

COMMITTEE AGENDA



TO **Audit Committee**

DATE September 18, 2013

LOCATION Council Chambers, Guelph City Hall, 1 Carden Street

TIME 5:00 p.m.

DISCLOSURE OF PECUNIARY INTEREST AND GENERAL NATURE THEREOF

CONFIRMATION OF MINUTES – June 12, 2013 Open and Closed 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-2013.9 Procurement Controls and Compliance Audit Results	<ul style="list-style-type: none"> Loretta Alonzo, Internal Auditor 		✓
AUD-2013.10 2013 Audit Committee Interim Work Plan Status Report			
AUD-2013.11 Internal Audit 2013 Work Plan Update			
AUD-2013.12 Litigation Status Report			
AUD-2013.13 Outstanding Motions of the Audit Committee			

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.

CLOSED MEETING

THAT the Audit Committee now hold a meeting that is closed to the public with respect to:

1. **External Auditor Performance Review**
S. 239 (2) (b) *of the Municipal Act* – personal matters about an identifiable individual

ADJOURNMENT

NEXT MEETING – November 4, 2013



**Minutes of Audit Committee
Held in the Council Chambers, Guelph City Hall on
Wednesday, June 12, 2013 at 5:00 p.m.**

Attendance

Members: Chair Guthrie, Mayor Farbridge, Councillors Furfaro and Wettstein
Absent: Councillor Kovach
Councillors: Councillor Hofland
Staff: Ms. A. Pappert, Chief Administrative Officer; Mr. A. Horsman, Executive Director, Finance & Enterprise/Chief Financial Officer; Ms. L. Alonzo, Internal Auditor; Ms. T. Johnston, Manager, Financial Reporting & Accounting; Ms. T. Agnello, Deputy Clerk; and Ms. D. Black, Council Committee Coordinator

Call to Order (5:00 p.m.)

Chair Guthrie called the meeting to order.

Disclosure of Pecuniary Interest and General Nature Thereof

There were no disclosures.

Confirmation of Minutes

1. Moved by Mayor Farbridge
Seconded by Councillor Furfaro

That the open meeting minutes of the Audit Committee held on April 17, 2013 be confirmed as recorded.

VOTING IN FAVOUR: Mayor Farbridge, Councillors Guthrie, Furfaro and Wettstein (4)

VOTING AGAINST: (0)

CARRIED

Consent Agenda

The following items were extracted:

- | | |
|-------------------|--|
| AUD-2013.7 | 2012 Draft Audited Consolidated Financial Statements and External Post-Audit Report |
| AUD-2013.8 | 2012 Unconsolidated Financial Statements and City Financial Highlights |

The Chair advised the order the reports will be discussed will be reversed.

Extracted Consent Items

AUD-2013.8 2012 Unconsolidated Financial Statements and City Financial Highlights

Ms. Tara Johnston, Manager, Financial Reporting & Accounting, provided a summary of the 2012 unconsolidated financial statements and City financial highlights. She advised that the City is in a healthy and stable position and staff will continue to examine ways to improve further.

2. Moved by Mayor Farbridge
 Seconded by Councillor Wettstein

THAT the Report FIN-13-25 entitled "2012 Unconsolidated Financial Statement and City financial highlights" be received.

VOTING IN FAVOUR: Mayor Farbridge, Councillors Guthrie, Furfaro and Wettstein (4)
VOTING AGAINST: (0)

CARRIED

AUD-2013.7 2012 Draft Audited Consolidated Financial Statements and External Post-Audit Report

Ms. Tara Johnston, Manager, Financial Reporting & Accounting provided a brief synopsis of the process of the 2012 draft audited consolidated financial statements and external post-audit report.

Mr. Evan McDade, External Auditor, Deloitte, explained the auditor role, and outlined their scope and findings. He explained the types of audit risks and the process of examination to determine risk levels and advised they found the City level to be satisfactory. He said they encountered no difficulties during the audit, no fraud or illegal acts were detected, estimates were deemed to be reasonable.

Ms. Jennifer Gruber, Auditor, addressed the various audit risks and advised all the results were reasonable and properly reported.

Authority to Resolve into a Closed Meeting

3. Moved by Mayor Farbridge
 Seconded by Councillor Furfaro

That the Audit Committee now hold a meeting that is closed to the public with respect to Sec. 239(2)(a) of the *Municipal Act* with respect to security of the property of the municipality.

CARRIED

Closed Meeting (6:00 p.m.)

The following matters were considered:

Letter of Recommendation- 2012 Audit Results 2012 Draft Audited Consolidated Financial Statements and External Post-Audit Report

Rise from Closed Meeting (6:18 p.m.)

4. Moved by Mayor Farbridge
Seconded by Councillor Furfaro

That the Audit Committee rise from its closed meeting and reconvene in public meeting.

CARRIED

Open Meeting (6:19 p.m.)

Announcements

Mr. Horsman, Executive Director, Finance and Enterprise/Chief Financial Officer, advised they will be bringing forward a report at the next Audit Committee meeting regarding outstanding items of the audit committee and information regarding the organizational assessment.

AUD-2013.7 2012 Draft Audited Consolidated Financial Statements and External Post-Audit Report

5. Moved by Mayor Farbridge
Seconded by Councillor Furfaro

1. That Report FIN-13-23 entitled "2012 Draft Audited Consolidated Financial Statements and External Post-Audit Report" be received.

2. THAT the 2012 Draft Audited Consolidated Financial Statements be approved.

VOTING IN FAVOUR: Mayor Farbridge, Councillors Guthrie, Furfaro and Wettstein (4)

VOTING AGAINST: (0)

CARRIED

Adjournment (6:26 p.m.)

7. Moved by Mayor Farbridge
Seconded by Councillor Furfaro

That the committee meeting be adjourned.

CARRIED

Tina Agnello – Deputy Clerk

**AUDIT COMMITTEE
CONSENT AGENDA**

September 18, 2013

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.

A Reports from Administrative Staff

REPORT	DIRECTION
<p>AUD-2013.9 PROCUREMENT CONTROLS AND COMPLIANCE AUDIT RESULTS</p> <p>That the Audit Committee Report CAO-A-1307, Internal Audit Report – Procurement Controls and Compliance, dated September 18, 2013” be received.</p>	Receive
<p>AUD-2013.10 2013 AUDIT COMMITTEE INTERIM WORK PLAN STATUS REPORT</p> <p>That FIN-13-33 2013 Audit Committee Interim Work Plan Status Report be received.</p>	Receive
<p>AUD-2013.11 INTERNAL AUDIT 2013 WORK PLAN UPDATE</p> <p>That the Audit Committee approve Report CAO-A-1306, Internal Audit Work Plan Update Report and Appendix “A” dated September 18, 2013.</p>	Approve
<p>AUD-2013.12 LITIGATION STATUS REPORT</p> <p>THAT the report of Legal and Realty Services regarding the status of City litigation dated September 18, 2013 be received.</p>	Receive

**AUD-2013.13 OUTSTANDING MOTIONS OF THE AUDIT
COMMITTEE**

Approve

1. That report FIN-13-34 dated September 18, 2013, regarding outstanding motions of the Audit Committee, be received.
2. That the 6 motions marked as "Completed" or "Addressed", previously passed by the Audit Committee of Council, be removed from the outstanding motion list, based on reasons provided.

attach.

STAFF REPORT



TO Audit Committee

SERVICE AREA CAO Administration, Internal Audit

DATE September 18, 2013

SUBJECT Procurement Controls and Compliance Audit Results

REPORT NUMBER CAO-A-1307

EXECUTIVE SUMMARY

PURPOSE OF REPORT

To provide the results of the Procurement controls and compliance audit. The audit evaluated the internal controls related to purchasing goods and services within the corporation to determine current level of compliance to the Purchasing Bylaw and departmental policies and procedures.

KEY FINDINGS

Compliance audits are designed to evaluate compliance of process with established policies, procedures and/or by-laws; they are not designed to find operating efficiencies, process changes or best practice comparison opportunities.

Based on the staff interviews, data and documentation review there were no noncompliance issues noted with the procurement area.

Recommendations have been made for policy and procedure development, system improvements through rules and data governance as well as reporting improvements to provide data analysis for continuous improvement.

FINANCIAL IMPLICATIONS

There are no financial implications associated with this report.

ACTION REQUIRED

Audit Committee to receive staff's report on the procurement controls and compliance audit.

RECOMMENDATION

1. That the Audit Committee Report CAO-A-1307 Procurement Controls and Compliance Audit Results dated September 18, 2013 be received.

STAFF REPORT



BACKGROUND

A third party operational review was conducted on the Procurement department and subsequent processes in 2010 identifying potential improvements and efficiencies.

The 2013 Internal Audit Work Plan identified the Procurement Controls and Compliance Audit for completion during the first two (2) quarters of 2013.

Compliance audits are smaller in scope than operational audits and are designed to review and evaluate compliance with established policies and procedures as well as any relevant statutory and/or legal requirements.

Compliance audits are not designed to find operating efficiencies, process changes or best practice comparison opportunities.

REPORT

The Procurement department provides guidance, review and approval services to the organization for the purchase of goods and services as well as the issuance of requests for proposals, tenders and contracts.

The procurement controls and compliance audit involved staff interviews, documentation review and record sampling.

The audit consists of three components, Purchase Orders, Contract Award and Sole Sourcing.

Purchase Orders

The Purchase Order component of the audit was conducted to a random sampling of purchase orders from 2011, 2012 and 2013 that were greater than \$5,000. There were no (zero) non-compliance issues noted during this portion of the audit.

Concerns and recommendations were noted around data governance, policies/procedures and training. Refer to ATT-1: Procurement Controls and Compliance Audit Report.

Contract Award

This component of the audit consisted of reviewing a samplings of contracts greater than \$100,000, to review the process for posting for tender/RFP, awarding the contract and initiating the purchase order. There were no deficiencies or concerns noted during this component of the audit.

STAFF REPORT

Sole Sourcing

The sole sourcing component of the audit reviewed all current/active cases of sole sourcing. There were no (zero) deficiencies or concerns noted during this portion of the audit.

Conclusion

This audit provided an understanding of the purchasing services provided, and the processes associated with purchase requests, purchase orders, tenders, requests for proposals and contracts. The audit looked to validate that there is compliance with current controls and systems (such as the Purchasing By-law). Based on the staff interviews, data and documentation review there were no noncompliance issues noted within the procurement area

Recommendations have been made for policy and procedure development, system improvements through rules and data governance as well as reporting improvements to provide data analysis for continuous improvement.

These recommendations will better position the department to provide services to the organization efficiently and effectively.

CORPORATE STRATEGIC PLAN

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

2.3 Provide accountability, transparency and engagement

DEPARTMENTAL CONSULTATION

Procurement and Risk Management

COMMUNICATIONS

Finance and Enterprises and Procurement and Risk Management are aware that this report will be reviewed by the Audit Committee at its September meeting.

ATTACHMENTS

Appendix "A" – CAO-A-1307 –Internal Audit Final Report- Procurement Controls and Compliance

Appendix "B" – Management Response

STAFF REPORT



Report Author:

Katherine Gray

Supervisor, Service Performance & Development
Operations, Transit & Emergency Services
Katherine.gray@guelph.ca




Report Author

Loretta Alonzo

Internal Auditor

519-822-1260, ext. 2243

loretta.alonzo@guelph.ca



Approved By

Ann Pappert

Chief Administrative Officer

519-837-5602

ann.pappert@guelph.ca



APPENDIX "A" - CAO-A-1307

INTERNAL AUDIT REPORT

Procurement Controls and Compliance

Final Report

June 20, 2013

**Prepared by: Katherine Gray, Supervisor,
Service Performance and Development
Loretta Alonzo, Internal Auditor**

Table of Contents

EXECUTIVE SUMMARY.....	3
REVIEW OBJECTIVES	3
SCOPE	3
OUT OF SCOPE	3
KEY FINDINGS & RECOMMENDATIONS	3
BACKGROUND INFORMATION	4
REVIEW TEAM	5
METHODOLOGY	5
CURRENT ENVIRONMENT.....	5
ORGANIZATION CHART	7
PROCESS MAPPING.....	9
OPPORTUNITIES	10
CONCLUSION.....	10

Executive Summary

Review Objectives

1. Evaluate the internal controls related to the purchase of goods and services within the Corporation.
2. Assess the current level of compliance with the Procurement Bylaw and existing departmental policies and procedures.
3. Identify and investigate irregular or questionable transactions.

