



Report to: General Committee

Meeting Date: December 16, 2020

SUBJECT: Province of Ontario Audit and Accountability Fund Intake 2
PREPARED BY: Joel Lustig, Treasurer ext. 4715

RECOMMENDATION:

- 1) THAT the report dated December 16, 2020 entitled “Province of Ontario Audit and Accountability Fund Intake 2” be received;
- 2) AND THAT staff be directed to apply for funding from the Provincial Audit and Accountability Fund for service delivery and modernization opportunity reviews:
 - a. Standardized Terms of Reference for studies supporting development application submissions
 - b. Comprehensive review and update of the Development Fee By-law
 - c. Implementation Plan for Expansion of the Administrative Monetary Penalties System;
- 3) AND FURTHER THAT staff be authorized and directed to do all things necessary to give effect to this resolution.

EXECUTIVE SUMMARY:

Not applicable

PURPOSE:

The purpose of the report is to obtain Council approval to apply for funding from the Provincial Audit and Accountability Fund Intake 2.

BACKGROUND:

On November 17th the Province of Ontario (Province) announced a second intake of the Provincial Audit and Accountability Fund to help large municipalities become more efficient, while delivering the services to residents and businesses that are relied upon every day.

Eligible municipalities can apply individually or collectively, with other eligible municipalities, to undertake independent third-party reviews.

Eligibility Criteria

The following are the three eligibility criteria for the program:

1. Review municipal service delivery expenditures to find efficiencies. The review project could take a number of forms including:
 - A line-by-line review of the municipality’s entire budget
 - A review of service delivery and modernization opportunities
 - A review of administrative processes to reduce costs

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2. Result in a final report by the independent third-party reviewer that provides specific and actionable recommendations for cost savings and improved efficiencies
 3. Be completed by October 15, 2021. Municipal applicants will be required to publicly post the independent third-party report that outlines the analysis, findings and actionable recommendations by October 15, 2021

Funded Costs

Only third-party service provider fees will be eligible. Municipal administrative costs, such as staff time, are not eligible.

The program will not cover review projects where:

- The object of the review project is to identify opportunities for revenue generation or reductions in front line services
- The review does not result in a formal report prepared by a third party
- The object of the review extends beyond municipal accountability

While there is no pre-set funding limit per project for the Provincial Audit and Accountability Fund Intake 2, the Province will evaluate each project proposal, the Province expects municipalities to submit a work plan or other documents to support their cost estimates. Projects will be reviewed on a case-by-case basis and funding amounts may depend on the available appropriation. Municipalities can submit more than one audit for consideration.

Priority Areas

The impacts of the COVID-19 pandemic are making it more important than ever that municipalities can deliver modern, efficient services that are financially sustainable. We encourage applicants to consider submitting proposals that support the following priorities:

- Digital modernization
- Service integration
- Streamlined development approvals

Application Process

The following are the application key milestone dates and actions:

December 18, 2020 - complete the Audit and Accountability Fund Expression of Interest Form along with:

- an outline of the project costs and timelines
- draft procurement documents
- project charters
- work plans, or other similar documents detailing the proposed project.
- council resolution in support of the project (if passed)

(Note: a resolution of council is not a requirement for the program)

February 2021 – Transfer Payment Agreement executed

October 15, 2021 – Final audit report submitted to the Province

The Province estimates that municipalities will receive a decision in February 2021.

**OPTIONS/ DISCUSSION:**

Staff have identified three potential service delivery and modernization opportunities that could be submitted to the Province for funding:

- a. Standardized Terms of Reference for studies supporting development application submissions (Development Services Commission)
- b. Comprehensive review and update of the Development Fee By-law (Development Services Commission)
- c. Implementation Plan for Expansion of the Administrative Monetary Penalties System (Corporate Services [Lead Commission], CAO Office, Development Services & Community & Fire Services Commissions)

Staff recommend the City submit an expression of interest to the Province for a service delivery and modernization opportunity review all of the initiatives above.

FINANCIAL CONSIDERATIONS

It is expected that audits will be fully funded by the Provincial Audit and Accountability Fund.

HUMAN RESOURCES CONSIDERATIONS

Not applicable

ALIGNMENT WITH STRATEGIC PRIORITIES:

Not applicable

BUSINESS UNITS CONSULTED AND AFFECTED:

Development Services Commission, Community and Fire Services Commission, and Corporate Services Commission

RECOMMENDED BY:

Trinela Cane
Commissioner, Corporate Services

ATTACHMENTS:

- Accountability Audit Fund Intake 2 letter dated November 17, 2020 from Minister Steve Clark detailing the audit opportunity
- Expression of Interest form:
 - Audit and Accountability Fund guidelines