Tuesday, June 07, 2016

Members Present:  Regional Councillor M. Medeiros – Wards 3 and 4 (Vice Chair)
Regional Councillor E. Moore – Wards 1 and 5
Regional Councillor G. Gibson – Wards 1 and 5

Members Absent:  Regional Councillor M. Palleschi – Wards 2 and 6 (Chair)
(Other municipal business)
Regional Councillor G. Miles – Wards 7 and 8
(Personal)

Staff Present:  Office of the Chief Administrative Officer:
H. Schlange, Chief Administrative Officer
K. Liew, Acting Director, Internal Audit
Office of the Mayor:
H. Punia, Chief of Staff
Public Services Department:
J. Patteson, Chief Public Services Officer
Corporate Services Department:
P. Simmons, Chief Corporate Services Officer
P. Honeyborne, Executive Director, Finance and Treasurer
S. Gannon, Director, Treasury Services and Deputy Treasurer
P. Fay, City Clerk
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 9:47 a.m., moved back into Open Session and adjourned at 9:53 a.m.

1. **Approval of Agenda**

   The following motion was considered.

   AU010-2016 That the agenda for the Audit Committee Meeting of June 7, 2016 be approved, as amended, to add the following item:

   4.1. Delegation from Mr. Kevin Travers, Partner, KPMG\textsubscript{LLP}, Chartered Accountants, re: 2015 Audited Financial Statements for the City of Brampton.

   Carried

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

3. **Consent**

   * The following item listed with an asterisk (*) was considered to be routine and non-controversial by Committee and was approved at this time.

     (nil)

     Item 6.1 was removed from consent

4. **Delegations/Presentations**

   4.1. Delegation from Mr. Kevin Travers, Partner, KPMG\textsubscript{LLP}, Chartered Accountants, re: 2015 Audited Financial Statements for the City of Brampton.

   Item 6.1 was brought forward and dealt with at this time.

   Mr. Kevin Travers, Partner, KPMG\textsubscript{LLP}, Chartered Accountants, provided an overview of the staff report and presented the Audited Financial Statements of the City of Brampton, as prepared by KPMG\textsubscript{LLP}. Mr. Travers advised that the audit was completed in accordance with the Audit Plan previously presented to the Audit Committee, and provided information on the following matters outlined in the Audit Findings Report:

   - Adjustments and Differences
   - Critical Accounting Estimates
• Other significant matters, including:
  o Contaminated sites
  o Ontario Ice Storm Assistance Program
  o Asset under construction ("WIP") transfer
  o Contingent liabilities

Mr. Travers advised that the report identifies no financial reporting control deficiencies.

Committee discussions took place with respect to the following:
• Request for an update on contaminated site locations
  o J. Patteson, Chief Public Services Officer, advised that an inventory of known contaminated sites has been developed and environmental assessments have been undertaken
• Impact of the Assets under construction transfer on the audit

The following motion was considered.

AU011-2016

1. That the delegation from Mr. Kevin Travers, Partner, KPMG LLP, Chartered Accountants, to the Audit Committee Meeting of June 7, 2016, re: 2015 Audited Financial Statements for the City of Brampton be received; and,

2. Whereas the Municipal Act, 2001, Section 294.1 requires that “A municipality shall, for each fiscal year, prepare annual financial statements for the municipality in accordance with generally accepted accounting principles for local governments as recommended, from time to time, by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.”;

Whereas the Municipal Act, 2001, Section 296 (1) requires that “A municipality shall appoint an auditor licensed under the Public Accounting Act, 2004, who is responsible for,

a. Annually auditing the accounts and transactions of the municipality and its local boards and expressing an opinion on the financial statements of these bodies based on the audit.”; and,

Whereas the audit of the 2015 Annual Financial Statements by the City Auditor, KPMG LLP Chartered Accountants is complete;
Therefore Be It Resolved that the report from S. Gannon, Director, Treasury Services and Deputy Treasurer, Corporate Services, dated May 15, 2016, to the Audit Committee Meeting of June 7, 2016, re: **2015 Audited Financial Statements for the City of Brampton** be received.

