

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

**Minutes
Audit Committee**

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.

**Minutes
Audit Committee**

- AU002-2019
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.

- AU003-2019
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 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

- 4.3. Presentation by F. Velji, Director and Chief Audit Executive, Office of Internal Audit, re: **Office of Internal Audit – Annual Report 2018**.

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.

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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

- 5.1. Report from F. Velji, Director and Chief Audit Executive, Office of Internal Audit, re: **Office of Internal Audit – Annual Report 2018**.

Dealt with under Item 4.3 – Recommendation AU004-2019

6. Reports – Finance

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- 6.1. Report from M. Kuzmanov, Accounting Manager, Corporate Services, dated February 19, 2019, re: **KPMG Audit Plan for the 2018 Fiscal Year.**

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

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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

Regional Councillor M. Medeiros, Chair

Tuesday, March 19, 2019

Council Members: 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: Iqbal Ali
Rishi Jain
Abid Zaman

Staff Present: F. Velji, Director and Chief Audit Executive, Office of Internal Audit
J. Pittari, Acting CAO and Acting Director of Human Resources
D. Squires, City Solicitor, Corporate Services
P. Fay, City Clerk, Office of the Chief Administrative Officer
C. Gravlev, Deputy City Clerk, Office of the Chief Administrative Officer
T. Jackson, Legislative Coordinator, Office of the Chief Administrative officer

**Minutes
Audit Committee**

The meeting was called to order at 9:31 a.m., recessed at 10:05 a.m., moved into Closed Session at 10:12 a.m., recessed at 10:18 a.m., moved back into Open Session at 10:24 a.m. and adjourned at 10:36 a.m.

1. **Approval of Agenda**

The following motion was considered.

AU008-2019 That the agenda for the Audit Committee Meeting of March 19, 2019 be approved, as printed and circulated.

Carried

Note: Later in the meeting, on a two-thirds majority vote to reopen the question, Item 5.7 was reopened for further consideration

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

3. **Consent**

(nil)

4. **Delegations/Presentations**

4.1. Presentation by F. Velji, Director and Chief Audit Executive, Office of Internal Audit, re: **Corporate Fraud Prevention Hotline Update**.

Item 5.4 was brought forward and dealt with at this time.

Foruzan Velji, Chief Audit Executive, Office of Internal Audit, introduced the members of the Audit division, and provided an update on the subject of the presentation.

Committee discussion of the matter included the following points:

- Various tools to decrease organizational susceptibility to unethical conduct
- Metrics related to tracking awareness
- Framework for building ethical culture and supporting ethical environment.

In response to questions from Committee, Staff provided details on the following:

- Additional training sessions

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- Annual sign off of the Fraud Policy
- Tips are the most common detection method of fraud
- Individuals who report fraud are kept anonymous
- Advised if a member of the public had concerns they would report it through 311 Brampton
- The Integrity Commissioner is an ethical advisory to Council.

The following motion was considered.

- AU009-2019
1. That the presentation by F. Velji, Director and Chief Audit Executive, Office of Internal Audit, to the Audit Committee Meeting of March 19, 2019, re: **Corporate Fraud Prevention Hotline Update** 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 19, 2019, re: **Corporate Fraud Prevention Hotline Update** be received.
 3. That the report from Foruzan Velji, Director, Office of Internal Audit, dated January 7, 2019, to the Audit Committee Meeting of March 19, 2019, re: **Corporate Fraud Prevention Hotline Update**, be received; and
 4. That the Audit Committee endorse the continued operation of the Corporate Fraud Prevention Hotline.

Carried

5. **Reports – Internal Audit**

- 5.1. Report from F. Velji, Director and Chief Audit Executive, Office of Internal Audit, dated January 8, 2019, re: **Update of the Internal Audit Charter and Audit Committee Terms of Reference**.

The following motion was considered.

- AU010-2019
1. That the report from Foruzan Velji, Director, Office of Internal Audit, dated January 8, 2019, to the Audit Committee Meeting of March 19, 2019, re: **Update of the Internal Audit Charter and Audit Committee Terms of Reference**, be received;
 2. That the updated Internal Audit Charter Version 2019, as set out in Appendix 1 to this report, be approved; and

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3. That the updated Audit Committee Terms of Reference Version 2019, as set out in Appendix 3 to this report, be adopted.

Carried

- 5.2. Report from F. Velji, Director and Chief Audit Executive, Office of Internal Audit, dated January 2, 2019, re: **Internal Quality Assessment Review Results**.

The following motion was considered.

- AU011-2019 That the report from Foruzan Velji, Director, Office of Internal Audit, dated January 2, 2019, to the Audit Committee Meeting of March 19, 2019, re: **Internal Quality Assessment Review Results**, be received.

Carried

- 5.3. Report from F. Velji, Director and Chief Audit Executive, Office of Internal Audit, dated February 7, 2019, re: **Status of Management Action Plans – December 31, 2018**.

Committee requested that staff endeavor to implement Audit recommendations in as timely a manner as possible.

The following motion was considered.

