

Audit Committee Report

DATE: Monday, November 24, 2025

WARD(S): ALL

TITLE: CONSULTING AND PROFESSIONAL SERVICES AUDIT

FROM:

Kevin Shapiro, Director of Internal Audit

ACTION: FOR INFORMATION

Purpose

To communicate the findings from the Consulting and Professional Services Audit.

Report Highlights

- From time to time, the City may require consulting and professional services for a defined service or project.
- Consulting and professional services are to be engaged in accordance with the City's Corporate Procurement Policy.
- In general, the audit did not find any evidence of non-compliance to corporate policies. However, improvements are recommended to ensure that risks related to the procurement and use of consultants are effectively and efficiently mitigated.
- Management has developed action plans which will mitigate the identified risks and address the recommendations outlined in the report.

Recommendations

1. That the Internal Audit Report on Consulting and Professional Services (Attachment 1) and Presentation Material (Attachment 2), be received.

Background

An audit of Consulting and Professional services was last conducted in 2020. That audit did not find any evidence of non-compliance to corporate policies. However,

improvements were recommended to ensure that risks related to the procurement and use of consultants are effectively and efficiently mitigated. The objective of this audit will focus on whether the actions that have been implemented have improved the City's processes.

The audit approach included a review of eleven capital consulting projects and major operating consulting expenditures. For these engagements, we reviewed the procurement process, project management, and contract administration. We also conducted interviews with staff, reviewed invoices and analyzed general ledger coding of consulting costs.

Although some projects originated in 2020, the scope of this audit covered capital and operating consulting engagements for the period of January 2023 to December 2024.

As a result of recent audits, Development Planning and MoveSmart Mobility Management Strategy were not included in the scope of this audit.

Previous Reports/Authority

[Internal Audit Report – Consulting Service Audit, May 20, 2020](#) (Committee of the Whole (2), Report 1, Item 4)

Analysis and Options

External consulting and professional services support many of the City's capital projects and operating needs. They provide expertise, equipment and infrastructure that are not available internally. Consultants may also satisfy legislative requirements for independent assessments.

Consulting and professional services may be procured using a number of methods, including a Request for Proposal (RFP) process, single and sole sourcing, and emergency procurement. The Corporate Procurement Policy outlines the appropriate procurement method based on the project requirements and scope.

Financial Impact

There are no direct economic impacts associated with this report.

Operational Impact

Management has assessed any operational impacts as part of their management action plan development and implementation.

Broader Regional Impacts/Considerations

Not applicable.

Conclusion

From time to time, the City may require consulting and professional services for a defined service or project. Consulting and professional services are to be engaged in accordance with the City's Corporate Procurement Policy. It is expected that the City receives the best value for money while demonstrating the public procurement principles of fairness, openness, transparency and accountability. Competitive procurement processes should be used wherever possible while ensuring that non-competitive procurement is used only in narrowly defined circumstances.

In general, the audit did not find any evidence of non-compliance with corporate policies. Although the 2020 Consulting and Professional Services audit recommendations have contributed to improvements in processes, further enhancements are recommended to ensure that risks related to the procurement and use of consultants are effectively and efficiently mitigated. The following opportunities were identified:

- Strengthen Business Case guidance and oversight.
- Enhance procedures and reporting of consulting and professional services.
- Improve system integration and automation through cross-departmental collaboration.
- Ensure that post-completion lessons learned and performance evaluations are completed and documented.

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

Attachments

1. Internal Audit Report – Consulting and Professional Services
2. Presentation Materials

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