

COUNCIL MEMBER'S MOTION ON NOTICE

8. Independent Auditor General Sub-Committee

Submitted by Councillor Hardwick

WHEREAS

1. On October 23, 2018, at the Standing Committee on City Finance and Services, Council unanimously voted in favour of a motion calling for the establishment of an Independent Auditor General Office for the City of Vancouver.
2. Paragraph B of Council's October 23, 2018 resolution ("Prior Resolution B") calls for the formation of a sub-committee of Council to direct the establishment and implementation of an Independent Auditor General Office for the City of Vancouver, including "directing the search for and appointment of an Auditor General, in consultation with, and based upon recommendations from such bodies as the Canadian Audit and Accountability Foundation (CAAF) as well as other relevant authorities that Council may deem appropriate (e.g., consultation with BC's Auditor General for Local Government, offices of Auditors General across Canada, etc.), and with support as required from the office of the City Manager or designate."
3. In order to implement Prior Resolution B, Council has three main options as follows:
 - a) implementation of a formal empowered sub-committee of Council (requiring a 2/3's vote of Council pursuant to Section 161 of the *Vancouver Charter*); or
 - b) a formal (but not empowered) committee (but only requiring a simple majority vote) pursuant to Section 159 of the *Vancouver Charter*); or
 - c) an informal working group not intended to constitute a committee (as was done for the Budget Committee).
4. On December 17, 2019, Council approved the City's 2020 Budget, including Paragraph P which directed that "\$500,000 be reserved and allocated from the Operating Budget or existent \$750,000 remainder from the 2019 "Innovation Fund", toward the establishment of an Auditor General's Office in 2020."
5. The City of Vancouver is a member of the Canadian Audit and Accountability Foundation, a not-for-profit organization dedicated to promoting and strengthening public sector performance audit, oversight, and accountability in Canada and abroad through research, education, and knowledge sharing.
6. The Canadian Audit and Accountability Foundation, as Canada's premier audit research and education foundation, has worked since 1980, with the support of its members and stakeholders, to assist all parties to the accountability relationship (i.e., oversight bodies, management, and the auditors who serve the accountability relationship) to improve the performance and accountability of public bodies, with resources, tools, and training to carry out their respective

responsibilities, and by providing a national focal point for knowledge sharing and networking that fosters Canada-wide collaboration and discussion on issues of mutual interest.

THEREFORE BE IT RESOLVED

- A. THAT the sub-committee of Council referenced in Prior Resolution B be created pursuant to Section 159 of the *Vancouver Charter*, and that its members be Councillors Bligh, Wiebe, and Hardwick (all of whom have indicated their willingness to serve on the sub-committee) and that it be called the “Municipal Auditor General Sub-Committee”.
- B. THAT the Terms of Reference for the Municipal Auditor General Sub-Committee be as follows:
- i) To freely consult with and seek recommendations, information, and advice from such bodies as the Canadian Audit and Accountability Foundation (CAAF), as well as other relevant authorities (e.g., consultation with BC’s Auditor General for Local Government, offices of Auditors General across Canada, etc.), including a pre- approved budget of up to \$50,000 to formally engage the CAAF as a consulting body to prepare draft Terms of Reference for, and operational recommendations specific to, the establishment of an Independent Auditor General Office in the City of Vancouver, with engagement of CAAF to be facilitated with support from the office of the City Manager or designate as per Prior Resolution B.
 - ii) To compile all recommendations, information, and advice received through the information-gathering process noted above and present its report to Council, along with recommendations for next steps in the larger process to establish an Independent Auditor General Office for the City of Vancouver, including, possible recommendations for converting the Municipal Auditor General Sub-Committee into a committee created pursuant to Section 161 of the *Vancouver Charter* so as to delegate specific powers to it and empowering it to implement such recommendations.
 - iii) That it complete its information gathering work and report back to Council by the end of March 2020 or earlier if feasible.
 - iv) That, aside from reporting back to Council and making recommendations, the Municipal Auditor General Sub-Committee not be delegated any executive or administrative powers and that it not be authorized to enter into any contracts or incur any expenditures, except for the formal engagement of the CAAF (as per (e) below) as a consulting body to prepare draft Terms of Reference for, and operational recommendations specific to, an Independent Auditor General Office for the City of Vancouver, without Council’s prior approval and consent (e.g., any additional expenditures that may be prudent and relevant to the information gathering process).

- v) That, the proposed agreement with CAAF be subject to compliance with the City's Procurement Policy, except as follows: Council now expressly authorizes the agreement with CAAF for an amount not to exceed \$50,000 (including all applicable taxes) provided the terms of the agreement are approved by the City Solicitor and the majority of the members of the Municipal Auditor General Sub-committee.

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