- AU012-2019 That the report from Foruzan Velji, Director, Office of Internal Audit, dated February 7, 2019 to the Audit Committee Meeting of March 19, 2019, re: **Status of Management Action Plans – December 31, 2018** be received.

Carried

- 5.4. Report from F. Velji, Director and Chief Audit Executive, Office of Internal Audit, dated January 7, 2019, re: **Corporate Fraud Prevention Hotline Update**.

Dealt with under Item 4.1 – Recommendation AU009-2019

- 5.5. Report from F. Velji, Director and Chief Audit Executive, Office of Internal Audit, dated February 5, 2019, re: **Internal Audit Work Plan – 2019**.

Foruzan Velji, Chief Audit Executive, Office of Internal Audit, provided a brief overview of the subject report.

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In response to questions from Committee, Ms. Velji advised that the Internal Audit Work Plan is both aggressive and agile. The plan may change as risk to the City changes, as particular items gain higher significance from a risk perspective.

The following motion was considered.

AU013-2019 That the report from Foruzan Velji, Director, Office of Internal Audit, dated February 5, 2019, to the Audit Committee Meeting of March 19, 2019, re: **Internal Audit Work Plan – 2019**, be received.

Carried

5.6. Report from F. Velji, Director and Chief Audit Executive, Office of Internal Audit, dated November 30, 2018, re: **IT Service Desk Audit Report**.

The following motion was considered.

AU014-2019 That the report from Foruzan Velji, Director, Office of Internal Audit, dated November 30, 2018, to the Audit Committee Meeting of March 19, 2019, re: **IT Service Desk Audit Report**, be received.

Carried

5.7. Report from F. Velji, Director and Chief Audit Executive, Office of Internal Audit, dated November 30, 2018, re: **Mobile Phone Management Follow-Up Audit Report**.

In response to questions from Committee, Ms. Velji advised that IT Services has a process in place with respect to disconnecting access during the off-boarding of employees.

The following motion was considered, voted on and carried as follows:

That the report from Foruzan Velji, Director, Office of Internal Audit, dated November 30, 2018, to the Audit Committee Meeting of March 19, 2019, re: **Mobile Phone Management Follow-Up Audit Report**, be received.

On a two-thirds majority vote to reopen the question, Item 5.7 was reopened for further consideration.

At the request of Committee Ms. Velji provided an overview of the report and answered questions with regard to reimbursements.

The following motion was considered.

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AU015-2019 That the report from Foruzan Velji, Director, Office of Internal Audit, dated November 30, 2018, to the Audit Committee Meeting of March 19, 2019, re: **Mobile Phone Management Follow-Up 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**

The following motion was considered.

AU016-2019 That Committee proceed into Closed Session to discuss matters pertaining to the following:

10.1. The Security of the Property of the Municipality or Local Board

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 no direction was given to staff in Closed Session

11. **Adjournment**

The following motion was considered.

AU017-2019 That the Audit Committee do now adjourn to meet again on Tuesday, June 11, 2019 at 1:00 p.m. or at the call of the Chair.

Carried

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

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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

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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

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- 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.

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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

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- 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, date 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

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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

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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

Regional Councillor M. Medeiros, Chair

Tuesday, September 10, 2019

Council Members Present: Regional Councillor M. Medeiros – Wards 3 and 4 (**Chair**)
(arrived at 9:32 a.m. – personal)
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

Citizen Members Present: Rishi Jain
Abid Zaman

Members Absent: Regional Councillor G. Dhillon – Wards 9 and 10
(other municipal business)
Iqbal Ali (regrets)

Staff Present: A. Meneses, Acting Chief Administrative Officer
F. Velji, Director and Chief Audit Executive, Office of Internal Audit
D. Sutton, Treasurer, Corporate Services
D. Boyce, Director, Recreation, Community Services
B. Nagalingam, Chief of Staff, Mayor's Office
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

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The meeting was called to order at 9:31 a.m., moved into Closed Session at 10:08 a.m., recessed at 10:43 a.m., moved back into Open Session at 10:47 a.m. and adjourned at 10:48 a.m.

1. Approval of Agenda

The following motion was considered.

AU030-2019 That the agenda for the Audit Committee Meeting of September 10, 2019 be approved, as published and circulated.

Carried

2. Declaration 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.

(nil)

4. Delegations/Presentations

4.1. Delegation from Nick Rolfe, Partner – Internal Audit, Risk and Compliance Services, and Rob Hacking, Manager, KPMG LLP, re: **Review of Councillor Budget and Staffing Model.**

Nick Rolfe, Partner – Internal Audit, Risk and Compliance Services, and Rob Hacking, Manager, KPMG LLP, provided an overview of the report, prepared by KPMG LLP, entitled “Review of Councillor Budget and Staffing Model”.

