <li>February 8, 2010 – City served with Statement of Claim</li> <li>March 10, 2010 – City's Statement of Defence served</li> <li>November 8, 2010 – Summary Judgment motion brought by the City heard – not successful</li> <li>January 17, 2011 – City Motion for leave to Appeal heard - not successful</li> <li>July 6, 2012 – mediation</li> <li>January 23, 2013 – examination of City witness</li> <li>City's undertakings being completed</li> <li>April 28, 2014 – Assignment Court</li> <li>December, 2014 – settlement reached</li> <li>Final release received</li> </ul>	<ul style="list-style-type: none"> <li>This matter is complete</li> </ul>	Aird & Berlis
<b>City of Guelph v. Aviva Insurance Company of Canada</b> Ontario Superior Court of Justice Court File No. 1002/08	<ul style="list-style-type: none"> <li>Following the termination of Urbacon, the City made a claim against the performance bond issued by Aviva. Aviva refused to acknowledge its obligations</li> </ul>	<ul style="list-style-type: none"> <li>November 20, 2008 – City served Statement of Claim on Aviva</li> <li>January 13, 2009 – Statement of Defence of Aviva was received</li> <li>Case managed along with the main action</li> </ul>	<ul style="list-style-type: none"> <li>This matter is complete</li> </ul>	Simpson Wigle

# LITIGATION STATUS REPORT

As of August 24, 2015

## COURT ACTIONS RESOLVED SINCE January 19, 2015

Matter	Description	History	Current Status	Counsel
		<ul style="list-style-type: none"> <li>This action was peremptorily dismissed with the court's decision in favour of Urbacon in the main action.</li> <li>Dismissed by trial judge when liability decided against the City of Guelph</li> <li>Final release received</li> </ul>		
<b>City of Guelph v. Moriyama &amp; Teshima Architects</b> Ontario Superior Court of Justice Court File No. 09-14746	<ul style="list-style-type: none"> <li>On September 21, 2009, the City commenced a \$2 million claim against the architects involved as consultants on the Urbacon project alleging negligence in their project management and seeking contribution</li> </ul>	<ul style="list-style-type: none"> <li>June 30, 2011 – Statement of Claim served on Defendants</li> <li>September 14, 2011 – Statement of Defence of MTA received</li> <li>Case managed along with the main action</li> <li>Settlement reached</li> </ul>	<ul style="list-style-type: none"> <li>This matter is complete</li> </ul>	Simpson Wigle
<b>Williamson v. City of Guelph</b> Small Claims Court File No. 14-638	<ul style="list-style-type: none"> <li>Transit accident</li> </ul>	<ul style="list-style-type: none"> <li>April 2, 2015 – Plaintiff's Claim served on City</li> <li>April 14, 2015 – City filed Defence</li> <li>May 29, 2015 – settlement conference held, settlement reached by parties</li> </ul>	<ul style="list-style-type: none"> <li>This matter is complete</li> </ul>	Legal Services
<b>Reid's Heritage Homes v. City of Guelph</b> Divisional Court File No. DC15-38-ML	<ul style="list-style-type: none"> <li>Motion for an order granting leave to Reid's to appeal the decision of the OMB issued March 10, 2015 re OPA 48</li> </ul>	<ul style="list-style-type: none"> <li>March 23, 2015 – Notice of Motion for leave to appeal served on City</li> <li>June 15, 2015 – appellant filed notice of withdrawal</li> </ul>	<ul style="list-style-type: none"> <li>This matter is complete</li> </ul>	Legal Services

