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## **Audit and Accountability Fund – Submission of Expression of Interest to the Province Staff Report to Council**

Report Number: 2019-66

Department(s): Innovation and Strategic Initiatives

Author(s): Brett Morrow

Meeting Date: June 17, 2019

### **Recommendations**

1. That the report entitled “Audit and Accountability Fund – Submission of Expression of Interest to the Province” dated June 17, 2019 be received; and,
2. That Council directs staff to submit an Expression of Interest to the Province for funding through the Audit and Accountability Fund by June 30, 2019; and,
3. That Council supports the Provincial investment in municipalities to undertake expenditure reviews with the goal of finding service delivery efficiencies; and,
4. That Staff be authorized and directed to do all things necessary to give effect to this resolution.

### **Purpose**

The purpose of this report is for staff to obtain authorization and support from Council to submit an Expression of Interest to the Audit and Accountability Fund for funding to undertake expenditure reviews with the goal of finding service delivery efficiencies.

### **Background**

Council has recently approved its 2018-2022 Strategic Priorities with “Financial Sustainability” representing a central pillar of the strategy. As Newmarket was not eligible for funding under Ontario’s Municipal Modernization Payment Initiative (\$200

million to 405 Ontario municipalities) the Province has created the Audit and Accountability Fund for the larger urban municipalities in Ontario.

The Audit and Accountability Fund grant will fund 100% of project costs for eligible municipalities that plan to undertake third-party expenditure reviews with the goal of finding service delivery efficiencies.

## **Discussion**

### **Project Eligibility Criteria**

Municipalities must submit an Expression of Interest to the Province by June 30, 2019 that outlines the process, objective, and intended outcomes of the audit/review project. Below are the additional project eligibility criteria that all municipal audit/review projects must follow:

1. Review municipal service delivery expenditures to find efficiencies through one/combination of the following processes:
  - I. Line-by-line review of the entire municipal budget
  - II. A review of service delivery and modernization opportunities
  - III. A review of administrative processes to reduce costs
  - IV. The primary objective of the audit/review cannot be to identify revenue generation opportunities or extend beyond municipal accountability
2. Be undertaken by a third-party (internal administrative costs, such as staff time, are not eligible costs)
3. Result in a final report that provides specific and actionable recommendations for cost savings and approved efficiencies
4. Final report must be completed by November 30, 2019
5. Final report must be shared publically by November 30, 2019

## **Conclusion**

Staff will work towards developing an eligible project for submission of the Expression of Interest to the Province by June 30, 2019. Following submission of the Expression of Interest applicants are expected to be notified of their submitted project's funding status by "Summer 2019".

## **Business Plan and Strategic Plan Linkages**

This report supports the Town's Strategic Plan direction of "Well-Equipped and Managed" by ensuring efficient management of assets. This report also supports the Town's Strategic Plan direction of "Well-Planned and Connected" by planning and managing growth through long-term plans and strategies, supported by short-term plans.

## **Consultation**

Internal consultations through the Operational Leadership Team and Strategic Leadership Team have been underway to develop a project for submission. External consultations with other eligible York Region municipalities may also be undertaken.

## **Human Resource Considerations**

The recommendations in this report have no direct impact on staffing levels.

## **Budget Impact**

The projects funded through the Audit and Accountability Fund must have the primary objective of identifying and recommending options for service delivery efficiencies and/or expenditure reductions. As the audit/review project (if approved for funding) will be 100% funded by the Province there will be no direct budgetary impact for the Town.

## **Attachments**

None

## **Approval**

Esther Armchuk

Commissioner of Corporate Services

## **Contact**

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