Scope

- All records selected for testing were for the years 2011-2013
- Review the contract award process, documentation and decisions
- Review purchase order requisitions and approvals
- Review single sourcing documentation and decisions
- Review administrative processes and systems

Out of Scope

- Local Boards and Agencies are not governed by the Corporate Purchasing By-law and are out of scope for this audit.
- Procurement processes within the departments
- City of Guelph Procurement By-Law
- Purchasing contracts, forms and templates

Key Findings & Recommendations

The audit consists of three components:

1. Purchase Orders-Requisitions
2. Contract Awards
3. Sole Sourcing

Purchase Orders

The Purchase Order component of the audit was conducted for a random sampling of purchase orders from 2011, 2012 and 2013 that were greater than \$5,000. Refer to Illustration 1: Sample Ranges

Criteria	Sample Size
<ul style="list-style-type: none">• >\$1,000,000• \$100,000 to \$999,999• \$50,000 to \$99,999• \$10,000 to \$49,000• \$5,000 to \$9,999	<ul style="list-style-type: none">• 100%• 20%• 15%• 2%• 2%

There were no deficiencies or non-conformance issues identified in this segment of the audit.

Controls appear to be effective and consistently applied. The diligence of the administrative function has significantly contributed to these robust controls.

Some areas of concern and opportunities for improvements were noted.

- **Concerns:**

- The lack of data governance. Example: Approvals for blanket purchase orders based on longer term contracts are not visible in the approval module of the program.
- A lack of knowledge of the policies, procedures and the corresponding formal training for staff creating and approving purchase orders within the departments.

- **Recommendations:**

- Rules within the system to ensure all approvals are visible within the system for validation. This will require IT to modify the system and should be prioritized.
- Creation of policies and procedures for staff preparing purchase requests/orders, change orders, tenders and RFPs to ensure standardization of data entry and full, accurate completion of all steps in the process.

Sole Sourcing

Sole Sourcing is the term used when goods or services are purchased from a particular supplier without solicitation of bids from other suppliers who can supply the same goods or services.

The sole sourcing component of the audit reviewed ALL current and active files.

There were no deficiencies or non-conformance issues identified in this segment of the audit.

Contract Awards

Where the cost of purchased goods or services will exceed \$20,000, the Purchasing By-law requires that a quotation, tender or request for proposal (RFP) be completed before a contract may be awarded.

This segment of the audit consisted of reviewing a random sample of all contracts greater than \$100,000 to evaluate the process, documentation and contract award decisions.

There were no deficiencies or non-conformance issues identified in this segment of the audit.

Background Information

In 2011, an independent consultant was retained to review the Procurement By-Law with the objective of identifying potential improvements that would streamline work flow and processes. Many of the recommendations from that review have been implemented and a working committee lead by the Legal department is currently reviewing the Procurement By-Law and all documents, contracts and forms with the objective of reducing risk to the City and bringing language up-to-date. That work is expected to be completed by the end of the year.

The 2013 Internal Audit Work Plan identified the Procurement Controls and Compliance Audit as due diligence to be completed in 2013.

The narrow scope of controls and compliance audits is designed to provide assurance that regulatory compliance is achieved and that internal controls are effectively safeguarding the City's assets. These audits are not intended to find operating efficiencies, process changes or best practice comparison opportunities.

Review Team

Loretta Alonzo, Internal Auditor
Katherine Gray, Supervisor Service Performance & Development
Suzanne Holder, Administrative Assistance

Methodology

The following research and analysis was undertaken for this review:

- Staff interviews
- Internal documentation review and testing
 - Purchase orders (sampling of all purchase orders greater than \$5,000)
 - Contract awards and all related documentation
 - Sole Source documentation
 - 2013 award memos
 - Purchasing by-law
- Process Mapping

Current Environment

The Procurement department provides guidance, review and approval services to the organization for the purchase of goods and services as well as the issuance of requests for proposals, tenders and contracts.

Currently there are five (5) personnel in the department with four (4) directly responsible for contract, request for proposal (RFP), tenders and purchase orders, as illustrated in the Organizational Chart section of this report.

All purchase orders greater than \$600 are reviewed by the Procurement department. This equates to an average of 8,800 purchase orders reviewed annually. Any change in price or quantity on a purchase order requires a change order which must also be reviewed and approved by Procurement staff.

Illustration 2: Purchase Orders >\$600 shows the number of purchase orders that have been reviewed and approved since January 1, 2011.

Illustration 3: Change Orders displays the number of change orders reviewed and processed by Procurement since January 2011.

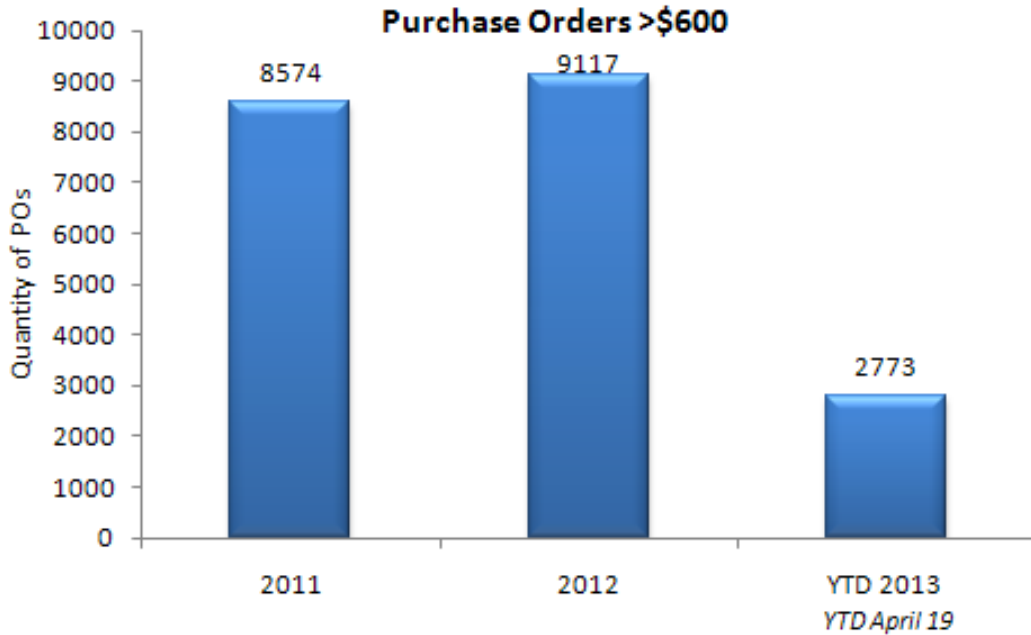


Illustration 2: Purchase Orders >\$600

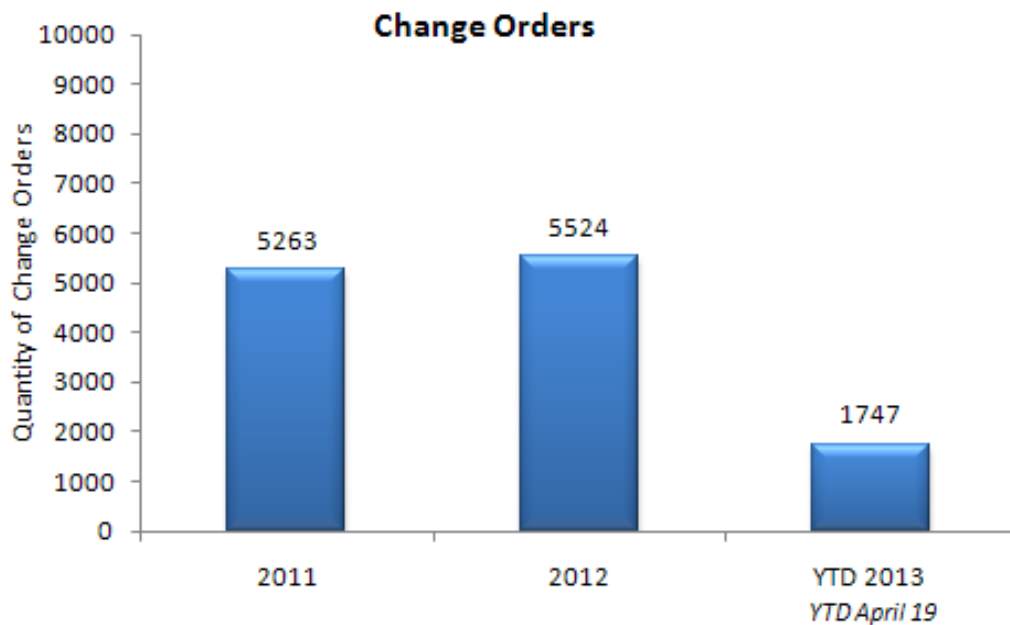


Illustration 3: Change Orders

For all purchases greater than \$20,000 and less than \$100,000, quotations, tenders or a request for proposal is required. If the purchase is greater than \$100,000 a tender or request for proposal is required.

On average, there are approximately 200 tenders or requests for proposals (RFPs) annually.

Procurement staff assist with the development of all tenders and RFPs. They further monitor, review and provide recommendations with respect to awarding these contracts.

Illustration 4: Tender/RFP/Contract depicts the number of tenders and RFPs that have been processed by the Procurement since January 1, 2011.

All procurement activity is governed by the Purchasing By-law (2009)-18777, with the exception of Polices Services and the Library, who are governed by their own boards.