## OMB MATTERS

Matter	Description	History	Current Status	Counsel
<b>580 Paisley Road – Armel Corporation</b> Case No. MM080050	<ul style="list-style-type: none"> <li>Appeal by the owner, Armel Corporation, of a decision not to approve a site plan application for a proposed gas bar, car wash and kiosk. The main issue relates to site access.</li> </ul>	<ul style="list-style-type: none"> <li>October 1, 2008 – Appeal received</li> </ul>	<ul style="list-style-type: none"> <li>Matter in abeyance pending the completion of the Environmental Assessment of Silvercreek Parkway South</li> </ul>	Legal Services
<b>OPA 43 (5 Appeals)</b> <b>84-96 Wellington Street and 110 Wellington Street</b> Case No. PL120723	<ul style="list-style-type: none"> <li>6 appeals were originally received relating to various aspects of Official Plan Amendment No. 43 (Downtown Secondary Plan)</li> <li>NOTE: The matter has been split into two sets of appeals – the first dealing exclusively with the appeal re property at 45 Yarmouth (now complete) and the second dealing with the remaining appeals by 5 owners and tenants at 84-96 Wellington Street and 110 Wellington Street</li> </ul>	<ul style="list-style-type: none"> <li>June 20, 2012 – Appeals received</li> <li>January 30, 2013 - Prehearing held</li> <li>April 18, 2013 – teleconference held to address Issues List for Riverfront Appeals</li> <li>May 2, 2013 - Revised issues list circulated to the parties as directed by the Board</li> <li>June 18, 2013 – pre-</li> </ul>	<ul style="list-style-type: none"> <li>No hearings scheduled</li> </ul>	Legal Services

**LITIGATION STATUS REPORT**  
**As of August 24, 2015**

<b>OMB MATTERS</b>				
<b>Matter</b>	<b>Description</b>	<b>History</b>	<b>Current Status</b>	<b>Counsel</b>
		hearing conference held and Board decision indicating that the portions of OPA 43 not under appeal are in effect <ul style="list-style-type: none"> <li>• Procedural Order and Issues List finalized by Board Order dated November 4, 2013</li> <li>• Hearing scheduled to commence June 23, 2014 - adjourned</li> </ul>		
<b>1159 Victoria Road South</b> Case No. PL121406	<ul style="list-style-type: none"> <li>• Appeals by Victoria Park Village Ltd. regarding failure to make a decision with the prescribed time</li> </ul>	<ul style="list-style-type: none"> <li>• November 29, 2012 – Appeal received</li> <li>• May 14, 2013 – Prehearing held</li> <li>• June 28, 2013 – Prehearing held</li> <li>• September 18, 2013 – prehearing conference held</li> <li>• November 15, 2013 – hearing held</li> <li>• June 16, 2014 – hearing held by teleconference</li> <li>• April 29, 2015 – hearing held by teleconference</li> <li>• August 18, 2015 – pre-hearing held</li> </ul>	<ul style="list-style-type: none"> <li>• November 3-6, 2015 – hearing scheduled</li> </ul>	Legal Services  Garrod Pickfield
<b>OPA 48 (7 Appeals)</b> Case No. PL 140042	<ul style="list-style-type: none"> <li>• 7 Appeals received relating to Official Plan Amendment 48 (Envision Guelph) as approved by the Minister of Municipal Affairs and Housing.</li> </ul>	<ul style="list-style-type: none"> <li>• December, 2013 – OPA 48 Approved by Minister of Municipal Affairs and Housing</li> <li>• December, 2013 – Appeals received</li> <li>• October 20, 2014 – prehearing held</li> <li>• February 3, 2015 – second pre hearing held</li> </ul>	<ul style="list-style-type: none"> <li>• September 15, 2015 – Phase 1 hearing scheduled for 10 days</li> </ul>	Legal Services
<b>635 Woodlawn Road</b> Case No. PL140628, PL140629, PL140630	<ul style="list-style-type: none"> <li>• 3 Appeals by Terra View Custom Homes</li> </ul>	<ul style="list-style-type: none"> <li>• June 13, 2014 – Appeals received</li> <li>• December 9, 2014 – pre-hearing held</li> <li>• July 14, 2015 – hearing scheduled for 4 days – adjourned</li> <li>• July 21, 2015 – OMB issued interim decision approving Official Plan Amendment and Draft Plan of Subdivision pursuant to minutes of settlement</li> <li>• Zoning by-law</li> </ul>	<ul style="list-style-type: none"> <li>• Board requested further written submissions from parties to be made on or before September 11, 2015</li> </ul>	Legal Services

