Tuesday, March 05, 2019

Members Present: Regional Councillor M. Medeiros – Wards 3 and 4 (Chair)
Regional Councillor R. Santos – Wards 1 and 5 (Vice Chair)
Regional Councillor M. Palleschi – Wards 2 and 6
City Councillor J. Bowman – Wards 3 and 4
City Councillor D. Whillans – Wards 2 and 6
City Councillor H. Singh – Wards 9 and 10

Members Absent: Regional Councillor G. Dhillon – Wards 9 and 10 (personal)

Staff Present: J. Pittari, Acting Chief Administrative Officer
F. Velji, Director and Chief Audit Executive, Office of Internal Audit
D. Squires, City Solicitor, Corporate Services
P. Fay, City Clerk
S. Pacheco, Legislative Coordinator, City Clerk’s Office
The meeting was called to order at 1:02 p.m., recessed at 1:03 p.m., moved into Closed Session at 1:06 p.m. and moved back into Open Session at 1:22 p.m. At 2:17 p.m., Committee recessed, moved into Closed Session at 2:23 p.m., moved back into Open Session at 2:36 p.m. and adjourned at 2:36 p.m.

1. **Approval of Agenda**

   The following motion was considered.

   AU001-2019  That the agenda for the Audit Committee Meeting of March 5, 2019 be approved, as printed and circulated.

   Carried

   Note: There was Committee consensus to vary the order of business to deal with Item 10.1 first.

   **See Item 10.1 – Recommendation AU005-2019**

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

3. **Consent – nil**

4. **Delegations/Presentations**

   4.1. Delegation from Mr. Kevin Travers, Partner, KPMG LLP Chartered Accountants, re: KPMG Audit Plan for the 2018 Fiscal Year.

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

   Mr. Kevin Travers, Partner, KPMG LLP Chartered Accountants, presented the KPMG Audit Plan for the 2018 Fiscal Year, and highlighted the following:

   - Materiality
   - Audit scope
   - Audit approach
     - Fraud risk (presumed) and other areas of focus
   - Data and analytics in the audit
   - New auditor reporting
   - Audit cycle and timetable

   The following motion was considered.
1. That the delegation from Mr. Kevin Travers, Partner, KPMG LLP Chartered Accountants, to the Audit Committee Meeting of March 5, 2019, re: KPMG Audit Plan for the 2018 Fiscal Year be received;

2. That the report from M. Kuzmanov, Accounting Manager, Corporate Services, dated February 19, 2019, to the Audit Committee Meeting of March 5, 2019, re: KPMG Audit Plan for the 2018 Fiscal Year be received; and

3. That the Audit Planning Report for the Year Ending December 31, 2018, prepared by KPMG LLP, Chartered Accountants, to the Audit Committee, be received.

Carried

4.2. Presentation by F. Velji, Director and Chief Audit Executive, Office of Internal Audit, re: Office of Internal Audit Budget.

F. Velji, Director and Chief Audit Executive, Office of Internal Audit, provided a presentation regarding the Office of Internal Audit Budget, and provided an update on the 2018 budget to actuals figures outlined within.

The following motion was considered.

1. That the presentation by F. Velji, Director and Chief Audit Executive, Office of Internal Audit, to the Audit Committee Meeting of March 5, 2019, re: Office of Internal Audit Budget be received;

2. That the 2019 Annual Budget for the Office of Internal Audit be approved as presented; and

3. That the 2020 and 2021 Annual Budget for the Office of Internal Audit be endorsed, in principle, as presented.

Carried


Item 5.1 was brought forward and dealt with at this time.

F. Velji, Director and Chief Audit Executive, Office of Internal Audit, provided a presentation regarding the Office of Internal Annual Report 2018.
Committee discussion took place with respect to the following:

- Process for measuring performance
- Engagement strategy
- Corporate Fraud Hotline program, and an indication that March is Fraud Prevention Awareness Month
- Alignment between Legal Services, Finance and Internal Audit, as it relates to matters of risk, and opportunities to enhance these relationships
- Emerging technologies to improve efficiency, and updating City policies/procedures to reflect automation
- Implementation of the Corporate Fraud Prevention Hotline
- Status of the implementation of audit recommendations by management, and verification of compliance by Internal Audit
- The need to determine the financial implications of items identified through audits, and savings/efficiencies realized through the implementation of audit recommendations
- Importance of corporate-wide consistency, as it relates to policies, procedures, software, etc.

The following motion was considered.

AU004-2019 1. That the presentation by F. Velji, Director and Chief Audit Executive, Office of Internal Audit, to the Audit Committee Meeting of March 5, 2019, re: Office of Internal Audit – Annual Report 2018 be received; and

2. That the report from F. Velji, Director and Chief Audit Executive, Office of Internal Audit, to the Audit Committee Meeting of March 5, 2019, re: Office of Internal Audit – Annual Report 2018 be received.

Carried

5. **Reports – Internal Audit**


*Dealt with under Item 4.3 – Recommendation AU004-2019*

6. **Reports – Finance**

Dealt with under Item 4.1 – Recommendation AU002-2019

7. Other/New Business – nil

8. Question Period – nil

9. Public Question Period

In response to questions from George Startup, resident of Brampton, information was provided with respect to:

- the Audit Committee membership and status of citizen appointments
- the status of the 2018 Audit work plan, and an indication that the 2019 work plan will be presented to Audit Committee on March 19, 2019

10. Closed Session

10.1. Personal matters about an identifiable individual, including municipal or local board employees – Citizen Appointments to Audit Committee

10.2. Personal matters about an identifiable individual, including municipal or local board employees – an identifiable individual

The following motion was considered.

AU005-2019 That Committee proceed into Closed Session to discuss matters pertaining to the following:

10.1. Personal matters about an identifiable individual, including municipal or local board employees – Citizen Appointments to Audit Committee

Carried

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

- 10.1 – Committee considered this matter and direction was given to staff in Closed Session
The following motion was considered.

AU006-2019 That Committee proceed into Closed Session to discuss matters pertaining to the following:

10.2. Personal matters about an identifiable individual, including municipal or local board employees – an identifiable individual

Carried

In Open Session, the Chair reported on the status of this matter considered in Closed Session, as follows:
- 10.2 – Committee considered this matter and direction was given to staff in Closed Session

11. **Adjournment**

The following motion was considered.

AU007-2019 That the Audit Committee do now adjourn to meet again on Tuesday, March 19, 2019 at 9:30 a.m. or at the call of the Chair.

Carried

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Regional Councillor M. Medeiros, Chair