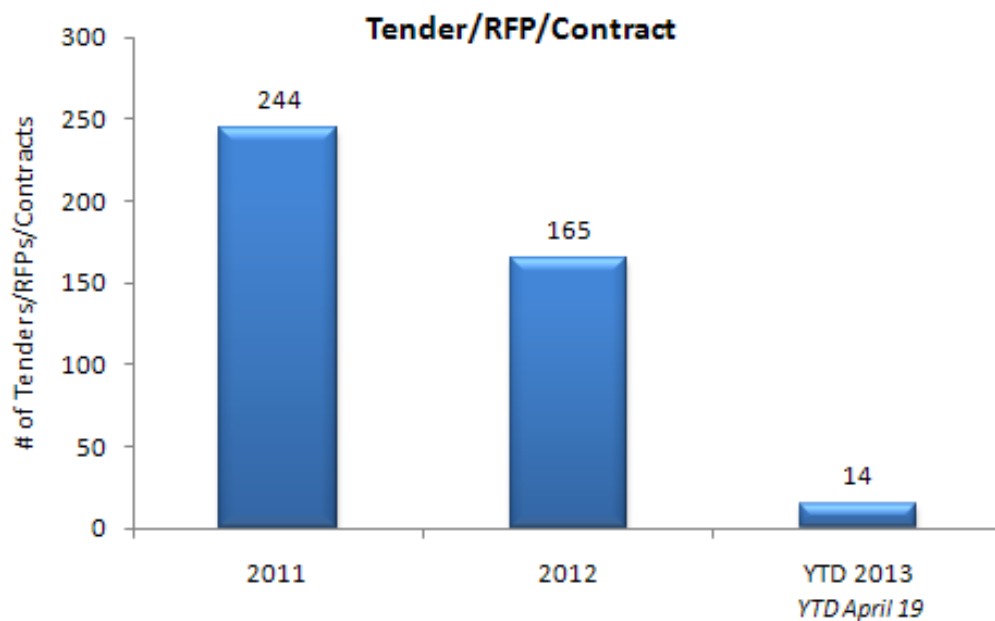
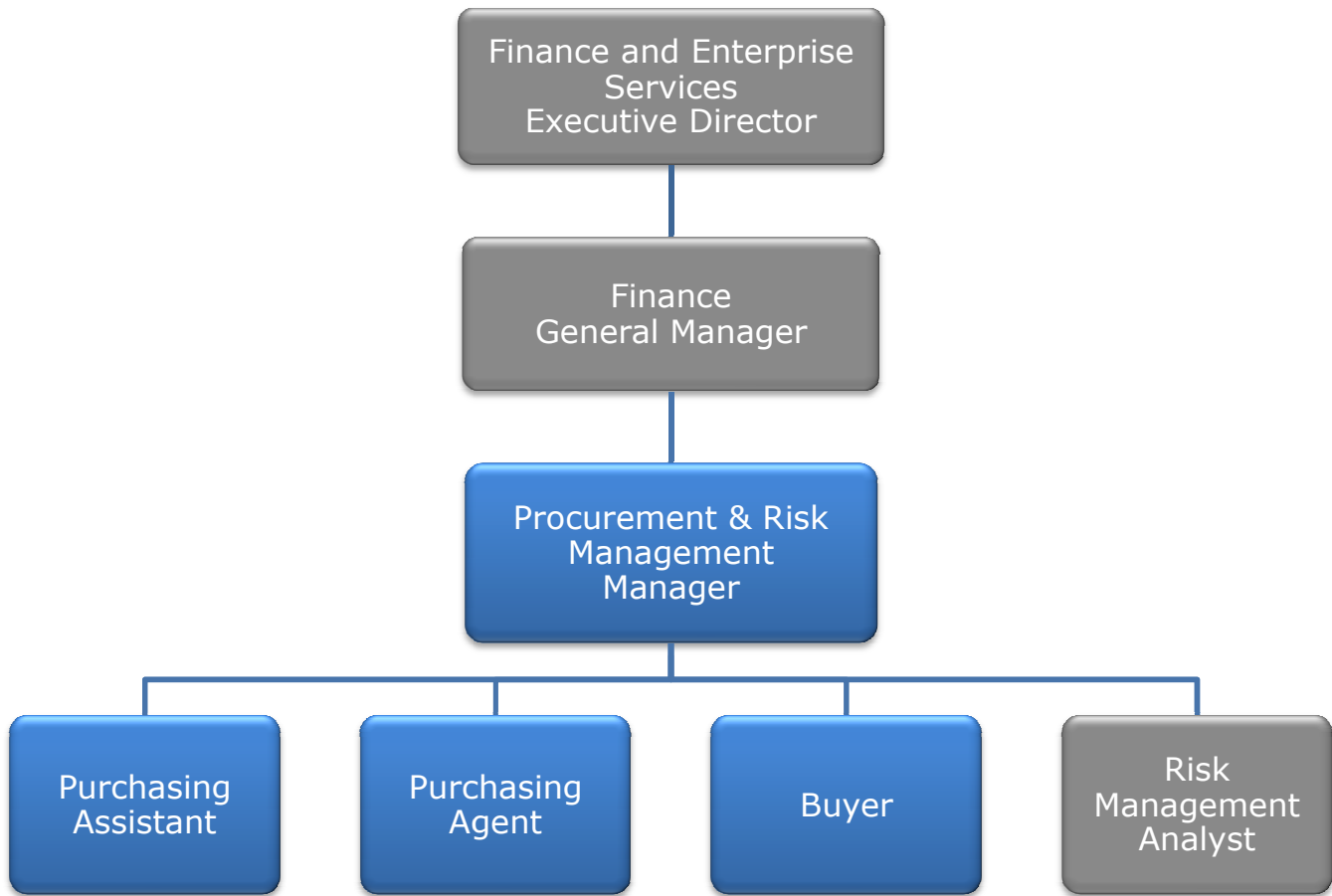


Illustration 4: Tender/RFP/Contract

Organization Chart



*Purchase request/
order and change
order review and
processing*

*Development, review,
monitoring and award
recommendation for
tenders/RFPs and
contracts*

*Development, review,
monitoring and award
recommendation for
tenders/RFPs and
contracts
Back up and coverage
for the Purchasing
Assistant for purchase
order processing*

*Insurance claims and
management –
outside of the scope of
this audit*

Process Mapping

Illustration 5: Purchase Process Flow depicts the process for issuance of purchase orders.

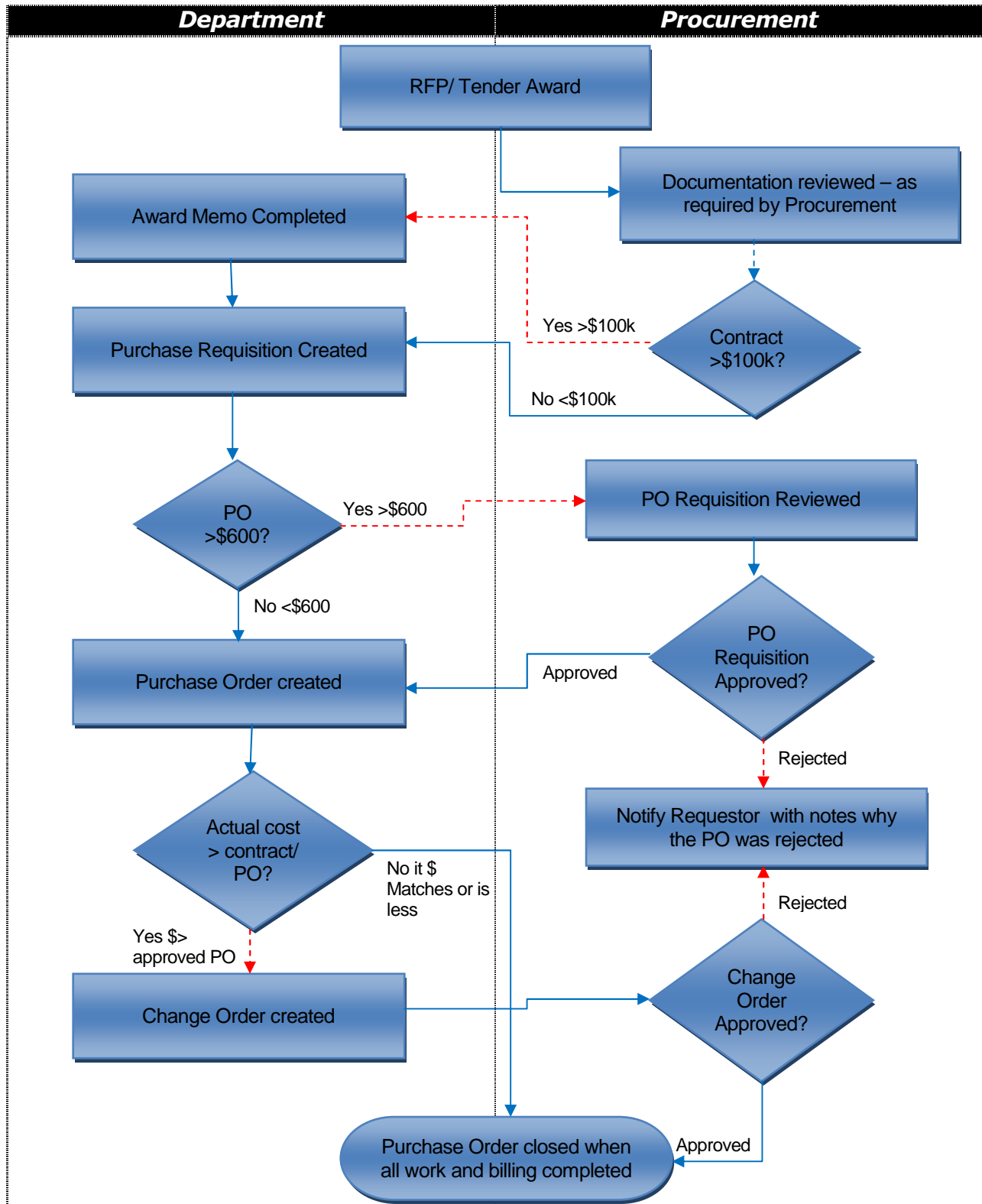


Illustration 5: Purchase Order Work Flow

Opportunities

Several opportunities for process and system improvements were identified during the audit.

- Improvements to the software programs to provide automation of approvals within the system. This would ensure only purchase requests and purchase orders that have been reviewed by the appropriate approval authority are forwarded to Procurement for processing. This would significantly reduce the degree of manual intervention currently required and reduce the risk of improper transactions getting through.
- Development of rules within the system to ensure only personnel with the appropriate approval limits can approve the purchase requests/orders and change orders. This would greatly reduce the work of staff who currently are expected to “catch” these discrepancies through manual processes.
 - Creation of a mandatory field in the purchase request and purchase order for department. This would improve reporting and analysis within Procurement.

Conclusion

Based on the staff interviews, data testing and documentation review there were no deficiencies or non-compliance issues identified through this audit.

Internal controls are effective resulting in a high degree of assurance and compliance. Administrative processes are highly manual and rely significantly on the diligence of the administrative staff to ensure that no improper transactions get through the system.

Recommendations have been made for policy and procedure development, system improvements through rules and data governance as well as reporting improvements to provide more robust data analysis for continuous improvement.

The work being undertaken to update the Procurement By-Law and related documentation will further enhance the effectiveness of the department.

INTERNAL MEMO



DATE July 05, 2013
TO **Loretta Alonzo**
FROM Bill Stewart
DIVISION Procurement / Risk Management
DEPARTMENT Finance & Enterprise
SUBJECT Procurement Audit

As a follow up to the 2013 recommendations highlighted as part of the internal audit of the procurement department, purchasing accepts the findings of the audit report and has prepared the following action plan. Although the purchasing department recognizes that some gaps have been identified and do exist, it also wishes to emphasize that this audit indicates that we are very strong in an open, honest and transparent process enforcing the Council approved purchasing by-law 2009-18777.

Recommendations 1:

- Rules within the system to ensure all approvals are visible within the system for validation. This will require IT to modify the system and should be prioritized.

Response 1:

- Purchasing met with IT on July 03, 2013 and reviewed the system functionality. The system has constraints that cannot easily be modified; Purchasing will work with IT to have this action completed. It is unclear as to the time it would take to complete at this time. The rules noted above are in relation to blanket purchase orders only, It should be noted that system functions correctly and appropriate signing authority is executed but just not shown visually in the system. It can be seen in the tables by IT if required but not to regular users.

Recommendations 2:

- Creation of policies and procedures for staff preparing purchase requests/orders, change orders, tenders and RFPs to ensure standardization of data entry and full, accurate completion of all steps in the process.

Response 2:

- A WAM procedures manual was created several years ago; purchasing uses this manual when we provide training to all employees. Training is provided upon request by the employee; the employee is also given a copy to take for their own use and reference. On July 03, 2013 the WAM instruction manual was loaded directly into the WAM system when an employee logs onto the system on the home screen a section titled "Company News" in this section there is a link "Training for the Purchasing Module", this link will open procedure's manual. It is also noted in the link if an employee requires training contact the purchasing dept. The purchasing by-law provides the purchasing dollar limits and the processes which must be followed depending on the dollar value.

