



Town of Newmarket
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Audit and Accountability Fund Round 2 – Funding Update Staff Report to Council

Report Number: 2021-15

Department(s): Innovation and Strategic Initiatives

Author(s): Brett Morrow

Meeting Date: March 22, 2021

Recommendations

1. That the report entitled “Audit and Accountability Fund Round 2 –Funding Update” dated March 22, 2021 be received; and,
2. That Council supports the Audit and Accountability Fund grant funding; and,
3. That Staff be authorized to sign funding contracts and are directed to do all things necessary to give effect to this resolution.

Purpose

The purpose of this Staff Report is to obtain Council approval to execute the new Audit and Accountability Fund grant contract to support the Newmarket Digital Transformation Study Project.

Background

Council has approved its 2018-2022 Strategic Priorities with “Financial Sustainability” representing a central pillar of the strategy. The Province of Ontario created the Audit and Accountability Fund in 2019 which will fund 100% of project costs for eligible municipalities that plan to undertake third-party expenditure reviews with the goal of finding administrative and service delivery efficiencies

To advance objectives within the “Financial Sustainability” pillar staff applied to the Audit and Accountability Fund in December 2020 to request funding for a Newmarket Digital Transformation Project. On February 27, 2021 the Town was notified it was approved for up to \$300,000 in funding through the Audit and Accountability Fund.

Discussion

I. Audit and Accountability Fund

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 administrative and service delivery efficiencies. 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 October 15, 2021
5. Final report must be shared publically by October 15, 2021

II. Newmarket Digital Transformation Project

To continue to advance the opportunities identified through the REV-IT-UP report, The Town of Newmarket is planning to conduct a Digital Transformation Study of its administrative and service delivery processes in order to reduce costs and realize efficiencies through digitization opportunities. This Digital Transformation Study is advancing three initiatives that were identified as cost saving initiatives in Newmarket's 2019 Audit and Accountability Fund project ("REV-IT-UP" Report)¹.

This project will review internal & public-facing administrative and service delivery practices across Newmarket's Commissions to explore how digitizing priority areas/processes may enable cost savings. The recommendations should not result in involuntary job losses, and instead focus on efficiency and effectiveness improvements that result in cost savings.

¹ Digital Transformation Strategy, Organizational Review, and Technology Function Assessment

This study will begin with a Request For Proposal process to retain 3rd party consultants to conduct an environmental scan of the Town's current administrative and service delivery processes to identify priority areas that could be improved through digitization.

The consultant's objective will then be to produce digital transformation reports that provide turnkey operationalized plans to undertake digital transformations in each priority area/process. This final report will essentially create a "Newmarket Digital Transformation Strategy" that would provide operationalized implementation roadmaps for how to achieve digital transformations in the identified priority areas/processes through a continuous improvement process.

Conclusion

If approved, staff will execute the grant contract with the Province and begin the process of procuring a consultant to undertake the work for the Newmarket Digital Transformation Project.

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 conducted to develop this project for submission.

Human Resource Considerations

None.

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 Digital Transformation Project will be 100% funded by the Province there will be no direct budgetary impact for the Town.

Attachments

None.

Approval

Susan Chase, Director, Innovation & Strategic Initiatives

Jag Sharma, Chief Administrative Officer, Office of the CAO

Contact

For more information on this report, please contact Brett Morrow at bmorrow@newmarket.ca