

Finance, Administration and Audit Committee Report

DATE: Monday, March 04, 2019

WARD(S): ALL

TITLE: INTERNAL AUDIT REPORT – LEGAL SERVICES AUDIT

FROM:

Kevin Shapiro, Director of Internal Audit

ACTION: FOR INFORMATION

Purpose

To present to the Finance, Administration and Audit Committee the Internal Audit Report on the Audit of Legal Services.

Report Highlights

- The City Solicitor, acts as senior legal advisor to City Council, the Corporation of the City of Vaughan and Vaughan Public Libraries, and is responsible for both the Legal Services and Real Estate departments.
- The Legal Services department has gone through significant staffing changes over the past several years at the leadership level, legal counsel and clerical positions.
- Improvements are required to ensure risks related to the execution of Legal Services activities are efficiently and effectively mitigated, while better supporting the City's strategic plan and corporate initiatives.
- Management has developed action plans which will mitigate the identified risks and address the recommendations outlined in the report.
- Internal Audit will follow up with management and report on the status of management action plans at a future committee meeting.

Recommendations

1. That the Internal Audit Report on the Audit of Legal Services be received.

Background

The objective of the audit was to evaluate the adequacy and effectiveness of the internal controls, processes and procedures in place to mitigate the business risks associated with services provided by the Legal Services department.

The audit approach included a review of the strategic goals, objectives and oversight of the department, review of relevant policies and procedures, use of technology, and interviews with staff and management.

The audit scope included department related activities that occurred in January 2017 to December 2018.

The audit scope did not include a review of the Real Estate Department.

Previous Reports/Authority

Not applicable.

Analysis and Options

The City Solicitor, acts as senior legal advisor to City Council, the Corporation of the City of Vaughan and Vaughan Public Libraries, and is responsible for both the Legal Services and Real Estate departments. It is the mandate of the Office of the City Solicitor to provide a full range of timely, accurate, relevant and strategic legal and real estate services to advance corporate objectives, legislative compliance requirements, strategic initiatives, risk management and general administrative and operational needs, using best efforts to ensure that the corporation complies with applicable laws.

The Legal Services department uses both internal and external counsel to provide a range of legal services to the entire organization, including:

- Acting as general counsel to the organization.
- Providing legal advice and support in areas such as conducting real estate, corporate/commercial transactions and related negotiations, procurement, and land development.
- Providing legal counsel acting on the City's behalf in litigation, by-law prosecutions and administrative law matters.
- Drafting by-laws, contracts and agreements.

The Legal Services department strive to provide customer focused service excellence in a manner that is effective, collaborative, strategic and innovative.

Financial Impact

There are no direct economic impacts associated with this report.

Broader Regional Impacts/Considerations

Not applicable.

Conclusion

Improvements are required to ensure risks related to the execution of Legal Services activities are efficiently and effectively mitigated, while better supporting the City's strategic plan and corporate initiatives.

The Legal Services department has gone through significant staffing changes over the past several years at the leadership level, legal counsel and clerical positions. Both the City Solicitor and the Director, Legal Services roles are currently vacant. The majority of legal counsel staff have been in the role for less than one year, while additional positions remain vacant. Although the leadership vacancies and integration of new legal staff has created tremendous operational challenges for the department, it has also presented the City with the following opportunities:

- Reevaluating the strategic vision, mission, roles and responsibilities, and organizational placement of the department to better align with and to advance corporate objectives.
- Determining the optimal level of resources, staff complement and composition of the Legal Services department.
- Acquiring the appropriate tools and resources to improve department planning, business processes and service delivery.
- Establishing Key Performance Indicators (KPIs) to measure department performance.

For more information, please contact: Kevin Shapiro, Director of Internal Audit, ext. 8293

Attachments

1. Internal Audit Report – Legal Services Audit

Prepared by

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