**LITIGATION STATUS REPORT**  
**As of August 24, 2015**

<b>OMB MATTERS</b>				
<b>Matter</b>	<b>Description</b>	<b>History</b>	<b>Current Status</b>	<b>Counsel</b>
		amendment approved in principle, final order withheld with respect to Draft Plan Conditions and Zoning By-law amendment		
<b>OPA 54 (9 Appeals)</b> Case No. PL140648	<ul style="list-style-type: none"> <li>9 Appeals received relating to Official Plan Amendment 54 (Guelph Innovation District Secondary Plan)</li> </ul>	<ul style="list-style-type: none"> <li>Jun 16-18, 2014 – Appeals received</li> <li>December 10, 2014 – pre-hearing held</li> <li>February 23, 2015 – second pre hearing held</li> </ul>	<ul style="list-style-type: none"> <li>February 22, 2016 – Phase 1 hearing scheduled for 10 days</li> </ul>	Legal Services
<b>220 Edinburg Road</b> Case No. PL141161	<ul style="list-style-type: none"> <li>Appeal by Wayne McMillan - Minor variance</li> </ul>	<ul style="list-style-type: none"> <li>September 30, 2014 – Appeal received</li> <li>March 16, 2015 – hearing scheduled - adjourned</li> </ul>	<ul style="list-style-type: none"> <li>October 6, 2015 - settlement conference scheduled</li> </ul>	Legal Services
<b>Brooklyn &amp; College Hill Conservation District</b> Case No. MM140079	<ul style="list-style-type: none"> <li>Appeal of Heritage By-law (2014) - 19821</li> </ul>	<ul style="list-style-type: none"> <li>October 23, 2014 – Appeal received</li> <li>May 4, 2015 – pre hearing held</li> <li>July 21, 2015 – second pre hearing held</li> </ul>	<ul style="list-style-type: none"> <li>October 26, 2015 – hearing scheduled for 5 days</li> </ul>	Legal Services
<b>781 Victoria Road South</b> Case No. PL150060, PL150061	<ul style="list-style-type: none"> <li>2 Appeals by Hugh Whiteley – Zoning By-law (2014)-19835 and OPA 57</li> </ul>	<ul style="list-style-type: none"> <li>January 12, 2015 – Appeal received</li> <li>June 17-20, 2015 – hearing held</li> </ul>	<ul style="list-style-type: none"> <li>Awaiting OMB decision</li> </ul>	Legal Services
<b>78 Starwood Drive</b> Case No. PL150062	<ul style="list-style-type: none"> <li>Appeal by Hugh Whiteley – Zoning By-law (2014)-19836</li> </ul>	<ul style="list-style-type: none"> <li>January 12, 2015 – Appeal received</li> <li>May 19, 2015 – hearing held</li> <li>June 25, 2015 – OMB teleconference hearing held to receive minutes of settlement</li> <li>OMB approved settlement – order to issue pending receipt of final zoning by-law amendment in accordance with approved minutes of settlement</li> </ul>	<ul style="list-style-type: none"> <li>Awaiting final zoning by-law amendment</li> </ul>	Legal Services
<b>55 &amp; 75 Cityview North</b> Case No. PL150188	<ul style="list-style-type: none"> <li>Appeal by Hugh Whiteley – Zoning by-law (2015) - 19858</li> </ul>	<ul style="list-style-type: none"> <li>March 12, 2015 – appeal received</li> <li>June 25, 2015 – teleconference hearing held to receive minutes of settlement</li> <li>OMB approved settlement – order to issue pending receipt of final zoning by-law amendment in accordance with</li> </ul>	<ul style="list-style-type: none"> <li>Awaiting final zoning by-law amendment</li> </ul>	Legal Services