Page 10 of the audit report list the following opportunities for system improvements,

- Improvements to the software programs to provide automation of approvals within the system. This would ensure only purchase requests and purchase orders that have been reviewed by the appropriate approval authority are forwarded to Procurement for processing. This would significantly reduce the degree of manual intervention currently required and reduce the risk of improper transactions getting through.
- Development of rules within the system to ensure only personnel with the appropriate approval limits can approve the purchase requests/orders and change orders. This would greatly reduce the work of staff who currently are expected to "catch" these discrepancies through manual processes.
 - Creation of a mandatory field in the purchase request and purchase order for department. This would improve reporting and analysis within Procurement.

Roughly 3 years ago Purchasing and IT undertook a project to upload in the system all WAM users with their authorized signing authority limit to enable automation with the approval routing process. During our testing procedures we ran into some difficulties and the process was halted. Purchasing discussed this issue again with IT on July 3rd, 2013 this initiative is going to be revisited.

There are several fields currently that are mandatory in the setup of a requisition and purchase order a review will be required to further include more fields if applicable.

The system has constraints that cannot easily be modified completely to fulfill some of the opportunities noted without the purchase of an enhanced security package to allow module by module security lockouts; this module is estimated to cost \$30,000 - \$40,000. IT has recommended using a consultant to review the current system and recommend a possible rebuild of security rights.

It should be noted that there could be a possible shift through the IT Strategic Plan integrating the purchase requisition/order function to JD Edward from WAM in late 2014 or 2015.



Bill Stewart

Manager of Procurement / Risk Management

C.C. Katrina Power, Al Horsman

STAFF REPORT



TO Audit Committee

SERVICE AREA Finance and Enterprise

DATE September 18, 2013

SUBJECT 2013 Audit Committee Interim Work Plan Status Report

REPORT NUMBER FIN-13-33

EXECUTIVE SUMMARY

PURPOSE OF REPORT

To provide Council with a mid-year update on the work completed by Audit Committee as of June 30, 2013.

KEY FINDINGS

The Audit Committee is tracking as expected against the 2013 work plan.

FINANCIAL IMPLICATIONS

There are no financial implications resulting from this report.

ACTION REQUIRED

That FIN-13-33 2013 Audit Committee Interim Work Plan Status Report be received.

RECOMMENDATION

That FIN-13-33 2013 Audit Committee Interim Work Plan Status Report be received.

BACKGROUND

Audit Committee approved a 2013 Annual Work Plan at the February 13, 2013 meeting in report FIN-13-03. This current report is a mid-year status update on the work completed by Audit Committee through June 30, 2013 with respect to this work plan.

REPORT

Attached to this report in Appendix 1 is the 2013 Interim Work Plan Status Report to provide Council with information on the work Audit Committee has completed during 2013.

STAFF REPORT



Highlights since February 13, 2013 include:

- The Committee has approved a 2013 work plan.
- The Committee received a presentation from Deloitte that outlined the external audit results of the 2012 Consolidated Financial Statement Audit and had the opportunity to meet with the auditor in a closed session without the presence of management.
- The Committee reviewed the City of Guelph's financial statements including those of the consolidated entities and recommended the 2012 consolidated financial statements to Council for approval.
- The Committee has approved the 2013 internal audit work plan.
- The Committee has received a report from internal audit regarding the outcome of the Commercial Vehicle Operator's Registration Fleet audit.

CORPORATE STRATEGIC PLAN

2.3 Ensure accountability, transparency and engagement

DEPARTMENTAL CONSULTATION

Internal Audit was consulted in the preparation of this report.

COMMUNICATIONS

None noted

ATTACHMENTS

ATT-1 Attachment 1 2013 Audit Committee Interim Work Plan Status Report

Report Author

Jade Surgeoner
Senior Corporate Analyst, Financial Reporting

"original signed by Katrina Power for"

"original signed by Al Horsman"

Approved By

Tara Baker
Manager, Financial Reporting
and Accounting

Recommended By

Albert Horsman
Executive Director Finance & Enterprise/CFO
519-822-1260 x5606
al.horsman@guelph.ca

REPORT FIN 13-33 DATED September 18, 2013

ATTACHMENT 1

Audit Committee - 2013 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 in November 2012 for the 2012 audit and expected to be completed in November 2013 for the 2013 audit.
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 12, 2013
Resolve any disagreements between management and the external auditors regarding financial reporting			•	None noted
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	•			Completed June 12, 2013
Ensure the timely presentation of the external auditor's annual audit report to Council	•			Completed June 12, 2013
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 12, 2013
Review the representation letter provided by management to the external auditors	•			Completed June 12, 2013
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 12, 2013
Recommend to Council the approval and distribution of the annual financial statements	•			Completed June 12, 2013 and approved by Council on June 24, 2013
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 12, 2013
Direct and review the performance evaluation process for the external auditor	•			Expected to be completed September 18, 2013
Recommend changes to the external auditor's compensation for Council approval			•	Not required in 2013 - Previous RFP has established Deloitte for term from 2010 - 2014
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			•	Not required in 2013 - Previous RFP has established Deloitte for term from 2010 - 2014
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			•	Not required in 2013 - Previous RFP has established Deloitte for term from 2010 - 2014

Compliance	Annual	Term	Need	Comments
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			●	Not currently identified as a need in 2013
Review the findings of any examinations by regulatory agencies and any auditor observations			●	Consistent with most large organizations, it is common to have ongoing regulatory reviews throughout the year. Any significant findings will be brought to Council's attention as soon as staff is aware of a situation.
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.			●	Will be addressed if the need arises - City Solicitor to present a semi-annual legal update planned to go to Audit Committee on September 18, 2013
Review the results of management's investigation and follow-up for any instances of non-compliance			●	Not currently identified as a need in 2013
Review the effectiveness of the system established to ensure compliance			●	Not currently identified as a need in 2013
Risk Management & Internal Control	Annual	Term	Need	Comments
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 12, 2013
Through the use of a risk management framework, assess the financial risks to be managed by the City and any change in significant financial risks.	●			In the Fall of 2012, Audit Committee members attended a Council workshop on developing an enterprise risk management (ERM) framework for the City and that further development of this framework will continue in 2013-2014. Phase 1 of the ERM was approved in Oct 2012 and implementation will occur during 2013. Phase 2 will be implemented in 2014.
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			●	Internal audit presented findings on the Commercial Vehicle Operator's Registration Fleet Audit in April 2013. One additional report to be presented at the September 18, 2013 Audit Committee meeting
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.			●	IT strat plan and new IT Governance Committee will be responsible for this review in the future.
Direct other risk management and internal control projects as identified and referred by Council			●	Will be addressed if the need arises. Nothing currently identified as a need in 2013

Internal Audit	Annual	Term	Need	Comments
Establish and review regularly the Internal Auditor Charter	●			Established in 2012, review expected November 2013
Review and approve the internal auditor annual work plan	●			Completed February 13, 2013
Monitor progress of the approved internal audit work plan	●			Expected to be presented to Audit Committee at the September 18, 2013 meeting
Reporting				
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.	●			Committee reported the final results of the 2012 audit committee work plan on February 13 and this current report satisfies the mid-year 2013 reporting
Provide an open avenue of communication between the external auditors and City Council	●			Completed June 12, 2013
Adequacy of the City's Resources				
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.
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.
Other				
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 in February 13, 2013
With Council approval, retain independent counsel, accountants, or others to advise the Committee or assist in the conduct of a review.			●	Not currently identified as a need in 2013
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 12, 2013
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.			●	Not currently identified as a need in 2013
Review mandate and make recommendations for change if any		●		The mandate was reviewed in early 2012. No items identified to date which require revision.
Financial literacy and training	●			Topic yet to be determined but staff developed training seminar expected to be delivered to Committee members in late Fall 2013. Propose that a workshop be conducted on using the Enterprise Risk Management Framework to develop a financial risk assessment that could be monitored and updated by the Committee beginning in 2014.
<p>Legend:</p> <p>Annual - Audit Committee to review each fiscal year</p> <p>Term - Audit Committee to review each term of Council</p>				

Need - Audit Committee to review when the need arises

STAFF REPORT



TO **Audit Committee**

SERVICE AREA CAO - Administration

DATE September 18, 2013

SUBJECT Internal Audit 2013 Work Plan Update

REPORT NUMBER CAO-A-1306

EXECUTIVE SUMMARY

PURPOSE OF REPORT

To provide the Audit Committee with a status update of the Internal Audit Work Plan for 2013 as required in the Internal Audit Charter for the City of Guelph.

KEY FINDINGS

N/A

FINANCIAL IMPLICATIONS

N/A

ACTION REQUIRED

Audit Committee to approve the Internal Audit 2013 Work Plan Update.

RECOMMENDATION

1. That the Audit Committee approve Report CAO-A-1306, Internal Audit Work Plan Update Report and Appendix "A" dated September 18, 2013.

BACKGROUND

The Internal Audit Annual Work Plan was approved by the Committee on February 13, 2013. The Internal Audit Charter requires the auditor to provide a status report on the annual work plan at least quarterly to the Audit Committee and to seek approval for any significant changes to the work plan.

REPORT

As of this date, the audit work plan is tracking about one month behind schedule.

STAFF REPORT



A number of major audits are currently in progress (Overtime, Corporate Communications) and two major audits have been completed to date (CVOR Fleet, Procurement/Purchasing). Several proposed audits have not been scoped or confirmed by the requesting service areas and as such, may have to be deferred to 2014 with the Committee's approval. In order to expand the level of work on the overtime audit it is proposed that a number of planned audits be moved to Q1 or Q2 2014. This will allow staff sufficient time to gather data and make sound recommendations.

The attached "**Appendix "A" – Report CAO-A-1306 Internal Audit Work Plan Update**" reports the current status of the entire approved work plan for 2013. Highlighted areas represent any work that may possibly be deferred to 2014 and new work that has been added.

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

ATTACHMENTS


Appendix A – Internal Audit Work Plan Update

STAFF REPORT



Report Author

Loretta Alonzo
Internal Auditor
519-822-1260, ext. 2243
loretta.alonzo@guelph.ca



Approved By

Ann Pappert
Chief Administrative Officer
519-837-5602
Ann.pappert@guelph.ca

APPENDIX "A" - REPORT CAO-A-1306 INTERNAL AUDIT WORK PLAN UPDATE

Areas shaded in blue are proposed deferrals or changes					
Areas shaded in green have been added as new work					
INTERNAL AUDIT					
	DEPT.	TYPE OF AUDIT	Length	TIMELINE	STATUS
Compliance Checklist Development (Phased over 2 years)	All	Compliance	4 weeks (2013 only)	Phased approach over 2 years	Tentative 2013 Legal is researching subject
CVOR – Fleet	OTES	Controls-Compliance	2 weeks	January	Completed
Communications	CHR	Operational	4 weeks	May	Phase 1 Needs Assessment in progress Defer Operational Audit to Q1 2014
Procurement	F&E	Controls-Compliance	4 weeks	March	Completed
Cash handling - Controls	All	Follow-up	2 weeks	June	In Progress
Policy Review: Corporate, Council, Financial, Admin	All	Comprehensive	6 weeks	Aug	Tentative 2013 Not scoped Require ET direction
Service Guelph	CSS	Operational	4 weeks	October	On schedule

Overtime	All	Controls – Efficiency	6 weeks	July	In Progress Extend duration to 12 weeks
Community Centres and Recreation Facilities	CSS	Value for Money Operational	4 weeks	Aug	Move to Q2 - 2014
Community Energy Program	F&E	Value for Money Operational	4 weeks	September	Move to Q2 – 2014 – New staff starting Aug 2013
Use of External Consultants	All	Value for Money Operational	3 weeks	October	To begin in November
Training and Education Program/Policy	All	Value for Money Operational	2 weeks	November	Moving to 2014 due to new HR policy-procedure
		<u>TOTAL</u>	<u>45 weeks</u>		
AD HOC					
Confidential Investigations	TBD		<u>6 weeks</u>	TBD	
RISK MANAGEMENT					
ERM development, training, workshops	All		1 week		Ongoing
Corporate Risk Register development, monitoring, reporting	All		2 weeks	2014	Move to Q1 2014

