

## Audit hoped to provide missing piece of the puzzle in JOC costs

By Brock Weir

Councillors are hoping a full external audit will be able to identify the missing pieces of the puzzle on the true costs of Aurora's Joint Operations Centre.

Lawmakers will move forward on hiring an auditor to do a full evaluation of the process and true costs leading up to the construction of the multimillion dollar Joint Operations Centre (JOC) on Industrial Parkway North, officially opened last month, now home to Aurora's Parks & Recreation Department and Department of Public Works.

The actual cost of the JOC has been something of a moving target in recent years, estimated between \$22 million and \$26 million, and has been at the centre of accusations from elected officials that items that might have been necessary to the build were left out of the project to artificially bring down the costs, only to find the leftovers ? once again deemed ?necessities? ? creeping back into future budgets.

Council got the ball rolling on an external audit this past spring and now, after looking over the options, they're poised to give the green light to Brook Laker & Associates, supervised by the Region of York's Internal Audit Services.

Meeting at the Committee level last week, Council members debated just how wide-reaching this audit would go.

The first option, and the one recommended by staff, had a limited scope ? and a limited budget of \$29,000. This limited audit, according to the report before Council, would focus on validating the reported budget and cost figures, analysing the items that were taken out of the budget, and how much it will ultimately cost to finish the job.

A more detailed audit, at a cost of \$72,500, would peel back more layers, including budgeting, procurement, land acquisition, financing, and lessons learned.

?The work involved [in the costlier option] would basically take you back to the very first decisions and the basis of the budget and the next costing and variance in each step in the process,? said CAO Doug Nadorozny. ?I just don't know there is very much value in that because we didn't complete the project as we envisioned anyway. You would be talking to the project management people, talking to the architects, and basically drilling back to the first principles and doing a full, comprehensive audit. That is absolutely something that can be done, [but] when we looked at the cost difference for that we just weren't sure that's what Council wanted to glean from this exercise.?

Going right back to the beginning, however, was important to Councillor Wendy Gaertner because, she said, that is right when things started to go sideways.

?My opinion is we started to go wrong with the purchase of this land [not taking into account] all of the problems this particular piece of land would have and figured that into the cost at the beginning,? she said, referring to some of the topographical issues on the hilly piece of land the JOC now stands on. ?I think that is a really important piece of the puzzle and important for us to learn going forward. We need to know everything that we need to know before we purchase a piece of land, or start to work on a piece of land that we own and that piece was missing.?

Some, however, were satisfied in what is expected to come from the more cursory audit as long as it contains a comprehensive list of lessons learned so they can be avoided in the future.

?We were looking for a comprehensive list of lessons learned respecting two projects and I think the limited scope is not going to do that,? offered Councillor Wendy Gaertner, but Councillor Michael Thompson had a different perspective.

He said the report indicated the slimmed-down audit would include findings and actual recommendations on how to improve the process.

?It might not go as far as some on Council are looking for, but to me it indicates that it will identify process improvements going forward,? he said. ?What I am looking for is a true project cost. I want to know not just what we have spent, but perhaps what still needs to be spent to complete the project 100 per cent. We have already seen in the capital budget some items that should have been included when we were originally doing the project and so, for me, when I look at the analysis of the scope reduction and some of the costs to complete the project, to me that [says] when this report comes back I will get a complete and full accounting of the project, not just how it has been spent but what still needs to be spent.?

This was a bigger question to Tom Mrakas as well but also part of the lessons learned.

?This is getting an audit and the full costs of it [but] that management piece of the project and how things got us to this point is just as important. I think we're going to need to get that part of it as well so that we can learn how to look at future projects we're going to be dealing with because that is just as important as what we're going to get in this audit.?

This was a similar view to that offered by Councillor John Abel who said these lessons were important to have in their arsenal as Council looks ahead to the development of Library Square and accessing Hydro Reserves to further develop the Town's Cultural Precinct.

?Anything you can learn about this process would be valuable moving forward,? he said.

At the end of the day, however, Mr. Nadorozny cast doubt on whether the audit would ultimately reach a conclusion on items taken out of the project scope to, in the words of Councillor Mrakas, ?artificially lower the budget number.?

?I would submit that would be kind of tough for either of them to include that kind of analysis because what was happening at the time, judgement calls were being made to pull things out of the project in order to meet the budget as it was at the time,? said Mr. Nadorozny. ?I do expect it will give you some light on that by looking into things that weren't done and the decisions that were made to pull those out to get to the budget, but in terms of the value proposition of pulling this versus that, I think that wasn't in the scope of either one of the options.?