Clerical Correction: In accordance with Section 2.11 (7) (a) of Procedure By-law 160-2004, as amended, a clerical correction was made by the City Clerk’s Office to correct the Recommendation numbers outlined within.

Tuesday, February 23, 2016

**Members:**
- Regional Councillor M. Palleschi – Wards 2 and 6 (Chair)
- Regional Councillor M. Medeiros – Wards 3 and 4 (Vice chair)
- Regional Councillor E. Moore – Wards 1 and 5
- Regional Councillor G. Miles – Wards 7 and 8
- Regional Councillor G. Gibson – Wards 1 and 5

**Staff Present:**
**Office of the Chief Administrative Officer:**
- M. Ball, Acting Chief Administrative Officer
- K. Liew, Acting Director, Internal Audit
- R. Elchaer, Internal Auditor
- R. Burchert, Internal Auditor

**Office of the Mayor:**
- H. Punia, Chief of Staff

**Planning and Infrastructure Services:**
- J. Holmes, Director, Capital Works

**Public Services Department:**
- J. Patteson, Chief Public Services Officer
- B. Rutherford, Director, Business Services
- M. Potter, Manager, Business Services
- C. Booth, Recreation Manager

**Corporate Services Department:**
- P. Simmons, Chief Corporate Services Officer
- P. Honeyborne, Executive Director, Finance and Treasurer
- S. Gannon, Director, Treasury Services and Deputy Treasurer
- E. Evans, Deputy City Clerk
- S. Pacheco, Legislative Coordinator
The meeting was called to order at 9:30 a.m., moved into Closed Session at 9:51 a.m., moved back into Open Session at 10:28 a.m. and adjourned at 10:29 a.m.

1. **Approval of Agenda**

The following motion was considered.

AU001-2016 That the agenda for the Audit Committee Meeting of February 23, 2016 be approved, as amended to add the following items:

7.1. Discussion at the request of Regional Councillor Moore, re: Status Update – Purchasing Card Audit.

7.2. Discussion at the request of Regional Councillor Palleschi, re: Status Update – 2016 Audit Work Plan.

10.3. Discussion at the request of Regional Councillor Palleschi, re: Audit of the Chief Administrative Officer (CAO) Office Activities – the security of the property of the municipality or local board.

Carried

2. **Declaration of Interest under the Municipal Conflict of Interest Act** – nil

3. **Consent**

* The following items listed with an asterisk (*) were considered to be routine and non-controversial by the Committee and approved.

(nil)

4. **Delegations/Presentations**

4.1. Delegation from Mr. Kevin Travers, Partner, KPMG LLP, Chartered Accountants, re: KPMG Audit Plan for the 2015 Fiscal Year.

Item 6.1 was brought forward and dealt with at this time.
Mr. Kevin Travers, Partner, KPMG LLP, Chartered Accountants, presented the Audit Planning Report for the year ending December 31, 2015, as prepared by KPMG LLP, Chartered Accountants, and provided details with respect to the following:

- Audit Materiality
- Fraud Risk Factors
- Areas of focus in financial statements and audit approach
- Expectation that the audit findings will be presented in June 2016

The following motion was considered.

AU002-2016 1. That the delegation from Kevin Travers, Partner, KPMG LLP, Chartered Accountants, to the Audit Committee Meeting of February 23, 2016, re: KPMG Audit Plan for the 2015 Fiscal Year be received; and,

2. That the report from Shirley Gannon, Director, Treasury Services and Deputy Treasurer, Corporate Services, dated February 8, 2016, to the Audit Committee Meeting of February 23, 2016, re: KPMG Audit Plan for the 2015 Fiscal Year, be received; and,

3. That the Audit Planning Report for the Year Ending December 31, 2015, prepared by KPMG LLP, Chartered Accountants, be received.

Carried

5. Reports – Internal Audit


M. Ball, Acting Chief Administrative Officer, introduced Karen Liew, Acting Director, Internal Audit, Office of the Chief Administrative Officer, to the Committee, and provided information regarding Ms. Liew’s previous work experience.

The following motion was considered.

AU003-2016 That the report from Karen Liew, Acting Director, Internal Audit, Office of the Chief Administrative Officer, dated January 27, 2016, to the Audit Committee Meeting of February 23, 2016, re: Results of the Audit Effectiveness Survey – 2015 (File GE.a) be received.

Carried

Item 7.1 was dealt with at this time.

Committee discussion took place with respect to the following:

- Indication from staff that the Employee Purchasing Card Audit report was previously presented to Committee
- The status of recommendations resulting from the Employee Purchasing Card Audit report, and a request that a copy of this report be presented with an overview, at the next Audit Committee meeting

The following motion was considered.

AU004-2016 That the report from Karen Liew, Acting Director, Internal Audit, Office of the Chief Administrative Officer, dated January 12, 2016, to the Audit Committee Meeting of February 23, 2016, re: Quarterly Status of Management Action Plans – December 2015 be received.

Carried

6. Reports – Finance


Dealt with under Item 4.1 – Recommendation AU032-2016

7. Other/New Business

7.1. Discussion at the request of Regional Councillor Moore, re: Status Update – Purchasing Card Audit.

Dealt with under Item 5.2 – Recommendation AU034-2016

7.2. Discussion at the request of Regional Councillor Palleschi, re: Status Update – 2016 Audit Work Plan.

M. Ball, Acting Chief Administrative Officer, advised Committee that due to recent changes in the Internal Audit Division and the anticipated investigation by the provincial Ombudsman, the 2016 Audit Work Plan will be presented to
Committee at a later date. Ms. Ball explained that staff want to ensure the work plan does not conflict with the investigation of the Ombudsman, and will endeavour to communicate with that office prior to finalizing the work plan. Ms. Ball added that a special meeting could be called to approve the work plan.

Committee discussion on this matter included:
- Changes and current activities in the Internal Audit Division
- The need for a status update on the 2015 work plan
- Suggestion that the Ombudsman may provide some guidance with respect to the 2016 work plan

M. Ball advised that a status update on the 2015 work plan will be provided when the 2016 work plan is presented to Committee for consideration.

8. **Question Period** – nil

9. **Public Question Period** – nil

10. **Closed Session**

The following motion was considered.

**AU005-2016** That Committee proceed into Closed Session in order to address matters pertaining to the following:

10.1. Report from Reem Elchaer, Internal Auditor, dated November 18, 2015, re: *Construction Audit Report* (File GE.a) – the security of the property of the municipality or local board

10.2. Report from Rebecca Burchert, Internal Auditor, dated November 18, 2015, re: *Cash Handling Audit* (File GE.a) – the security of the property of the municipality or local board

10.3. Discussion at the request of Regional Councillor Palleschi, re: *Audit of the Chief Administrative Officer (CAO) Office Activities* – the security of the property of the municipality or local board.

**Carried**
11. **Adjournment**

The following motion was considered.

AU006-2016 That the Audit Committee do now adjourn to meet again on June 7, 2016, at 9:30 a.m. or at the call of the Chair.

Carried