



THE CORPORATION OF THE CITY OF BRAMPTON

# BY-LAW

Number 378-2014

## A By-law to appoint an Auditor General on an Interim Basis

### Recitals:

WHEREAS sections 5, 8, 9 and 11 of the *Municipal Act, 2001* authorize the Council to pass by-laws necessary or desirable for municipal purposes, and in particular paragraph 2 of subsection 11 (2) authorizes by-laws respecting the accountability and transparency of the municipality and its operations;

AND WHEREAS section 223.19 (1) of the *Municipal Act, 2001* authorizes the municipality to appoint an Auditor General who reports to Council and is responsible for assisting the Council in holding itself and its administrators accountable for the quality of stewardship over public funds and for achievement of value for money in municipal operations;

AND WHEREAS section 223.19 (2) of the *Municipal Act, 2001* provides that the responsibilities of the Auditor General shall not include the matters described in section 296 (1) (a) and (b) for which the municipal auditor is responsible;

AND WHEREAS sections 223.19 to 223.24 of the *Municipal Act, 2001* provide that an Auditor General has certain powers, duties and protections;

AND WHEREAS Council, at its Regular Meeting held on December 17, 2014, passed a Resolution to appoint an Auditor General, on an interim basis, to review the City's finances in order to provide a high level overview of the City's fiscal state with some general indication as to whether the fiscal state of the City has changed, and the nature of any changes, for approximately the last 5 years.

NOW THEREFORE The Council of The Corporation of the City of Brampton  
**ENACTS AS FOLLOWS:**

### Appointment

- 1 Council hereby establishes the position of Auditor General for the City of Brampton, on an interim basis, for the purpose to review the City's finances in order to provide a high level overview of the City's fiscal state with some general indication as to whether the fiscal state of the City has changed, and the nature of any changes, for approximately the last five years, with all powers, duties and protections provided under the *Municipal Act, 2001, S.O. 2001, c. 25*, as amended.
- 2 That Jim McCarter be appointed as the City's Auditor General for the purposes of section 1.

- 3 Attached as Schedule 1 to this By-law is the "Scope of Work and Conduct of Fiscal Review" which sets out the scope of work and conduct for the fiscal review to be undertaken by the Auditor General.

**Short Title**

- 4 This By-law may be referred to as the "Auditor General By-law – Fiscal Review."


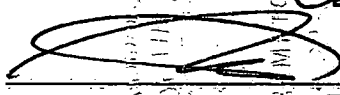
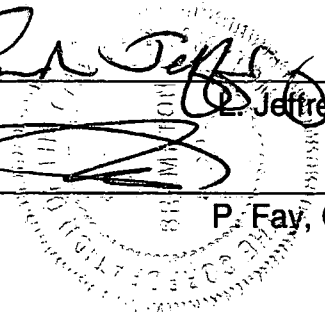
**In Force**

- 5 This By-law comes into force on December 17, 2014.

READ a FIRST, SECOND and THIRD TIME and PASSED in Council, this 17th day of December, 2014.