Long Term Care	CSS	Risk Assessment	3 days	October	Steering Committee requesting support
GMHI	FS	Risk Assessment	3 days	October	Board requesting support
Cemetery Project	Legal	Risk Assessment	2 days	June-Dec	Staff working group requesting support
Legislative Services	CHR	Risk Assessment	1 day	June	Complete
Inter-governmental and inter-agency agreements			2 weeks		Q2 2014
Open Air Burning Policy	EMS	Risk Assessment	1 day	May	Complete
Land Ambulance Performance Plan	EMS	Risk Assessment	3 days	November	Not scoped
		<u>TOTAL</u>	<u>38 days</u>		
CONSULTING					
Organizational Assessment	All		12 weeks	Jan-May	Phase 1 complete Actual I.A. time – 8 weeks
Efficiency Target – Business Process Improvement – Mapping(i.e. <u>Overtime analysis</u>)	All		4 weeks	Throughout 2013	DRLT In Progress
Joint Operational Review PBEE – Advisory Committee	PBEE			As Required	Complete
Confidentiality Policy; information flow, Clerks, CAO By-law, Privacy	All		1 week		Q1 2014
Corporate Delegation	All		2 weeks	September	Not scoped

of Authority – Full Corporate Scoping					
		<u>TOTAL</u>	<u>19</u> <u>weeks</u>		

STAFF REPORT



TO Audit Committee

SERVICE AREA Legal and Realty Services
Corporate and Human Resources

DATE September 18, 2013

SUBJECT Litigation Status Report

REPORT NUMBER CHR-2013-44

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 2013. The number of matters, excluding insured matters, being handled by external legal counsel has remained the same in 2013.

FINANCIAL IMPLICATIONS

N/A

ACTION REQUIRED

Receive

RECOMMENDATION

That the report of Legal and Realty Services regarding the status of City litigation dated September 18, 2013 be received.

BACKGROUND

Legal and Realty 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 March, 2013.

STAFF REPORT



There continues to be a significant amount of OMB work, in all areas - policy, development applications and Committee of Adjustment. To effectively address this issue, LRS has recruited an additional planning lawyer on a renewable one year contract to assist with OMB work and planning policy issues. In addition, to deal with the substantial increase in development work and to provide more assistance to City staff earlier in the development application process, the previous position of Manager of Realty Services has been replaced with an Associate Lawyer – Real Estate and Development as of June, 2013. It is anticipated that the addition of more specialized legal services staff will allow the municipality to effectively handle the increase in volume of planning and development matters resulting from the continued growth and maturity of the City.

LRS 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

ATTACHMENTS

Litigation Status Report as of August 29, 2013

“original signed by Donna Jaques”

Prepared By

Donna Jaques
General Manager, Legal & Realty
Services/City Solicitor
X 2288
donna.jaques@guelph.ca

“original signed by Mark Amorosi”

Submitted By

Mark Amorosi
Executive Director, Corporate & Human
Resources
x 2281
mark.amorosi@guelph.ca

**LITIGATION STATUS REPORT
As of August 29, 2013**

COURT ACTIONS				
Matter	Description	History	Current Status	Counsel
Urbacon Buildings Group Corp. v. City of Guelph Ontario Superior Court of Justice Court File No. 866/08 (main action)	<ul style="list-style-type: none"> On September 19, 2008, the City terminated the contract of Urbacon for the construction of City Hall and the POA Court. Urbacon commenced a claim against the City seeking damages in the amount of \$12,164,181.71 (this being the amount of the construction lien registered against the new City Hall property on September 26, 2008) and damages for alleged delay, loss of revenue and profits, unjust enrichment, punitive and other damages of \$7,000,000.00. City served a Statement of Defence and Counterclaim seeking \$5,000,000 in damages for breach of contract. 	<ul style="list-style-type: none"> October 9, 2008 – Served with Statement of Claim October 29, 2008 – City's Statement of Defence and Counterclaim served on Urbacon October 8, 2010 to January 25, 2012 –Case Management Supervision meetings held approximately every six months August, 2011 – Final examinations for Discovery completed May 28, 2012 – case supervision meeting held September 20 and 21, 2012 – mediation held November 20, 2012 – case supervision meeting held Trial on the issue of liability commenced January 22, 2013 for 5 weeks and resumed March 11, 2013 for 3 weeks. 	<ul style="list-style-type: none"> Procedural motion in writing regarding evidence to be decided after September 5, 2013 Parties to make written submissions on evidence and law following decision on procedural motions Trial Management Conference to be held October 7, 2013 	Simpson Wigle
Subcontractors Construction Lien Claims	<ul style="list-style-type: none"> Subcontractors to Urbacon who were not paid registered liens against City land and commenced actions to recover the money owed. These claims were reviewed by a vetting committee. The court ordered the City pay into court \$3.2 million representing the minimum holdback amount the City is required to have. 	<ul style="list-style-type: none"> July 19, 2010 – Order for the partial distribution of holdback money to subcontractors. January 3, 2012 – Order for payment of holdback money to Swan 	<ul style="list-style-type: none"> Case managed along with the main action 	Simpson Wigle
City of Guelph v. Urbacon Buildings Group Corp. Ontario Superior Court of Justice Court File No. 705/09	<ul style="list-style-type: none"> Subsequent to the termination of Urbacon's contract, the City directly paid 19 subcontractors money they were owed by Urbacon, for a total amount of \$4,825.807.92. On August 21, 2009, the City commenced an action against Urbacon to recover this and other expenses 	<ul style="list-style-type: none"> Urbacon has defended this proceeding. 	<ul style="list-style-type: none"> Case managed and tried along with the main action 	Simpson Wigle
City of Guelph v. Aviva Insurance Company of Canada	<ul style="list-style-type: none"> Following the termination of Urbacon, the City made a claim against the performance bond issued by Aviva. Aviva refused to 	<ul style="list-style-type: none"> November 20, 2008 – City served Statement of Claim on Aviva January 13, 2009 – 	<ul style="list-style-type: none"> Case managed along with the main action. 	Simpson Wigle

**LITIGATION STATUS REPORT
As of August 29, 2013**

COURT ACTIONS				
Matter	Description	History	Current Status	Counsel
City of Guelph v. Aviva Ontario Superior Court of Justice Court File No. 1002/08	acknowledge its obligations	Statement of Defence of Aviva was received		
City of Guelph v. Moriyama & Teshima Architects Ontario Superior Court of Justice Court File No. 09-14746	<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> June 30, 2011 – Statement of Claim served on Defendants September 14, 2011 – Statement of Defence of MTA received 	<ul style="list-style-type: none"> Case managed along with the main action 	Simpson Wigle
Wm. J. Gies Construction Limited v. City of Guelph Ontario Superior Court of Justice Court File No. 342/99	<ul style="list-style-type: none"> Application for a declaration that Gies, the owner of the land at the southwest corner of Downey Road and the Hanlon Parkway, has prescriptive easements or rights-of-way over adjacent City owned lands. Related to an Ontario Municipal Board appeal on a zoning matter in which Gies is seeking approval for a 288 unit apartment development. 	<ul style="list-style-type: none"> April 27, 1999 – Application commenced by Gies May 12, 1999 – City responded January 26, 2006 – Cross-examination of City witnesses January 24, 2008 – Cross-examination of Gies witnesses 	<ul style="list-style-type: none"> No further steps taken by Applicant since January 24, 2008. City is taking steps to have the matter discontinued 	Legal Services
Wm. J. Gies Construction Limited v. City of Guelph Ontario Superior Court of Justice Court File No. 1234/99	<ul style="list-style-type: none"> Application under section 298 of the former Municipal Act (the provision was repealed by Bill 130) which provided that a road closing by-law may not be passed if it would deprive a person access to the person's land. Relate to By-law (1971)-7810 a by-law to close parts of Kortright Road (now Downey Road) Same property as above 	<ul style="list-style-type: none"> October 25, 1999 – Notice of Application by Gies October 27, 2000 – Notice of Appearance by City 	<ul style="list-style-type: none"> No further steps taken by Applicant City is taking steps to have the matter discontinued 	Legal Services
Wyndham Corporate Centre Inc. v. City of Guelph Ontario Superior Court of Justice Court File No. CV 09 09638600	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> September 29, 2009 – City served with Statement of Claim October 15, 2010 - City served Statement of Defence 	<ul style="list-style-type: none"> City attempting to move the matter forward – making application to court for a status notice to be sent to Plaintiff 	Legal Services
1266304 et al. v. City of Guelph Ontario Superior Court of Justice Court File No. 90/10	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> February 8, 2010 – City served with Statement of Claim March 10, 2010 – City's Statement of Defence served November 8, 2010 – Summary Judgment motion brought by the City heard – not successful 	<ul style="list-style-type: none"> City's undertakings being completed Schedule submitted to Court August 15, 2013 Motion re statutory interpretation - January 6, 2014 Assignment Court - April 28, 2014 	Aird & Berlis

**LITIGATION STATUS REPORT
As of August 29, 2013**

COURT ACTIONS				
Matter	Description	History	Current Status	Counsel
1266304 et al. v. City of Guelph		<ul style="list-style-type: none"> • January 17, 2011 – City Motion for leave to Appeal heard - not successful • July 6, 2012 – mediation held • January 23, 2013 – examination of City witness 	<ul style="list-style-type: none"> • Trial sittings – likely May – June, 2014 	
City of Guelph v. Terra-Alta Construction Ltd. & Braun Consulting Engineers Ltd.	<ul style="list-style-type: none"> • Action commenced by the City against Terra-Alta and Braun for damages in the amount of \$150,000 relating to deficiencies in the construction of the water and wastewater services in the Pine Meadows subdivision. • Further issues with other locations were discovered after the commencement of the action, which caused the City to increase its claim for damages to \$500,000. 	<ul style="list-style-type: none"> • April 21, 2011 – City issued Statement of Claim • November 1, 2011 – Pleadings complete. Braun and Terra-Alta cross-claimed against each other. Braun and Terra-Alta each issued a Third Party Claim against Naylor Engineering. • March 5, 2012 – City issued Amended Statement of Claim • June 21, 2012 – Amended Statement of Defence and Crossclaim of Terra Alta served on city • December 21, 2012 – Terra-Alta filed for Bankruptcy • February 1, 2013 - City's Proof of Claim filed with the Trustee 	<ul style="list-style-type: none"> • August 9, 2013 – Timetable established 	Legal Services
Galatianos v. City of Guelph and R. Reynen Ontario Superior Court of Justice Court File No. 464/11	<ul style="list-style-type: none"> • 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 • 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. 	<ul style="list-style-type: none"> • June 21, 2011 – Statement of Claim served on City • July 19, 2011 – City served and filed its Statement of Defence • December 6, 2011 – Amended Statement of Claim served on City • Examinations for Discovery held June 28, 2012 • City's discovery undertakings complete as of August 1, 2012 • Plaintiff's undertakings complete as of August 30, 2012 	<ul style="list-style-type: none"> • City waiting for pre-trial conference to be scheduled • Matter is being transferred to Small Claims Court 	Legal Services
Stewart v. City of Guelph	<ul style="list-style-type: none"> • Application commenced by Stewart for an injunction to 	<ul style="list-style-type: none"> • May 6, 2013 – Notice of Application and 	<ul style="list-style-type: none"> • June 27, 2013 – City served with 	Legal Services