**LITIGATION STATUS REPORT**  
**As of August 24, 2015**

<b>OMB MATTERS</b>				
<b>Matter</b>	<b>Description</b>	<b>History</b>	<b>Current Status</b>	<b>Counsel</b>
		approved minutes of settlement		
<b>171 Kortright Road West</b> Case No. PL150430	<ul style="list-style-type: none"> <li>Appeal by Scott Higgins (HIP Developments Inc.)</li> </ul>	<ul style="list-style-type: none"> <li>May 14, 2015 – appeal received</li> </ul>	<ul style="list-style-type: none"> <li>September 22, 2015 – pre hearing scheduled</li> </ul>	Legal Services
<b>117 Surrey Street East</b> Case No. PL15558	<ul style="list-style-type: none"> <li>Appeal by Matt Prigione</li> </ul>	<ul style="list-style-type: none"> <li>June 24, 2015 – appeal received</li> </ul>	<ul style="list-style-type: none"> <li>November 10, 2015 – hearing scheduled</li> </ul>	Legal Services
<b>6 Tolton Drive / 5 Laughland Lane</b> Case No. PL150701	<ul style="list-style-type: none"> <li>Appeal by Humanyan Beg</li> </ul>	<ul style="list-style-type: none"> <li>July 29, 2015 – appeal received</li> </ul>	<ul style="list-style-type: none"> <li>September 29, 2015 – hearing scheduled</li> </ul>	Legal Services

<b>OMB MATTERS RESOLVED SINCE January 19, 2015</b>				
<b>Matter</b>	<b>Description</b>	<b>History</b>	<b>Current Status</b>	<b>Counsel</b>
<b>16 Maple Street</b> Case No. PL141001	<ul style="list-style-type: none"> <li>Appeal by John Gruzleski, president of Old University Neighbourhood Residents Association</li> </ul>	<ul style="list-style-type: none"> <li>August 28, 2014 – Appeal received</li> <li>January 20, 2015 – hearing held</li> <li>February 3, 2015 – Order issued dismissing appeal</li> </ul>	<ul style="list-style-type: none"> <li>This matter is complete</li> </ul>	Legal Services
<b>12 Wyndham Street</b> Case No. PL131130	<ul style="list-style-type: none"> <li>Appeal by 2073877 Ontario Ltd.</li> </ul>	<ul style="list-style-type: none"> <li>October 17, 2013 – appeal received</li> <li>March 12, 2013 – hearing scheduled – adjourned</li> <li>August 25, 2014 – hearing scheduled – adjourned</li> <li>February 11, 2015 – appeal withdrawn</li> </ul>	<ul style="list-style-type: none"> <li>This matter is complete</li> </ul>	Legal Services
<b>OPA 42</b> Case No. PL110278	<ul style="list-style-type: none"> <li>16 appeals relating to various aspects of Official Plan Amendment No. 42 (Natural Heritage Strategy)</li> <li>15 appeals have been withdrawn or settled as of August 29, 2013</li> <li>1 appeal outstanding</li> </ul>	<ul style="list-style-type: none"> <li>January – April, 2014 – series of settlement hearings held</li> <li>June 4, 2014 – revised OPA 42 approved by Board (except for 115 Watson and 0 Paisley)</li> <li>July 30, 2014 – decision approving settlement for 115 Watson</li> <li>March 6, 2015 – decision approving settlement of final remaining appeal for 0 Paisley Road</li> </ul>	<ul style="list-style-type: none"> <li>This matter is complete</li> </ul>	Legal Services  Garrod Pickfield
<b>8 Terrace Lane</b> Case No. PL 131204	<ul style="list-style-type: none"> <li>Appeal by Erica Davis – minor variance</li> </ul>	<ul style="list-style-type: none"> <li>October 28, 2013 – Appeal received</li> <li>December 11, 2014 – hearing adjourned</li> <li>March 16, 2015 – Order issued dismissing appeal</li> </ul>	<ul style="list-style-type: none"> <li>This matter is complete</li> </ul>	Legal Services

