



---

**TO:** GENERAL COMMITTEE

**SUBJECT:** ONTARIO AUDIT AND ACCOUNTABILITY FUNDING AGREEMENT

**WARD:** ALL

**PREPARED BY AND KEY CONTACT:** SARAH MACGREGOR, DIRECTOR OF INTERNAL AUDIT, EXT. 5452

**SUBMITTED BY:** SARAH MACGREGOR, DIRECTOR OF INTERNAL AUDIT

**GENERAL MANAGER APPROVAL:** N/A

**CHIEF ADMINISTRATIVE OFFICER APPROVAL:** M. PROWSE, CHIEF ADMINISTRATIVE OFFICER

---

### **RECOMMENDED MOTION**

1. That the Mayor and City Clerk be authorized to execute the Ontario Transfer Payment Agreement and any subsequent agreements related to the Audit and Accountability Fund.

### **PURPOSE & BACKGROUND**

2. The purpose of this report is to authorize the Mayor and City Clerk to execute the Ontario Payment Transfer Agreement and any subsequent agreements related to the Audit and Accountability Fund.
3. On June 24, 2019 City Council adopted motion 19-G-195 regarding the Provincial Government – Audit and Accountability Fund which authorized the City to apply for provincial funding in support of a third party review of the City's service delivery and modernization opportunities to be identified by the City's Executive Management Team.

### **ANALYSIS**

4. On May 12, 2019, the Province announced the creation of a \$7.35 million Audit and Accountability Fund for large urban municipalities and district school boards interested in conducting line by line reviews with the goal of identifying potential savings while protecting important front-line services.
5. On August 8, 2019, the City received notification that it was successful in its submission to the Province for funding up to \$200,000 towards an independent third party to conduct a review and deliver a final report to the City with specific and actionable recommendations for cost savings. A transfer payment agreement is required to obtain the funding from the Province for this work.
6. A final report from the independent third party must be completed by November 30, 2019 and posted publicly outlining the analysis, findings and actionable recommendations.
7. The Ontario Transfer Payment Agreement sets out a budget of up to \$200,000 in reimbursement for payments to an independent third party reviewer. After receipt of the report from the independent third party reviewer, the City must submit a final report to the Province setting out the actual expenditures for the third party review, including supporting documentation, and the percentage of the service delivery expenses reviewed under the project identified as potential cost savings which will be a performance measure for the project.

---

## **ENVIRONMENTAL MATTERS**

8. There are no environmental matters related to the recommendation.

## **ALTERNATIVES**

9. The following alternative is available for consideration by General Committee:

### **Alternative #1**

General Committee could choose not to authorize the Mayor and City Clerk to execute the Ontario Transfer Payment Agreement.

This alternative is not recommended as the City of Barrie will not receive the provincial funding without executing the Ontario Transfer Payment Agreement.

## **FINANCIAL**

10. The independent third party reviewer costs and the associated Audit and Accountability Funding to be received were not anticipated at the time the 2019 Operating Budget was prepared therefore they were not included. The net of costs to be incurred and provincial funding to be received is projected to be zero therefore it is expected there will be no impact to the City's operating results.

## **LINKAGE TO 2018–2022 STRATEGIC PLAN**

11. The recommendation included in this Staff Report supports the following goal identified in the 2018-2022 Strategic Plan:
- Offering Innovation and Citizen Driven Services
12. Assessing potential alternative models for the delivery of services will help the City find efficiencies and modernization opportunities which aligns with the goal of offering innovation and citizen driven services to make tax dollars go further.