

Date: 2021-01-14

Subject: **Procurement Options to Retain a Third-Party Auditor to Undertake a Forensic Audit on Payment for the Cancellation of a Consulting Service Contract**

Contact: **Gina Rebancos, Director of Purchasing**

Report Number: Corporate Support Services-2021-114

Recommendations:

1. That the report titled: **Procurement options to retain a third-party auditor to undertake a forensic audit on payment for the cancellation of a consulting service contract (GC018-2020)**, to the Governance and Council Operations Committee Meeting of January 18, 2021, be received.

Overview:

- **At its meeting on November 23, 2020, the Governance and Council Operations Committee (GCOC) requested that staff report on procurement options to hire a third-party auditor to undertake a forensic audit with respect to how the decision was made to make payment for cancellation of the consulting service contract agreed to by Councillor Williams.**
- **This report provides details on the procurement options available.**

Background:

The GCOC, at its November 23, 2020 meeting, requested staff to report on a process of how a third-party auditor could be procured to undertake a forensic audit with respect to how the decision was made to make payment for cancellation of the consulting service contract agreed to by Councillor Williams.

Current Situation:

Below are the procurement options available:

1. A public competitive procurement will ensure cost effectiveness and a fair and transparent procurement process. This process will take approximately 70 days to complete.
2. Under Schedule D of the Purchasing By-law, professional services provided by licensed accountants are exempt from a procurement process (extract below). The GCOC may choose to appoint either KPMG (the City's external auditor who executes the annual financial statement audit); or any other accounting/audit/consulting firm from the City's list of pre-qualified vendors.

Schedule D of Purchasing By-law:

The following circumstances do not require a Procurement Process under Section 2.4 of this By-law. The purchasing and reporting methods described in this By-law do not apply to the following items –

9. Procurement of goods or services:

- (j) provided only by the following licensed professionals: medical doctors, dentists, nurses, pharmacists, veterinarians, accountants, land surveyors;*

Corporate Implications:

Financial Implications:

Costs incurred as a result of the review will be charged to General Government and funded from the General Rate Stabilization Reserve. The cost of engaging a third-party professional auditor to perform this review may exceed the cost of the cancellation payment.

Other Implications:

There are no other implications resulting from this report.

Strategic Plan:

This report supports our Strategic Plan's strong foundation of Good Government and the principles of accountability and transparency.

Conclusion:

This report provides the GCOC with the procurement options available to undertake a forensic audit with respect to how the decision was made to make payment for cancellation of the consulting services contract agreed to by Councillor Williams and seeks direction from the GCOC on the preferred procurement option.

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