## LITIGATION STATUS REPORT

### As of August 24, 2015

<b>28 Rodgers Road</b> Case No. PL141493	<ul style="list-style-type: none"> <li>• Appeal by Pawelec Zbigniew</li> </ul>	<ul style="list-style-type: none"> <li>• December 9, 2014 – Appeal received</li> <li>• April 7, 2015 – hearing held</li> <li>• May 25, 2015 – order issued dismissing appeal</li> </ul>	<ul style="list-style-type: none"> <li>• This matter is complete</li> </ul>	Legal Services
<b>620 Scottsdale Drive</b> Case No. PL150028	<ul style="list-style-type: none"> <li>• Appeal by Tim Conley</li> </ul>	<ul style="list-style-type: none"> <li>• December 29, 2014 – Appeal received</li> <li>• May 5, 2015 – hearing held</li> </ul>	<ul style="list-style-type: none"> <li>• This matter is complete</li> </ul>	Legal Services
<b>58 Dean Avenue</b> Case No. PL150280	<ul style="list-style-type: none"> <li>• Appeal by John Martinello</li> </ul>	<ul style="list-style-type: none"> <li>• March 20, 2015 – appeal received</li> <li>• July 3, 2015 – hearing held – City not a party at hearing, but a City planner appeared under subpoena from the appellant</li> </ul>	<ul style="list-style-type: none"> <li>• This matter is complete</li> </ul>	Legal Services
<b>331 Clair Road E</b> Case No. PL140028, PL140029	<ul style="list-style-type: none"> <li>• 2 Appeal by Reid's Heritage Homes – Official Plan amendment and Zoning By-law</li> </ul>	<ul style="list-style-type: none"> <li>• January 3, 2014 – Appeal received</li> <li>• August 19, 2014 – pre-hearing held</li> <li>• March 2-11, 2015 – Hearing held</li> <li>• August 19, 2015 – order issued dismissing appeals</li> </ul>	<ul style="list-style-type: none"> <li>• This matter is complete</li> </ul>	Legal Services

### OTHER MATTERS

Matter	Description	History	Current Status	Counsel
<b>Corporation of the City of Guelph v. Director, Ministry of the Environment</b> Case No. 13-013	<ul style="list-style-type: none"> <li>• City is appealing to the Environmental Review Tribunal the issuance of Permit to Take Water number 5080-8TAKK2 to River Valley Developments Inc.</li> </ul>	<ul style="list-style-type: none"> <li>• February 12, 2013 – City filed an application for Leave to Appeal with the ERT</li> <li>• May 2, 2014 – Leave to Appeal to ERT granted</li> <li>• City filed Appeal</li> <li>• November 4, 2014 - Status Update with ERT, held by teleconference.</li> <li>• Third party mediation session held November 28, 2014</li> </ul>	<ul style="list-style-type: none"> <li>• Mediation ongoing</li> </ul>	Garrod Pickfield  Legal Services
<b>Human Rights Tribunal of Ontario</b> File No. 2015-21271-I	<ul style="list-style-type: none"> <li>• Human Rights application – City of Guelph and Guelph-Wellington Local Immigration Partnership</li> </ul>	<ul style="list-style-type: none"> <li>• June 22, 2015 – application filed with HRTO</li> </ul>	<ul style="list-style-type: none"> <li>• Ongoing</li> </ul>	Legal Services

### OTHER MATTERS RESOLVED SINCE January 19, 2015

Matter	Description	History	Current Status	Counsel
<b>Human Rights Tribunal of Ontario</b> File No. 2015-20351-I	<ul style="list-style-type: none"> <li>• Human Rights application – accessible seating on Guelph Transit</li> </ul>	<ul style="list-style-type: none"> <li>• March 6, 2015 – application filed with HRTO</li> <li>• July 22, 2015 – mediation held</li> </ul>	<ul style="list-style-type: none"> <li>• This matter is complete</li> </ul>	Legal Services



