Wednesday, June 26, 2019

**Council 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  
Regional Councillor G. Dhillon – Wards 9 and 10  
City Councillor J. Bowman – Wards 3 and 4  
City Councillor D. Whillans – Wards 2 and 6  
City Councillor H. Singh – Wards 9 and 10

**Citizen Members Present:** Rishi Jain

**Members Absent:**  
Iqbal Ali  
Abid Zaman

**Staff Present:**  
J. Pittari, Acting Chief Administrative Officer  
B. Zvaniga, Commissioner, Public Works and Engineering  
J. Macintyre, Acting Commissioner, Corporate Services  
D. Squires, City Solicitor, Corporate Services  
F. Velji, Director and Chief Audit Executive, Office of Internal Audit  
P. Fay, City Clerk, Office of the Chief Administrative Officer  
C. Gravlev, Deputy City Clerk, Office of the Chief Administrative Officer  
S. Pacheco, Legislative Coordinator, Office of the Chief Administrative Officer
The meeting was called to order at 9:34 a.m., recessed at 10:32 a.m., moved into Closed Session at 10:48 a.m., recessed at 11:22 a.m., moved back into Open Session at 11:26 a.m. and adjourned at 11:37 a.m.

1. **Approval of Agenda**

   The following motion was considered.

   AU018-2019 That the agenda for the Audit Committee Meeting of June 26, 2019 be approved, as printed and circulated.

   Carried

2. **Declarations 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 were approved at one time.

   (6.2)

4. **Delegations/Presentations**

   4.1. Delegation from Kevin Travers, Partner, KPMG LLP Chartered Accountants, re: 2018 Audited Consolidated Financial Statements for the City of Brampton.

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

   Kevin Travers, Partner, KPMG LLP Chartered Accountants, provided an overview of the Audit Findings Report prepared by KPMG for the year ended December 31, 2018, and advised that:
   - the audit was conducted in accordance with the Audit Plan previously presented to Committee
   - no adjustments or control deficiencies were identified
   - the reasonability of accounting estimates was satisfactory

   In addition, Mr. Travers provided information regarding:
   - audit risks and results
   - significant accounting policies and practices – adoption of new standards
   - current developments and audit trends – public sector update
The following motion was considered.

AU019-2019 1. That the delegation from Kevin Travers, Partner, KPMG LLP Chartered Accountants, to the Audit Committee Meeting of June 26, 2019, re: **2018 Audited Consolidated Financial Statements for the City of Brampton** be received; and

2. That the report from M. Kuzmanov, Manager of Accounting, Corporate Services, dated May 21, 2019, to the Audit Committee Meeting of June 26, 2019, re: **2018 Audited Consolidated Financial Statements for the City of Brampton** be received.

Carried

4.2. Presentation by F. Velji, Director, Office of Internal Audit, re: **Audit Data Analytics**

F. Velji, Director, Office of Internal Audit, provided a presentation entitled “Audit Data Analytics”.

Ms. Velji responded to questions from Committee with respect to:
- development of skills and competencies relating to data analytics
- protocol for obtaining data and how it will be managed
- collaboration between the Office of Internal Audit and the Digital Innovation and IT Division
- the City’s progress on audit data analytics compared to other municipalities

The following motion was considered.

AU020-2019 That the presentation by F. Velji, Director, Office of Internal Audit, to the Audit Committee Meeting of June 26, 2019, re: **Audit Data Analytics** be received.

Carried

4.3. Presentation by F. Velji, Director, Office of Internal Audit, re: **Education and Awareness Program**

F. Velji, Director, Office of Internal Audit, provided a presentation entitled “Education and Awareness Program”.

Committee discussion took place with respect to the following:
- Promoting the City’s audit work externally
• Staff participation/response to the Internal Audit survey and a suggestion that this survey be re-posted
• Suggestion that staff explore options for implementing “pop-up” questions on desktops, as part of the awareness program

The following motion was considered.

AU021-2019 That the presentation by F. Velji, Director, Office of Internal Audit, to the Audit Committee Meeting of June 26, 2019, re: **Education and Awareness Program** be received.

Carried

5. **Reports – Internal Audit**

5.1. Report from F. Velji, Director, Office of Internal Audit, dated May 16, 2019, re: **Payroll Services Audit Report**

The following motion was considered.

AU022-2019 That the report from F. Velji, Director, Office of Internal Audit, dated May 16, 2019, to the Audit Committee Meeting of June 26, 2019, re: **Payroll Services Audit Report** be received.