Approved as to  
content  
14/12/17  
ABZ

Approved as to  
form.  
14/12/17  
REZ

  
\_\_\_\_\_  
Paul Jeffrey, Mayor  
  
\_\_\_\_\_  
P. Fay, City Clerk  


**SCHEDULE 1 TO BY-LAW 378 -2014**

**SCOPE OF WORK AND CONDUCT OF FISCAL REVIEW**

<p><b>Scope of Review:</b></p>	<p>Provide an opinion based on a review the current financial situation at the City of Brampton with the objective of providing a high level fiscal state-of-the-nation overview including some general indication of whether the City's financial status has changed, and the nature of any changes, for approximately over the last 5 years, in order to provide a benchmark reference for the new term of Council</p> <p>Given the limited review timeframe, the report will be relatively high level in nature but should be adequate to provide you with a reasonable assessment of the recent trend in Brampton's finances and where things currently stand from a fiscal perspective.</p>
<p><b>Review Work Duration:</b></p>	<p>Work will commence as soon as possible after Council approval, and will be completed by January 30, 2015, in order to present report findings to City Council in public session.</p>
<p><b>Who Will Conduct the Review:</b></p>	<p>The Interim Auditor General will be Mr. Jim McCarter, as appointed by City Council.</p> <p>Mr. McCarter may be assisted by an experienced Chartered Accountant, as determined by Mr. McCarter, in order to complete the scope of work.</p> <p>Mr. McCarter may engage the services and advice of the Office of the Ontario Auditor General, as may be required, to assist with the financial review.</p>
<p><b>Documents and Materials to be Provided by the City:</b></p>	<p>The City will provide the following information, including but not limited to:</p> <ul style="list-style-type: none"> <li>• Last 10 years of Brampton annual reports, including audited financial statements (2004-2013)</li> <li>• 2014 approved operating and capital budget documents (including supporting schedules)</li> <li>• 2013 MPMP report</li> <li>• Listing of all General Ledger (GL) accounts, including all sub accounts</li> <li>• Any 2014 operating and capital budget update status / quarterly reports provided to Council</li> <li>• 2013 Annual Economic Report</li> <li>• Copy of latest detailed credit rating reviews provided to the City by rating agencies.</li> </ul>

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	<ul style="list-style-type: none"> <li>• List of all reserve and trust accounts (including any accounts closed during the last decade), and a brief description of the purpose and balance as at September 30, 2014</li> <li>• List of all City bank accounts, including the account name, purpose of account, bank name, and current balance (if greater than \$10,000)</li> </ul>
<p><b>Other Assistance to be Provided by the City:</b></p>	<p><b>That City staff and Members of Council provide full cooperation with the Interim Auditor General, including provision of the following for the duration of the review period:</b></p> <ul style="list-style-type: none"> <li>• An office for the Interim Auditor General in or relatively close to the accounting / finance area with either a lock on the door or a filing cabinet with a lock.</li> <li>• A computer connected to the City's internet and intranet access, a City email account, with the Microsoft Office Suite, a colour printer, building card access, parking pass, and a phone.</li> <li>• A designated City staff contact person (Director-level) within the Finance Division, and normal accounting assistance by staff (i.e., as provided to the City's auditor during the annual audit process), and assistance with researching and preparing some historical financial analyses, retrieving documents, explaining how certain transactions get accounted for, data extraction for certain accounts, etc.</li> <li>• Detailed organization charts for all City Departments for the last 10 years and any Staff reports on organizational change.</li> <li>• Communication to City staff advising of the financial review underway, and participation and cooperation of City staff, if requested.</li> <li>• Contact details and authorization for the Interim Auditor General to communicate with the City's auditor to ask questions of the partner, engagement manager and/or field staff in-charge, including possible meetings, to receive an overview of the audit process and answer any questions from the Interim Auditor General. The City's auditor may bill the City directly for any fees incurred associated with this financial review.</li> <li>• Contact details and authorization for the Interim Auditor General to communicate with the City's rating agency(s) and request that the person who did the latest review meet with the Interim Auditor General to discuss factors resulting in Brampton's AAA credit rating. The City's rating agency(s) may bill the City directly for any fees incurred associated with this financial review.</li> </ul>

**SCHEDULE 1 TO BY-LAW 378 -2014**

	<ul style="list-style-type: none"><li>• An office or work station for an experienced Chartered Accountant, reporting to Interim Auditor General, for the term from January 5 to 29, 2015.</li></ul>
What the Review will not Address:	<p>The scope of work by the Interim Auditor General must not conflict with the responsibilities of the municipal auditor, as appointed by the City, and prescribed in Section 296 (1) of the Municipal Act, 2001, as follows:</p> <p><i>a municipal auditor 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 (b) performing duties required by the municipality or local board."</i></p>