Tuesday, September 13, 2016

Members:

Regional Councillor M. Palleschi – Wards 2 and 6 (Chair)
Regional Councillor M. Medeiros – Wards 3 and 4 (Vice chair)
Regional Councillor G. Gibson – Wards 1 and 5
Regional Councillor E. Moore – Wards 1 and 5,
Regional Councillor G. Miles – Wards 7 and 8
(arrived at 9:31 a.m. – personal)

Staff Present:

Office of the Chief Administrative Officer:
H. Schlange, Chief Administrative Officer
K. Liew, Interim Director, Internal Audit
A. Damian, Senior Advisor, Internal Audit
R. Elchaer, Internal Auditor, Internal Audit
G. Lee, Internal Auditor, Internal Audit
S. Connor, Brampton Transit
A. Milojevic, Director, Transit

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

Corporate Services Department:
P. Moyle, Interim Commissioner

Community Services Department:
A. Meneses, Commissioner
M. McCollum, Interim Director, Recreation and Culture
J. Howell, Recreation Supervisor, Concessions

City Clerk’s Office:
P. Fay, City Clerk
E. Evans, Deputy City Clerk
S. Pacheco, Legislative Coordinator
Minutes
Audit Committee

The meeting was called to order at 9:30 a.m., moved into Closed Session at 9:57 a.m., moved back into Open Session at 10:01 a.m. and adjourned at 10:02 a.m.

1. Approval of Agenda

The following motion was considered.

AU018-2016  That the agenda for the Audit Committee Meeting of September 13, 2016 be approved as printed and circulated.

Carried

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

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

(nil)

4. Delegations/Presentations – nil

5. Reports – Internal Audit


In response to questions from Committee, K. Liew, Interim Director, Internal Audit, provided an update on the status of 26 outstanding audit recommendations for the Corporate Services Department. Ms. Liew advised these recommendations are currently in progress, and the completion due dates were revised by management, as outlined on page 5.1-3 of the report.

The following motion was considered.

AU019-2016  That the report from K. Liew, Acting Director, Internal Audit, Office of the Chief Administrative Officer, dated August 23, 2016, to the Audit Committee Meeting of September 13, 2016, re: Quarterly Status of Management Action Plans – June 2016, be received.

Carried
5.2. Report from A. Damian, Senior Advisor, Internal Audit, Office of the Chief Administrative Officer, dated August 15, 2016, re: Corporate Fraud Prevention Hotline Quarterly Update – Phase I.

A. Damian, Senior Advisor, Internal Audit, provided an update on the Corporate Fraud Prevention Hotline, as follows:

- Phase 1 is complete and was launched on July 4, 2016
- Phase II is expected to be implemented in early 2017 (the hotline will open to the public in this phase)
- Three reports of alleged fraud have been received through the hotline (as of August 15, 2016), and preliminary investigations will be taking place on two of the reports
  - In response to questions from Committee, Mr. Damian outlined the investigation process

Committee discussion took place with respect to the following:

- The need to develop appropriate messaging to respond to the potential release of information relating to reports of alleged fraud
- The need to ensure public/staff confidence in the process
- Use of the hotline by the public and confirmation from staff that the hotline may be used to report alleged incidents of fraud by Members of Council
  - K. Liew, Interim Director, Internal Audit, advised that staff will review all reports and refer matters to the Integrity Commissioner, as appropriate
- Management of potential complaints regarding the investigation process/results

The following motion was considered.

AU020-2016 That the report from A. Damian, Senior Advisor, Internal Audit, Office of the Chief Administrative Officer, dated August 15, 2016, to the Audit Committee Meeting of September 13, 2016, re: Corporate Fraud Prevention Hotline Quarterly Update – Phase I, be received.

Carried


R. Elchaer, Internal Auditor, Internal Audit, provided an overview of the subject report, and highlighted the following:
• A review was conducted of the accuracy, completeness and timely recording of the Transit PRESTO revenue for the 2015 year, and it was determined that adequate controls and procedures were in place
• Opportunities for improvement were identified for consideration in the renewal of the PRESTO System Project Service Level Agreement

Committee discussion took place with respect to the following:
• Information from staff on the process for monitoring and identifying bus fare payments not captured by the Metrolinx system
• Vendor response and repair time for equipment failures
• Recommendation that Transit management negotiate a more comprehensive PRESTO System Project Service Level Agreement with Metrolinx

The following motion was considered.

AU021-2016 That the report from R. Elchaer, Internal Auditor, Internal Audit, Office of the Chief Administrative Officer, dated August 2, 2016, to the Audit Committee Meeting of September 13, 2016, re: Transit PRESTO Revenue Audit Report be received.

Carried


Committee discussion took place with respect to the following:
• Suggestion that an inventory management inventory system be implemented as part of the CLASS replacement project
  • Confirmation from staff that a requirement for an inventory management system has been included in the RFP to replace CLASS
• Concern regarding the value of implementing an inventory management system, and a suggestion that more cost-effective options be explored
• Suggestion that the sale of liquor by the City be transferred to a contract arrangement
• The need to implement improvements to ensure accountability in the City’s processes

The following motion was considered.
That the report from G. Lee, Internal Auditor, Internal Audit, Office of the Chief Administrative Officer, dated July 27, 2016, to the Audit Committee Meeting of September 13, 2016, re: Liquor Inventory Management Audit Report, be received.

Carried

6. Reports – Finance – nil

7. Other/New Business – nil

8. Question Period – nil

9. Public Question Period – nil

10. Closed Session

10.1. The security of the property of the municipality or local board – Liquor Inventory Management Audit Report – Appendix B

The following motion was considered.

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

10.1. The security of the property of the municipality or local board – Liquor Inventory Management Audit Report – Appendix B

Carried

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

• Item 10.1 was received and no direction was given

11. Adjournment

The following motion was considered.
AU024-2016 That the Audit Committee do now adjourn to meet again on December 13, 2016, at 9:30 a.m. or at the call of the Chair.

Carried

Regional Councillor M. Palleschi, Chair