**LITIGATION STATUS REPORT
As of August 29, 2013**

COURT ACTIONS				
Matter	Description	History	Current Status	Counsel
Stewart v. City of Guelph Ontario Superior Court of Justice Court File No. 350/13	prevent the City from doing any work on his land	Application Record served on City <ul style="list-style-type: none"> • May 27, 2013 – City's responding materials served and filed • June 18, 2013 – Application heard; Judge denied the application for an injunction (City was successful) 	Notice of Appeal	
Personal Insurance Co. v. City of Guelph Small Claims Court Court File No. 13-423	<ul style="list-style-type: none"> • Property Damage – July, 2011 	<ul style="list-style-type: none"> • June 14, 2013 – Plaintiff's claim served on City • June 28, 2013 – City filed Defence 	<ul style="list-style-type: none"> • September 25, 2013 – settlement conference scheduled 	Legal Services
Volaine v. City of Guelph Small Claims Court Court File No. 13-528	<ul style="list-style-type: none"> • Slip and Fall – August 19, 2012 	<ul style="list-style-type: none"> • July 18, 2013 – Plaintiff's claim served on City 	<ul style="list-style-type: none"> • Operating on a waiver of defence in an attempt to settle 	Legal Services
City v. Louws Ontario Superior Court of Justice Court File No. 485/13	<ul style="list-style-type: none"> • Application to quash an order declaring a mistrial at Provincial Offences Court 	<ul style="list-style-type: none"> • July 2, 2013 – City filed Notice of Application • August 9, 2013 – City served Application materials • August 26, 2013 – City received responding materials 	<ul style="list-style-type: none"> • October 21, 2013 – Application to be heard 	Legal Services
Davis v. City of Guelph Small Claims Court Court File No. 13-600	<ul style="list-style-type: none"> • Property Damage - June, 2013 	<ul style="list-style-type: none"> • August 9, 2013 – Plaintiff's Claim received by City • Amended Claim received August 20, 2013 	<ul style="list-style-type: none"> • City filed defence to Claim and Amended Claim August 24, 2013 	Legal Services

COURT ACTIONS RESOLVED SINCE MARCH 11, 2013				
Matter	Description	History	Current Status	Counsel
Kahro v. City of Guelph Small Claims Court Court File No. 12-745	<ul style="list-style-type: none"> • Action commenced by former employee alleging inappropriate notice period in termination of employment contract 	<ul style="list-style-type: none"> • December 3, 2012 – Plaintiff's Claim served on City • December 11, 2012 – City filed Defence • March 20, 2013 – Settlement Conference h 	<ul style="list-style-type: none"> • This matter is complete 	Legal Services

OMB MATTERS				
Matter	Description	History	Current Status	Counsel
580 Paisley Road – Armel Corporation Case No. MM080050	<ul style="list-style-type: none"> • 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. 	<ul style="list-style-type: none"> • October 1, 2008 – Appeal received 	<ul style="list-style-type: none"> • Matter in abeyance pending the completion of the Environmental Assessment of Silvercreek Parkway South 	Legal Services

**LITIGATION STATUS REPORT
As of August 29, 2013**

OMB MATTERS

Matter	Description	History	Current Status	Counsel
OPA 42 (15 Appeals) Case No. PL110278	<ul style="list-style-type: none"> 15 appeals relating to various aspects of Official Plan Amendment No. 42 (Natural Heritage Strategy) 	<ul style="list-style-type: none"> July 6, 2011 – prehearing conference held; November 18, 2011 – 2nd prehearing conference held April 13, 2012 – settlement hearing held April 27, 2012 – prehearing conference held June 7, 2012 – motion by Garibaldi Holdings Ltd. for party status – granted by decision issued June 26, 2012 November 13 & 14, 2012 - Prehearing conference held March 18-20, 2013 – prehearing conference and settlement hearings held Prehearing and further settlements hearings held July 22, 2013 Final Procedural Order has been filed 	<ul style="list-style-type: none"> Parties are finalizing the issues for Phase 1 further prehearing for Phase 2 scheduled for January 21, 2014 hearing dates for Phase 1 scheduled for March 24-April 17 and June 2-6, 2014 	Legal Services Garrod Pickfield
716 Gordon Street Case No. PL111340	<ul style="list-style-type: none"> Appeal by Adobe Varsity Living re applications for OP amendment and zoning by-law amendment to permit development of apartment building designed for students 	<ul style="list-style-type: none"> December 12, 2011 – Appeals received December 23, 2011 – municipal submission form and accompanying documents filed with OMB April 19, 2012 – Prehearing held July 13, 2012 – continuation of prehearing September 10, 2012 – hearing commenced (3 weeks) October 3, 2012 – hearing concluded Decision received April 24, 2013 August 29-30, 2013 – hearing scheduled and subsequently cancelled 	<ul style="list-style-type: none"> Final issues relating to Zoning By-law and Official Plan Amendments arising from the hearing have been resolved between all three parties by agreement and a final Board order is expected. 	Legal Services Garrod Pickfield
553 Edinburgh Road Case No. PL120169	<ul style="list-style-type: none"> Appeal by Narain Sambhwani of a Committee of Adjustment decision for minor variances, including variance from the Interim Control By-law (ICB) and 	<ul style="list-style-type: none"> January 30, 2012 – Appeal received February 24, 2012 – ICB no longer in effect March 5, 2012 – ICB 	<ul style="list-style-type: none"> September 13, 2013 – hearing scheduled 	Legal Services

**LITIGATION STATUS REPORT
As of August 29, 2013**

OMB MATTERS				
Matter	Description	History	Current Status	Counsel
553 Edinburgh Road	depth of required parking spaces, to allow accessory apartment	repealed • Hearing scheduled for May 15, 2013 – adjourned		
OPA 43 45 Yarmouth Street Case No, PL120723	<ul style="list-style-type: none"> • 6 appeals were originally received relating to various aspects of Official Plan Amendment No. 43 (Downtown Secondary Plan) • NOTE: The matter has been split into two sets of appeals – the first dealing exclusively with the appeal re property at 45 Yarmouth and the second dealing with the remaining appeals by 5 owners and tenants at 84-96 Wellington Street and 110 Wellington Street (see below) 	<ul style="list-style-type: none"> • June 20, 2012 – Appeals received • January 30, 2013 - Prehearing held • February 21, 2013 – hearing by teleconference held • Parties have established a list of issues and procedural order for this appeal 	<ul style="list-style-type: none"> • A verbal settlement has been reached and the parties are discussing draft minutes of settlement. • November 18-22, 2013 – hearing scheduled 	Legal Services
OPA 43 (5 Appeals) 84-96 Wellington Street and 110 Wellington Street Case No. PL120723	<ul style="list-style-type: none"> • 6 appeals were originally received relating to various aspects of Official Plan Amendment No. 43 (Downtown Secondary Plan) • NOTE: The matter has been split into two sets of appeals – the first dealing exclusively with the appeal re property at 45 Yarmouth (see above) and the second dealing with the remaining appeals by 5 owners and tenants at 84-96 Wellington Street and 110 Wellington Street 	<ul style="list-style-type: none"> • June 20, 2012 – Appeals received • January 30, 2013 - Prehearing held • April 18, 2013 – teleconference held to address Issues List for Riverfront Appeals • May 2, 2013 - Revised issues list circulated to the parties as directed by the Board • June 18, 2013 – pre-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"> • Procedural Order and Issues List to be finalized by August 30, 2013 	Legal Services
1159 Victoria Road South Case No. PL121406	<ul style="list-style-type: none"> • Appeals by Victoria Park Village Ltd. regarding failure to make a decision with the prescribed time 	<ul style="list-style-type: none"> • November 29, 2012 – Appeal received • May 14, 2013 – Prehearing held • June 28, 2013 – Prehearing held 	<ul style="list-style-type: none"> • September 18, 2013 – prehearing conference scheduled • November 5-8, 12-15 and 18-19, 2013 – hearing scheduled 	Garrod Pickfield Legal Services
OPA 48 Case No. PL130464	<ul style="list-style-type: none"> • Appeal by Abode Varsity Living from failure of the Minister of Municipal Affairs and Housing to issue a notice of decision approving the City of Guelph's Official Plan Amendment 48 within 180 days 	<ul style="list-style-type: none"> • April 26, 2013 – Appeal received • Parties are in discussions to attempt to resolve 	<ul style="list-style-type: none"> • December 2, 2013 - hearing scheduled 	Garrod Pickfield Legal Services
28 Rodgers Road Case No. PL130644	<ul style="list-style-type: none"> • Appeal by Z. Pawelec of a decision of the Committee of Adjustment for a minor variance 	<ul style="list-style-type: none"> • June 3, 2013 – Appeal received 	<ul style="list-style-type: none"> • September 24, 2013 – hearing scheduled 	Legal Services

**LITIGATION STATUS REPORT
As of August 29, 2013**

OMB MATTERS				
Matter	Description	History	Current Status	Counsel
7 Crawford Case No. PL130736	<ul style="list-style-type: none"> Appeal by G. Fave et al of a Committee of Adjustment decision for a minor variance 	<ul style="list-style-type: none"> June 28, 2013 – Appeal received 	<ul style="list-style-type: none"> October 11, 2013 – hearing scheduled 	Legal Services

OMB MATTERS RESOLVED SINCE MARCH 11, 2013				
Matter	Description	History	Current Status	Counsel
Wm. J. Gies Construction Limited Southwest corner of Downey Rd. and Hanlon Pkwy	<ul style="list-style-type: none"> Long outstanding zoning appeals relating to the two court matters. 	<ul style="list-style-type: none"> Matter not currently being pursued by appellant File has been closed as abandoned 	<ul style="list-style-type: none"> This matter is complete 	Legal Services
402 Starwood Drive Case No. PL121422	<ul style="list-style-type: none"> Appeal by Lynn Schmakies of a Committee of Adjustment decision for minor variance 	<ul style="list-style-type: none"> December 18, 2012 – Appeal received March 4, 2013 – report to Council March 7, 2013 – hearing held March 13, 2013 – decision received dismissing the appeal 	<ul style="list-style-type: none"> This matter is complete 	Legal Services
1141 Paisley Road Case No. PL121421	<ul style="list-style-type: none"> Appeal by Silvercreek Guelph Developments Limited of Zoning By-law (2012) – 19496 	<ul style="list-style-type: none"> December 18, 2012 – Appeal received March 21, 2013 – Motion heard April 23, 2013 – appeal withdrawn 	<ul style="list-style-type: none"> This matter is complete 	Garrod Pickfield Legal Services
41 Reid Court Case No. PL 130112	<ul style="list-style-type: none"> Appeal by Vanco and Svetlana Stojonovski of a Committee of Adjustment decision for minor variance 	<ul style="list-style-type: none"> January 25, 2013 – Appeal received Parties successfully negotiated a settlement May 2, 2013 – hearing held Board order allowing the appeal in part subject to conditions set out in Minutes of Settlement 	<ul style="list-style-type: none"> This matter is complete 	Legal Services
692 Scottsdale Drive Case No. PL130113	<ul style="list-style-type: none"> Appeal by Wei Ji Liang of a Committee of Adjustment decision for minor variance 	<ul style="list-style-type: none"> February 1, 2013 – Appeal received Parties successfully negotiated a settlement May 2, 2013 – hearing held Board order allowing the appeal in part subject to conditions set out in Minutes of Settlement 	<ul style="list-style-type: none"> This matter is complete 	Legal Services
103 Lynch Circle Case No. PL130111	<ul style="list-style-type: none"> Appeal by Carol McCluskey of a Committee of Adjustment decision for minor variance 	<ul style="list-style-type: none"> January 16, 2013 – Appeal received May 13, 2013 – hearing held June 25, 2013 – Board order allowing part of the appeal 	<ul style="list-style-type: none"> This matter is complete 	Legal Services