# LITIGATION STATUS REPORT

## As of August 24, 2015

<b>MATTERS BEING HANDLED BY INSURERS' LEGAL COUNSEL *</b>				
<b>Matter</b>	<b>Description</b>	<b>History</b>	<b>Current Status</b>	<b>Counsel</b>
<b>Linseman and Loewen v. City of Guelph and Guelph Transit</b> Ontario Superior Court of Justice Court File No. CV-10-414425	<ul style="list-style-type: none"> <li>Slip and Fall accident – December 11, 2008</li> </ul>	<ul style="list-style-type: none"> <li>January 31, 2011 - Statement of Claim served on City</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> </ul>	Insurers' legal counsel
<b>Smith v. City of Guelph</b> Ontario Superior Court of Justice Court File No. 94/12	<ul style="list-style-type: none"> <li>Slip and Fall accident – March 15, 2011</li> </ul>	<ul style="list-style-type: none"> <li>February 1, 2012 – Statement of Claim served on City</li> <li>March 13, 2012 – City served Statement of Defence</li> <li>May 2, 2013 – Examination for Discovery scheduled</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> </ul>	Insurers' legal counsel
<b>Fitkowski et al v. City of Guelph and E&amp;E Seegmiller Limited</b> Ontario Superior Court of Justice Court File No. 663/12	<ul style="list-style-type: none"> <li>Accident – September 24, 2010</li> </ul>	<ul style="list-style-type: none"> <li>September 10, 2012 – Statement of Claim served on City.</li> <li>September 13, 2012 – City served Notice of Intent to Defend</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> <li>City is being defended and indemnified by Seegmiller</li> </ul>	Insurers' legal counsel
<b>Jassal v. Hilcox and City of Guelph</b> Ontario Superior Court of Justice Court File No. CV 10 2468	<ul style="list-style-type: none"> <li>Accident – July 11, 2008</li> </ul>	<ul style="list-style-type: none"> <li>November 27, 2012 – Motion to amend the Statement of Claim and add City as a party</li> <li>December 17, 2012 – City served with Amended Statement of Claim</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> </ul>	Insurers' legal counsel
<b>Perozzo v. City of Guelph</b> Ontario Superior Court of Justice Court File No. 924/12	<ul style="list-style-type: none"> <li>Slip and fall accident - February 24, 2011</li> </ul>	<ul style="list-style-type: none"> <li>December 14, 2012 – City served with Statement of Claim</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> </ul>	Insurers' legal counsel
<b>Angelone v. City of Guelph</b> Ontario Superior Court of Justice Court File No. 150/13	<ul style="list-style-type: none"> <li>Slip and fall accident – February 24, 2011</li> </ul>	<ul style="list-style-type: none"> <li>February 21, 2013 – City served with Statement of Claim</li> <li>February 28, 2013 – City served Notice of Intent to Defend</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> </ul>	Insurers' legal counsel
<b>Mercer v. City of Guelph et al</b> Ontario Superior Court of Justice Court File No. CV 13 474008	<ul style="list-style-type: none"> <li>Slip and fall accident February 26, 2011 and MVA April 1, 2011</li> </ul>	<ul style="list-style-type: none"> <li>March 12, 2013 – City served with Statement of Claim</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> </ul>	Insurers' legal counsel
<b>Koeslag v. City of Guelph et al</b> Ontario Superior Court of Justice Court File No. C-695-	<ul style="list-style-type: none"> <li>Accident – August 18, 2011</li> </ul>	<ul style="list-style-type: none"> <li>August 15, 2013 – City served with Statement of Claim</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> </ul>	Insurer's legal counsel