Carried

5. **Reports – Internal Audit**


The following motion was considered.

**AU012-2016** That the report from K. Liew, Acting Director, Internal Audit, Office of the Chief Administrative Officer, dated May 20, 2016, to the Audit Committee Meeting of June 7, 2016, re: **Quarterly Status of Management Action Plans – March 2016** be received.

Carried

5.2. Report from A. Damian, Senior Advisor, Internal Audit, Office of the Chief Administrative Officer, dated May 11, 2016, re: **Corporate Fraud Prevention Hotline Overview – Phase I** (File GE.a).

K. Liew, Acting Director, Internal Audit, Office of the Chief Administrative Officer, responded to questions from Committee regarding the communication plan for the Corporate Fraud Prevention Hotline.

The following motion was considered.

**AU013-2016** That the report from A. Damian, Senior Advisor, Internal Audit, Office of the Chief Administrative Officer, dated May 11, 2016, to the Audit Committee Meeting of June 7, 2016, re: **Corporate Fraud Prevention Hotline Overview – Phase I** (File GE.a) be received.

Carried
5.3. Report from G. Lee, Internal Auditor, Office of the Chief Administrative Officer, dated May 7, 2016, re: **Driver Certification Program (DCP) Specified Procedures Inspection Compliance Audits**.

The following motion was considered.

AU014-2016 That the report from G. Lee, Internal Auditor, Office of the Chief Administrative Officer, dated May 7, 2016, to the Audit Committee Meeting of June 7, 2016, re: **Driver Certification Program (DCP) Specified Procedures Inspection Compliance Audits** be received.

Carried

6. Reports – Finance

6.1. Report from S. Gannon, Director, Treasury Services, Corporate Services, dated May 15, 2016, re: **2015 Audited Financial Statements for the City of Brampton**.

Dealt with under Item 4.1 – Recommendation AU011-2016

6.2. Report from S. Gannon, Director, Treasury Services, Corporate Services, re: **Canadian Award for Excellence in Financial Reporting – 2014**.

P. Honeyborne, Executive Director, Finance and Treasurer, Corporate Services, advised Committee that the City of Brampton has received the Canadian Award for Excellence in Financial Reporting for its 2014 Annual Report. Mr. Honeyborne advised that the City has received this award for 14 consecutive years.

Mr. Kevin Travers, Partner, KPMGllp, Chartered Accountants, provided an overview of the Canadian Award for Excellence in Financial Reporting Program (CAnFR Program) established by the Government Finance Officers Association (GFOA). Mr. Travers advised that this program encourages municipalities to exceed the minimum requirements of generally-accepted accounting principles, and to achieve best practices and transparency in financial reporting.

Committee members congratulated staff for their efforts and achievement. It was suggested that an announcement regarding this award be made at the June 22, 2016 Council Meeting during consideration of the Audit Committee minutes.

The following motion was considered.
Whereas the City’s 2014 Annual Report received a Canadian Award for Excellence in Financial Reporting from the Government Finance Officers Association of the United States and Canada;

Therefore Be It Resolved that the report from S. Gannon, Director, Treasury Services and Deputy Treasurer, Corporate Services, dated May 18, 2016, to the Audit Committee Meeting of June 7, 2016, re: Canadian Award for Excellence in Financial Reporting – 2014 be received.

Carried

7. Other/New Business – nil

8. Question Period – nil

9. Public Question Period – nil

10. Closed Session

The following motion was considered.

That Committee proceed into Closed Session in order to address matters pertaining to the following:

    10.1. Report from Karen Liew, Acting Director, Internal Audit, dated May 27, 2016, re: Employee Purchasing Card Audit Report (File GE.a) – the security of the property of the municipality or local board

Carried

Note: In Open session, the Vice Chair reported on the status of matters considered in Closed Session as follows:

- Item 10.1 was acknowledged and no direction was given

11. Adjournment

The following motion was considered.
AU017-2016  That the Audit Committee do now adjourn to meet again on September 13, 2016, at 9:30 a.m. or at the call of the Chair.

Carried

Regional Councillor M. Medeiros, Vice Chair