**LITIGATION STATUS REPORT
As of August 29, 2013**

OMB MATTERS RESOLVED SINCE MARCH 11, 2013

Matter	Description	History	Current Status	Counsel
381-385 Elmira Road North Case No. PL100953	<ul style="list-style-type: none"> Appeal by the Ontario Dairy Herd Improvement Corporation from certain conditions requested by City staff and imposed by the Committee of Adjustment as part of its decision approving a minor variance to permit the establishment of a transportation depot for outdoor storage and light maintenance of school buses. The conditions from which the owner has appealed relate to compliance with a previously approved site plan for the property. 	<ul style="list-style-type: none"> January 5, 2011 – hearing scheduled – adjourned June 13, 2013 – appeal withdrawn by appellant 	<ul style="list-style-type: none"> This matter is complete 	Legal Services
130 Silvercreek Parkway North Case No. PL130462	<ul style="list-style-type: none"> Appeal to correct a decision of the Committee of Adjustment regarding terms of a lease with Penretail Management Ltd. 	<ul style="list-style-type: none"> May 1, 2013 – Appeal received June 5, 2013 - Settlement hearing held; settlement reached 	<ul style="list-style-type: none"> This matter is complete 	Legal Services
11 Starwood Drive Case No. PL121057	<ul style="list-style-type: none"> Appeals under sections 22(7), 34(1) and 51(34) Planning Act of Zoning By-law amendment application , Official Plan amendment application , and plan of subdivision application 	<ul style="list-style-type: none"> September 6, 2012 – Appeals received January 23, 2013 – prehearing held May 6-7, 2013 - Hearing held July 25, 2013 – decision received 	<ul style="list-style-type: none"> This matter is complete 	Legal Services
310 Cole Road Case No. PL130461	<ul style="list-style-type: none"> Appeal by Aaron and Janie Douma of the Committee of Adjustment decision refusing a minor variance for off street parking 	<ul style="list-style-type: none"> May 8, 2013 – Appeal Received July 8, 2013 – Council directed staff to attend in support of the staff supported condition only July 26, 2013 – hearing held 	<ul style="list-style-type: none"> This matter is complete 	Legal Services
180 Gordon Street Case No. PL120457	<ul style="list-style-type: none"> Appeal by Karen Balcom of Zoning By-law amendment and Official Plan Amendment for 180 Gordon Street 	<ul style="list-style-type: none"> April 18, 2012 – Appeal received November 5, 2012 – Prehearing held February 25-March 1 – hearing held Decision received May 14, 2013, approving the ZBL and OP amendments, with minor changes to the ZBL July 29, 2013 – Order of the Board received dismissing the appeal 	<ul style="list-style-type: none"> This matter is complete 	Legal Services

**LITIGATION STATUS REPORT
As of August 29, 2013**

OTHER MATTERS				
Matter	Description	History	Current Status	Counsel
Corporation of the City of Guelph v. Director, Ministry of the Environment Case No. 13-013	<ul style="list-style-type: none"> City is appealing to the Environmental Review Tribunal the issuance of Permit to Take Water number 5080-8TAKK2 to River Valley Developments Inc. 	<ul style="list-style-type: none"> February 12, 2013 – City filed an application for Leave to Appeal with the ERT 	<ul style="list-style-type: none"> Tribunal to render its decision within 30 days of the application being filed Parties agreed to an adjournment of the Leave proceedings to discuss whether the various issues can be resolved on a global basis. 	Garrod Pickfield Legal Services

OTHER MATTERS RESOLVED SINCE MARCH 11, 2013				
Matter	Description	History	Current Status	Counsel
Ministry of Labour v. City of Guelph Charges under the Occupational Health and Safety Act: Ontario Court of Justice	<ul style="list-style-type: none"> On April 27, 2010, the City of Guelph was charged with three offences under the Occupational Health and Safety Act ("OHSA"). The charges relate to the washroom building at the South End Community Park. The architect, L. Alan Grinham, and the engineer, Larry Argue (of Burnside consulting engineers) are each charged with one count under the OHSA. 	<ul style="list-style-type: none"> April 27, 2010 – Charges received January 11, March 29, 2011 – Pre-trial conferences held August 16, September 12, November 30, December 23, 2011 – Pre-trial conferences held February 13, 2012 – Trial began in POA court on preliminary limitations issue April 20, 2012 – decision released dismissing charges against architect and engineer, city to stand trial on charges May 28, 2012 – decision to dismiss against architect and engineer appealed by MOL August 20-23, August 27-29, 2012, September 17-19, 2012 – trial held 	<ul style="list-style-type: none"> February 12, 2013 – City acquitted of the charge laid by the Ministry of Labour – no appeal filed This matter is complete 	Gowlings

MATTERS BEING HANDLED BY INSURERS' LEGAL COUNSEL *				
Matter	Description	History	Current Status	Counsel
Buzbuzian v. City of Guelph Ontario Superior Court of Justice Court File No. 3813/02	<ul style="list-style-type: none"> Plaintiff purchased property based on it being zoned commercial, alleges the City misrepresented the correct zoning 	<ul style="list-style-type: none"> October 7, 2002 – Statement of Claim served on City December 3, 2002 – City filed Statement of Defence June 3, 2008 – Status Hearing held August 27, 2012 – assignment court 	<ul style="list-style-type: none"> Ongoing 	Insurers' legal counsel

**LITIGATION STATUS REPORT
As of August 29, 2013**

MATTERS BEING HANDLED BY INSURERS' LEGAL COUNSEL *				
Matter	Description	History	Current Status	Counsel
Buzbuzian v. City of Guelph		<ul style="list-style-type: none"> December 7, 2012 – meeting with counsel scheduled 		
Reed v. City of Guelph et al Ontario Superior Court of Justice Court File No. 612/08	<ul style="list-style-type: none"> Accident – May 24, 2007 	<ul style="list-style-type: none"> September 17, 2008 – Statement of Claim served on City 	<ul style="list-style-type: none"> Ongoing 	Insurers' legal counsel
Kempt v. City of Guelph Ontario Superior Court of Justice Court File No. 11398/09	<ul style="list-style-type: none"> Slip and Fall accident – September 17, 2007 	<ul style="list-style-type: none"> June 4, 2009 – Statement of Claim served on City 	<ul style="list-style-type: none"> Ongoing 	Insurers' legal counsel
Sharma v. City of Guelph et al Ontario Superior Court of Justice Court File No. 332/10	<ul style="list-style-type: none"> Motor Vehicle accident – May 7, 2008 	<ul style="list-style-type: none"> May 4, 2010 – Statement of Claim served on City 	<ul style="list-style-type: none"> Ongoing 	Insurers' legal counsel
Mitchell v. City of Guelph et al Ontario Superior Court of Justice Court File No. C-628-10	<ul style="list-style-type: none"> Motor Vehicle accident – June 16, 2009 	<ul style="list-style-type: none"> July 9, 2010 – Statement of Claim served on City 	<ul style="list-style-type: none"> Ongoing 	Insurers' legal counsel
Mcfadden v. City of Guelph et al Ontario Superior Court of Justice Court File No. 10-23820	<ul style="list-style-type: none"> Motor Vehicle accident – November 19, 2008 	<ul style="list-style-type: none"> November 16, 2010 – Statement of Claim served on City 	<ul style="list-style-type: none"> Ongoing 	Insurers' legal counsel
Linseman and Loewen v. City of Guelph and Guelph Transit Ontario Superior Court of Justice Court File No. CV-10-414425	<ul style="list-style-type: none"> Slip and Fall accident – December 11, 2008 	<ul style="list-style-type: none"> January 31, 2011 - Statement of Claim served on City 	<ul style="list-style-type: none"> Ongoing 	Insurers' legal counsel
Debono et al v. City of Guelph et al Ontario Superior Court of Justice Court File No. 749/10	<ul style="list-style-type: none"> Accident – June 16, 2009 	<ul style="list-style-type: none"> January 31, 2011 – Statement of Claim served on City 	<ul style="list-style-type: none"> Ongoing 	Insurers' legal counsel
Fruetel et al v. City of Guelph et al Ontario Superior Court of Justice Court File No. CV11-649	<ul style="list-style-type: none"> Accident – September 8, 2009 	<ul style="list-style-type: none"> September 12, 2011 – Statement of Claim served on City January 31, 2012 – City served Statement of Defence and Crossclaim 	<ul style="list-style-type: none"> Ongoing 	Insurers' legal counsel
Smith v. City of Guelph Ontario Superior Court of Justice Court File No. 94/12	<ul style="list-style-type: none"> Slip and Fall accident – March 15, 2011 	<ul style="list-style-type: none"> February 1, 2012 – Statement of Claim served on City March 13, 2012 – City served Statement of Defence May 2, 2013 – Examination for Discovery scheduled 	<ul style="list-style-type: none"> Ongoing 	Insurers' legal counsel

**LITIGATION STATUS REPORT
As of August 29, 2013**

MATTERS BEING HANDLED BY INSURERS' LEGAL COUNSEL *				
Matter	Description	History	Current Status	Counsel
Marshall v. City of Guelph and Drexler Construction Limited Ontario Superior Court of Justice CV-12-00455098	<ul style="list-style-type: none"> Property damage – July – October, 2010 	<ul style="list-style-type: none"> July 13, 2012 – Statement of Claim served on City August 16, 2012 – City served Statement of Defence and Crossclaim 	<ul style="list-style-type: none"> Defence of this matter has been assumed by Drexler 	Insurers' legal counsel
Costigan v. City of Guelph and J.G. Goetz Construction Ltd. Ontario Superior Court of Justice Court File No. 594/12	<ul style="list-style-type: none"> Slip and Fall accident – May 27, 2011 	<ul style="list-style-type: none"> August 15, 2012 – Statement of Claim served on City March 19, 2013 – Examination for Discovery 	<ul style="list-style-type: none"> Ongoing 	Insurers' legal counsel
Fitkowski et al v. City of Guelph and E&E Seegmiller Limited Ontario Superior Court of Justice Court File No. 663/12	<ul style="list-style-type: none"> Accident – September 24, 2010 	<ul style="list-style-type: none"> September 10, 2012 – Statement of Claim served on City. September 13, 2012 – City served Notice of Intent to Defend 	<ul style="list-style-type: none"> Ongoing 	Insurers' legal counsel
Celi v. Leonforde, Moylan, Culliton, Luna, Weersink and City of Guelph Ontario Superior Court of Justice Court File No. 512/12	<ul style="list-style-type: none"> Slip and fall – March 14, 2011 	<ul style="list-style-type: none"> November 27, 2012 – City added as a party and served with the Amended Statement of Claim December 7, 2012 – City served Statement of Defence and Crossclaim 	<ul style="list-style-type: none"> Ongoing 	Insurers' legal counsel
Jassal v. Hilcox and City of Guelph Ontario Superior Court of Justice Court File No. CV 10 2468	<ul style="list-style-type: none"> Accident – July 11, 2008 	<ul style="list-style-type: none"> November 27, 2012 – Motion to amend the Statement of Claim and add City as a party December 17, 2012 – City served with Amended Statement of Claim 	<ul style="list-style-type: none"> Ongoing 	Insurers' legal counsel
Perrie v. City of Guelph, Guelph Transit, J. Dixon and N. Anderson Ontario Superior Court of Justice Court File No. 921/12	<ul style="list-style-type: none"> Transit accident – June 1, 2012 	<ul style="list-style-type: none"> December 12, 2012 – Plaintiff's Claim served on City 	<ul style="list-style-type: none"> Ongoing 	Insurers' legal counsel
Nash v. City of Guelph, Guelph Transit, J. Dixon and N. Anderson Ontario Superior Court of Justice Court File No. 920/12	<ul style="list-style-type: none"> Transit accident – June 1, 2012 	<ul style="list-style-type: none"> December 12, 2012 – Plaintiff's Claim served on City 	<ul style="list-style-type: none"> Ongoing 	Insurers' legal counsel
Perozzo v. City of Guelph Ontario Superior Court of Justice Court File No. 924/12	<ul style="list-style-type: none"> Slip and fall accident - February 24, 2011 	<ul style="list-style-type: none"> December 14, 2012 – City served with Statement of Claim 	<ul style="list-style-type: none"> Ongoing 	Insurers' legal counsel