# LITIGATION STATUS REPORT

As of August 24, 2015

MATTERS BEING HANDLED BY INSURERS' LEGAL COUNSEL *				
Matter	Description	History	Current Status	Counsel
13				
<b>Watson v. City of Guelph and Traugott Building Contractors Inc.</b> Ontario Superior Court of Justice Court File No. 1679-13	<ul style="list-style-type: none"> <li>Accident – September 10, 2011</li> </ul>	<ul style="list-style-type: none"> <li>September 25, 2013 – City served with Statement of Claim</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> </ul>	Insurer's legal counsel
<b>Goudie v. City of Guelph et al</b> Ontario Superior Court of Justice Court File No. 895-13	<ul style="list-style-type: none"> <li>Slip and fall – October 23, 2011</li> </ul>	<ul style="list-style-type: none"> <li>October 21, 2013 – City served with Statement of Claim</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> </ul>	Insurer's legal counsel
<b>Gebreselassie v. City of Guelph et al</b> Ontario Superior Court of Justice Court File No. 920/13	<ul style="list-style-type: none"> <li>Transit Accident – January 3, 2012</li> </ul>	<ul style="list-style-type: none"> <li>December 20, 2013 – City served with Statement of Claim</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> </ul>	Insurer's legal counsel
<b>Dunkley v. Hunt, City of Guelph &amp; Legacy Leasing</b> Ontario Superior Court of Justice Court File No. CV-13-495196	<ul style="list-style-type: none"> <li>Accident – January 11, 2012</li> </ul>	<ul style="list-style-type: none"> <li>December 24, 2013 – City served with Statement of Claim</li> <li>Police Services Matter</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> </ul>	Insurer's legal counsel
<b>Zaki v. City of Guelph et al</b> Ontario Superior Court of Justice Court File No. 335/14	<ul style="list-style-type: none"> <li>Transit Accident – December 9, 2011</li> </ul>	<ul style="list-style-type: none"> <li>May 9, 2014 – City served with Statement of Claim</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> </ul>	Insurer's legal counsel
<b>Cara Operations Limited v. City of Guelph</b> Ontario Superior Court of Justice Court File No. 868/13	<ul style="list-style-type: none"> <li>Property contamination – October, 2012</li> </ul>	<ul style="list-style-type: none"> <li>May 26, 2014 – City served with Statement of Claim</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> </ul>	Insurer's legal counsel
<b>Sharratt v. City of Guelph</b> Ontario Superior Court of Justice Court File No. 490/14	<ul style="list-style-type: none"> <li>Slip and fall – March 1, 2013</li> </ul>	<ul style="list-style-type: none"> <li>June 23, 2014 – City served with Statement of Claim</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> </ul>	Insurer's legal counsel
<b>Dome v. City of Guelph</b> Ontario Superior Court of Justice Court File No. 532/14	<ul style="list-style-type: none"> <li>Slip and fall – March 1, 2013</li> </ul>	<ul style="list-style-type: none"> <li>July 14, 2014 – Statement of Claim served on City</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> </ul>	Insurer's legal counsel
<b>Schinck v. City of Guelph</b> Ontario Superior Court of Justice Court File No. 240/14	<ul style="list-style-type: none"> <li>Slip and fall – April 7, 2012</li> </ul>	<ul style="list-style-type: none"> <li>July 29, 2014 – Statement of Claim served on City</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> </ul>	Insurer's legal counsel
<b>Cozzarin et al v. Ashton Ridge Homes Inc. and City of Guelph</b> Ontario Superior Court of Justice Court File	<ul style="list-style-type: none"> <li>Property damage – January, 2014</li> </ul>	<ul style="list-style-type: none"> <li>August 27, 2014 – Statement of Claim served on City</li> </ul>	<ul style="list-style-type: none"> <li>Ongoing</li> </ul>	Insurer's legal counsel

# LITIGATION STATUS REPORT

As of August 24, 2015

MATTERS BEING HANDLED BY INSURERS' LEGAL COUNSEL *				
Matter	Description	History	Current Status	Counsel
No. 644/14				
<b>Frawley v. City of Guelph</b> Superior Court of Justice Court File No. 768/14	• Slip and Fall – March 7, 2013	• December 3, 2014 – Statement of Claim served on City	• Ongoing	Insurer's legal counsel
<b>Gebreselassie v. City of Guelph et al</b> Ontario Superior Court of Justice No. 978/14	• Transit accident – December 30, 2012	• January 5, 2015 – Statement of Claim served on City	• Ongoing	Insurer's legal counsel
<b>Stewart v. City of Guelph and Guelph Transit</b>	• Transit accident – October 2012	• March 25, 2015 – City served with Statement of Claim	• Ongoing	Insurer's legal counsel
<b>Matin v. City of Guelph et al</b> Ontario Superior Court of Justice No. 268/15	• Transit accident – June 10, 2013	• April 16, 2015 – City served with Statement of Claim	• Ongoing	Insurer's legal counsel
<b>Conrad v. Hydro One Networks Inc. and City of Guelph</b> Ontario Superior Court of Justice No. 596/15	• Accident – July 3, 2015	• July 17, 2015 – City served with Statement of Claim	• Ongoing	Insurer's legal counsel
<b>Gascon v. City of Guelph et al</b> Ontario Superior Court of Justice No. 652/15	• Accident – September 14, 2013	• August 12, 2015 – City served with Statement of Claim	• Ongoing	Insurer's legal counsel

\* Does not include claims solely against Guelph Police Services (i.e. City not named as a party)

INSURED MATTERS COMPLETE SINCE January 19, 2015				
Matter	Description	History	Current Status	Counsel
<b>Sharma v. City of Guelph et al</b> Ontario Superior Court of Justice Court File No. 332/10	• Motor Vehicle accident – May 7, 2008	• May 4, 2010 – Statement of Claim served on City	• Ongoing	Insurers' legal counsel