Carried

5.2. Report from F. Velji, Director, Office of Internal Audit, dated January 16, 2019, re: **Construction Audit Report – Countryside Drive Road Widening Project**

Committee discussion took place with respect to the practice of disclosing contingency amounts to bidders in the tender document, and included the following:

- Indication from staff that:
  - disclosing the contingency amount to bidders does not result in a competitive disadvantage
  - contractors are aware the City carries a contingency for its projects
  - disclosure of the contingency does not guarantee it can be used
- Industry practice relating to contingency calculations
- Potential impact of disclosing the contingency to bidders

The following motion was considered.
AU023-2019 That the report from F. Velji, Director, Office of Internal Audit, dated January 16, 2019, to the Audit Committee Meeting of June 26, 2019, re: **Construction Audit Report – Countryside Drive Road Widening Project** be received.

Carried

5.3. Report from F. Velji, Director, Office of Internal Audit, dated April 24, 2019, re: **Status of Management Action Plans – March 31, 2019**

The following motion was considered.

AU024-2019 That the report from F. Velji, Director, Office of Internal Audit, dated April 24, 2019, to the Audit Committee Meeting of June 26, 2019, re: **Status of Management Action Plans – March 31, 2019** be received.

Carried

5.4. Report from F. Velji, Director, Office of Internal Audit, dated May 15, 2019, re: **Update to the Internal Audit Workplan – 2019**

F. Velji, Director, Office of Internal Audit, responded to questions from Committee regarding the scope of the Contract Management and Fleet projects in the 2019 Internal Audit Workplan.

The following motion was considered.

AU025-2019 That the report from F. Velji, Director, Office of Internal Audit, dated May 15, 2019, to the Audit Committee Meeting of June 26, 2019, re: **Update to the Internal Audit Workplan – 2019** be received.

Carried

5.5. Report from F. Velji, Director, Office of Internal Audit, dated May 21, 2019, re: **Corporate Fraud Prevention Hotline Update**

F. Velji, Director, Office of Internal Audit, responded to questions from Committee regarding:

- the process for investigating corporate fraud complaints
- the process for reporting on corporate fraud investigations to Audit Committee and/or City Council, depending on the magnitude of the matter
• the investigation related to the March 2019 report, categorized as “manipulation or falsification of data, records, reports, contracts”

The following motion was considered.

AU026-2019 That the report from F. Velji, Director, Office of Internal Audit, dated May 21, 2019, to the Audit Committee Meeting of June 26, 2019, re: Corporate Fraud Prevention Hotline Update be received.

Carried

6. Reports – Finance

6.1. Report from M. Kuzmanov, Manager of Accounting, Corporate Services, dated May 21, 2019, re: 2018 Audited Consolidated Financial Statements for the City of Brampton

Dealt with under Item 4.1 – Recommendation AU019-2019

* 6.2. Report from M. Kuzmanov, Manager of Accounting, Corporate Services, dated May 27, 2019, re: Audit Appointment Contract Extension

AU027-2019 1. That the report from M. Kuzmanov, Manager of Accounting, Corporate Services, dated May 27, 2019, to the Audit Committee Meeting of June 26, 2019, re: Audit Appointment Contract Extension be received;

2. That the appointment of KPMG\_LLP Chartered Accountants (KPMG\_LLP) be extended for one year commencing November 20, 2019, subject to the Treasurer finalizing an agreement with KPMG\_LLP for the provision of external audit services; and,

3. That a by-law be passed to confirm the extension of the appointment of KPMG\_LLP for one year commencing November 20, 2019.

Carried

7. Other/New Business – nil

8. Question Period
1. In response to a question from City Councillor Singh, F. Velji, Director, Office of Internal Audit, advised that the Internal Audit Workplan can be revised and the Audit Committee can provide feedback regarding the plan.

2. City Councillor Singh asked a question about the feasibility of providing bi-annual updates to Council on the status of major construction projects, to keep Council informed on progress and/or delays.

Regional Councillor Palleschi advised that area councillors currently receive status updates on projects within their respective wards, and suggested the matter of receiving updates on major City projects (e.g. Centre for Innovation) be discussed at a future Committee of Council meeting.

9. **Public Question Period – nil**

10. **Closed Session**

10.1. Litigation or potential litigation, including matters before administrative tribunals, affecting the municipality or local board; and, the security of the property of the municipality or local board

10.2. The security of the property of the municipality or local board

10.3. The security of the property of the municipality or local board

The following motion was considered.

AU028-2019 That Committee proceed into Closed Session to discuss matters pertaining to the following:

10.1. Litigation or potential litigation, including matters before administrative tribunals, affecting the municipality or local board; and, the security of the property of the municipality or local board

10.2. The security of the property of the municipality or local board

10.3. The security of the property of the municipality or local board

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

- 10.1 – Committee considered this matter and no direction was given to staff in Closed Session
- 10.2 – Committee considered this matter and no direction was given to staff in Closed Session
- 10.3 – Committee considered this matter and no direction was given to staff in Closed Session

11. **Adjournment**

The following motion was considered.

AU029-2019  That the Audit Committee do now adjourn to meet again on Tuesday, September 10, 2019 at 9:30 a.m. or at the call of the Chair.

Carried

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Regional Councillor M. Medeiros, Chair