**LITIGATION STATUS REPORT
As of August 29, 2013**

MATTERS BEING HANDLED BY INSURERS' LEGAL COUNSEL *				
Matter	Description	History	Current Status	Counsel
Angelone v. City of Guelph Ontario Superior Court of Justice Court File No. 150/13	<ul style="list-style-type: none"> Slip and fall accident – February 24, 2011 	<ul style="list-style-type: none"> February 21, 2013 – City served with Statement of Claim February 28, 2013 – City served Notice of Intent to Defend 	<ul style="list-style-type: none"> Ongoing 	Insurers' legal counsel
Mercer v. City of Guelph et al Ontario Superior Court of Justice Court File No. CV 13 474008	<ul style="list-style-type: none"> Slip and fall accident February 26, 2011 and MVA April 1, 2011 	<ul style="list-style-type: none"> March 12, 2013 – City served with Statement of Claim 	<ul style="list-style-type: none"> Ongoing 	Insurers' legal counsel
Koeslag v. City of Guelph et al Ontario Superior Court of Justice Court File No. C-695-13	<ul style="list-style-type: none"> Accident – August 18, 2011 	<ul style="list-style-type: none"> August 15, 2013 – City served with Statement of Claim 	<ul style="list-style-type: none"> Ongoing 	Insurer's legal counsel
Shank v. City of Guelph Small Claims Court Court File No. 13-565	<ul style="list-style-type: none"> Transit Accident – November 26, 2011 	<ul style="list-style-type: none"> August 21, 2013 – Plaintiff's Claim received by the City 	<ul style="list-style-type: none"> 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 March 11, 2013				
Matter	Description	History	Current Status	Counsel
Hannah Max Enterprises Inc. v. Hira Custom Homes and Tvan Excavating Ltd. Ontario Superior Court of Justice Court File No. 516/10	<ul style="list-style-type: none"> Plaintiff sued builder for water in basement because of a leak in water service pipe under the driveway. Builder third partied the City for contribution/indemnity 	<ul style="list-style-type: none"> February 13, 2012 – Third Party Claim by Tvan Excavating Ltd. served on City March 12, 2013 – Motion for an order dismissing the claim against the City without costs – action dismissed as against the City 	<ul style="list-style-type: none"> This matter is complete 	Insurers' legal counsel
McWhinney v. City of Guelph Ontario Superior Court of Justice Court File No. 467/11	<ul style="list-style-type: none"> Slip and Fall accident – January 16, 2010 	<ul style="list-style-type: none"> June 21, 2011 – Statement of Claim served on City May 1, 2013 – Order dismissing the action against the City without costs 	<ul style="list-style-type: none"> This matter is complete 	Insurers' legal counsel
June Emily Mary Cops (Somma) v. City of Guelph Ontario Superior Court of Justice Court File No. 770/12	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> October 23, 2012 – City served with Statement of Claim June 4, 2013 – Order dismissing the action without costs 	<ul style="list-style-type: none"> This matter is complete 	Insurers' legal counsel
Schade v. City of Guelph, Bell Canada, Neumann and Powell Ontario Superior Court of Justice Court File No. 1586/12	<ul style="list-style-type: none"> Slip and Fall accident – November 19, 2010 	<ul style="list-style-type: none"> March 20, 2012 – Statement of Claim served on City March 22, 2012 – City served Notice of Intent to Defend 	<ul style="list-style-type: none"> This matter is complete 	Insurers' legal counsel

**LITIGATION STATUS REPORT
As of August 29, 2013**

INSURED MATTERS COMPLETE SINCE March 11, 2013				
Matter	Description	History	Current Status	Counsel
Schade v. City of Guelph		<ul style="list-style-type: none">• April 17, 2012 – City served Statement of Defence• June 24, 2013 – matter settled at no cost to the city		

STAFF REPORT



TO Audit Committee

SERVICE AREA Finance & Enterprise Services

DATE September 18, 2013

SUBJECT Outstanding Motions of the Audit Committee

REPORT NUMBER FIN-13-34

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 are continuing to plan work required to address outstanding motions previously passed by the Committee. In some cases, motions previously passed may no longer be of community interest or have the same level of priority, based on more recent events or circumstances.

Staff have reviewed all outstanding motions and are recommending that 6 outstanding motions be eliminated from the outstanding motion list as they have been completed or addressed through another means. A further 5 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. Expenditures for the 2013 programs are provided in the 2013 Budget.

ACTION REQUIRED

To be advised of the status/timing of all outstanding Audit Committee motions and to update the outstanding motion list by eliminating any motions no longer of priority to the Committee.

RECOMMENDATION

"That report FIN-13-34 dated September 18, 2013, regarding outstanding motions of the Audit Committee, be received; and

THAT the 6 motions marked as "Completed" or "Addressed", previously passed by the Audit Committee of Council, be removed from the outstanding motion list, based on reasons provided.

STAFF REPORT



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 decided to bring to each Committee of Council an update of all outstanding motions. 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. The current report is the first biannual report.

REPORT

Please find attached for information the outstanding motion list provided by Clerk's Department for the Audit Committee, including the status of the work and the timing, where available, for when the work may be completed.

It is recommended that those resolutions marked as "Addressed" or "Completed" be taken off the list for future reporting. Those resolutions marked as "On Hold" and "In Progress" are recommended to remain on the listing for future reporting and on-going status updates until they are completed.

Based on the attached schedule, staff consider 6 resolutions to be completed or addressed through other means and therefore should be taken off future reporting. Staff will continue working towards clearing the remaining 5 resolutions in future periods.

CORPORATE STRATEGIC PLAN

Innovation in Local Government

2.3 Ensure accountability, transparency and engagement.

DEPARTMENTAL CONSULTATION

CAO's Office, Internal Auditor

Corporate & Human Resources – Legal and Clerks departments

COMMUNICATIONS

N/A

ATTACHMENTS

Attachment 1: Audit Committee Outstanding Resolutions

"original signed by Al Horsman"

Approved and Recommended By

Al Horsman

Executive Director and CFO

Finance and Enterprise Services

519-822-1260 ext 5606

al.horsman@guelph.ca

AUDIT COMMITTEE OUTSTANDING ITEMS

Date	Resolution	Contact/Dept	Status
FINANCE AND ENTERPRISE SERVICES			
April 11, 2012 FIN-12-04 refers	THAT Report FIN-12-04 dated April 11, 2012, entitled "Preliminary Overview – PSAB 3260 – Liability for Contaminated Sites" be received; 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; AND THAT staff provide an annual status report to Audit Committee on the implementation of accounting standard PSAB 3260 - Liability for Contaminated Sites.	Finance (Jade)	In Progress: Due to staff turnover in both Engineering and Finance as well as changing corporate priorities, there was no capacity to move forward with this project in 2012 or early 2013. The Senior Corporate Analyst of Reporting position is now filled and this project is now active once again. This accounting standard is not being adopted until 2016 so there is no immediate risk related to the delay. Staff will have a status report for Audit Committee in November 2013.
November 14, 2011	That staff identify for Audit Committee in 2012, potential contaminated sites that may have implications under Section PS 3200, Liability for Contaminated Sites.	Finance (Jade)	Addressed: Staff brought forward report FIN-12-04 with an implementation strategy for the Accounting Standard PS 3200 Liability for Contaminated Sites. Providing Committee with a summary of contaminated sites is part of the implementation plan and will be provided once staff have completed a full review of all potential sites.
November 14, 2011	That staff ensure that the City requests stand alone audits, management letters and year end result presentations from all consolidated entities, no duplicating existing procedures.	Finance (Jade)	Completed: In response to this resolution, finance staff request these documents from all consolidated entities as part of the year end procedures. This has been completed for both the 2011 and 2012 financial statement review.
November 14, 2011	That staff report back on the status of entering into confidentiality agreements with the County of Wellington to allow an audit of CMSM related expenditures.	Finance	Addressed: City and County staff were unable to come to favorable terms of a confidentiality agreement and an audit of the CMSM related expenditures. A subsequent management decision was made to focus on development of shared program agreements with our CMSM partner to support free flow of information and input into certain decision making processes. The CMSM partner is audited annually as required by the Municipal Act and they meet all mandatory Ministry reporting requirements on the shared programs.
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 / CHR	In Progress: An update on the cash process review was provided to Audit Committee on June 7, 2011 where it was noted that the results of the review would be presented to the executive team. To date, due to finance staff turnover, these results have not been shared with the executive team. Finance expects to be able to present the results to Sr. Management by early 2014, including a priority matrix and implementation strategy. The Purchasing Policy and by-law are currently under review through a joint initiative between the legal and finance departments. It is expected that an updated policy and by-

AUDIT COMMITTEE OUTSTANDING ITEMS

Date	Resolution	Contact/Dept	Status
January 25, 2011 FIN-11-01	That the amended Audit Committee Mandate and Charter be further amended by adding: <ul style="list-style-type: none"> • Changing "the Chair shall vote on any motion" to "the Chair shall vote on all motions"; • Under Reporting Responsibilities: <i>"The report shall be prepared by the Committee Chair with input from staff and approved by Committee"</i> 	Finance (Tara)	law will be coming forward to Council in 2014. Completed: Mandate and Charter as posted on external web site include these amendments.
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 (Sarah)	On Hold: This resolution will be addressed upon a wholesome review of the debt management policy which is expected in 2014/2015.
July 5, 2010 FIN-10-20 refers	THAT the report of the Director of Finance dated July 5, 2010 and entitled 'Audit RFP', be received for information; AND THAT staff be directed to develop a policy to be considered by the Audit Committee with respect to an RFP process for the appointment of auditors.	Finance (Jade)	In Progress: The external audit contract is planned to go to tender in 2015 for the fiscal year ended 2015 Financial Statement audit. Finance will bring forward a policy to Audit Committee in 2014 that will direct the process of an RFP for the appointment of the auditors.
OFFICE OF THE CAO			
February 13, 2013	That the Internal Auditor be directed to discuss with management, value for dollar audits for consideration and report back to the Audit Committee in April 2013.	Internal Auditor	Completed: Report brought forward in April 2013 to Audit Committee addressing this resolution.
November 26, 2012	That the Organizational Assessment Option C be approved for 2013 and refer this to the 2013 budget process; AND THAT the matter of Service Rationalization be brought back for consideration for 2014, subsequent to the completion of the organizational assessment.	Internal Auditor	Addressed: At its meeting of December 5, 2012 Council approved a total of \$100,000 for staff to undertake an Organizational Assessment. The results of this assessment are schedule to be tabled with Governance Committee and Council in Q3 2013. The matter of a Service Rationalization will be brought forward for consideration as part of the 2014 Budget process.
CORPORATE AND HUMAN RESOURCES			
July 20, 2009	That the Director of Information Services/City Clerk be directed to report back to the Governance Committee on an amendment to the Procedural By-law on a process on moving forward to Council, matters that were unable to be resolved by the Standing Committees.	City Clerk	On Hold: Although there is a defined process in place to address this situation, it has not been included as part of the procedural by-law. Staff will review and consider if amending the by-law is required.