Mr. Rolfe and Mr. Hacking responded to questions from Committee regarding the recommendations outlined within the subject report, relating to:

- Councillor and staff support
- Reporting of Councillor expenses
- Capturing of Councillor expenses
- Compliance with *Employment Standards Act* (ESA)

Committee discussion took place and staff responded to questions with respect to the following:

- Recommendation for a central point of contact to respond to questions from Councillors and their support staff

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- Previous Council resolution regarding the new Council Office Support Model, which did not include the position of Council Liaison Coordinator
- Tracking of Councillors' expenses, including use of corporate mail
- Responsibility for on-boarding and training processes for Council Office support staff
- Approval process and controls in place for Councillors' expenses
- Benchmarking of the Council Office Support Model
- Indication that the Council Workshop, tentatively scheduled for September 30, 2019, will include the *Employment Standards Act* and the Council Code of Conduct
 - Suggestion that Councillors' attendance at this workshop be mandatory
- Questions regarding the "risk of inconsistent processes" outlined in the subject report, and clarification that the new support model provides flexibility to Councillors in managing their respective offices
- Councillor expenses for consultants, and a suggestion that the role of consultants in the Council Office be reviewed

The following motion was considered.

AU031-2019 That the delegation and report from Nick Rolfe, Partner – Internal Audit, Risk and Compliance Services, and Rob Hacking, Manager, KPMG LLP, to the Audit Committee Meeting of September 10, 2019, re: **Review of Councillor Budget and Staffing Model** be received.

Carried

5. Reports – Internal Audit

5.1. Report from F. Velji, Director and Chief Audit Executive, Office of Internal Audit, dated June 21, 2019, re: **Chris Gibson Recreation Centre Cash Handling and Revenue Audit Report**.

In response to a question from Committee, D. Boyce, Director, Recreation, Community Services, advised that the audit recommendations outlined within the subject report will be applied to all recreation centres.

The following motion was considered.

AU032-2019 That the report from F. Velji, Director and Chief Audit Executive, Office of Internal Audit, dated June 21, 2019, to the Audit Committee Meeting of September 10, 2019, re: **Chris Gibson Recreation Centre Cash Handling and Revenue Audit Report** be received.

Carried

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- 5.2. Report from F. Velji, Director and Chief Audit Executive, Office of Internal Audit, dated June 30, 2019, re: **Driver Certification Program (DCP) Specified Procedures Inspection Compliance Audits**.

The following motion was considered.

- AU033-2019 That the report from F. Velji, Director and Chief Audit Executive, Office of Internal Audit, dated June 30, 2019, to the Audit Committee Meeting of September 10, 2019, re: **Driver Certification Program (DCP) Specified Procedures Inspection Compliance Audits** be received.

Carried

- 5.3. Report from F. Velji, Director and Chief Audit Executive, Office of Internal Audit, dated August 7, 2019, re: **Status of Management Action Plans – June 30, 2019**.

The following motion was considered.

- AU034-2019 That the report from F. Velji, Director and Chief Audit Executive, Office of Internal Audit, dated August 7, 2019, to the Audit Committee Meeting of September 10, 2019, re: **Status of Management Action Plans – June 30, 2019** be received.

Carried

- 5.4. Report from F. Velji, Director and Chief Audit Executive, Office of Internal Audit, dated July 30, 2019, re: **Corporate Fraud Prevention Hotline Update**.

The following motion was considered.

- AU035-2019
1. That the report from F. Velji, Director and Chief Audit Executive, Office of Internal Audit, dated July 30, 2019, to the Audit Committee Meeting of September 10, 2019, re: **Corporate Fraud Prevention Hotline Update** be received; and
 2. That Audit Committee adopt the updated Draft Corporate Fraud Prevention Policy, as set out in Appendix 2.

Carried

6. **Reports – Finance** – nil

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7. **Other/New Business** – nil

8. **Question Period** – nil

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

The following motion was considered.

AU036-2019 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

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 direction was given to staff in Closed Session

11. **Adjournment**

The following motion was considered.

AU037-2019 That the Audit Committee do now adjourn to meet again on Tuesday, November 19, 2019 at 9:30 a.m. or at the call of the Chair.

Carried

Regional Councillor M. Medeiros, Chair

Tuesday, November 19, 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
Regional Councillor G. Dhillon – Wards 9 and 10
(arrived at 9:34 a.m. – personal)
(left at 11:14 a.m. – illness)
City Councillor J. Bowman – Wards 3 and 4
City Councillor D. Whillans – Wards 2 and 6
City Councillor H. Singh – Wards 9 and 10
Iqbal Ali
Rishi Jain

Members Absent: Abid Zaman – regrets

Other Members Present: Regional Councillor Vicente – Wards 1 and 5
(arrived at 11:42 a.m.)

Staff Present: D. Barrick, Chief Administrative Officer
G. Constantine, Acting Director, Office of Internal Audit
D. Boyce, Acting Commissioner, Community Services
M. Parks, Acting Commissioner, Public Works and Engineering
V. Rodo, Acting General Manager, Transit
D. Soos, Acting City Solicitor, Corporate Services
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

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The meeting was called to order at 9:31 a.m., recessed at 9:53 a.m., moved into Closed Session at 10:01 a.m. and recessed from Closed Session at 11:37 a.m. Committee moved back into Open Session at 11:42 a.m. and adjourned at 11:44 a.m.

1. Approval of Agenda

The following motion was considered.

AU038-2019 That the agenda for the Audit Committee Meeting of November 19, 2019 be approved, as amended, to add the following item:

- 10.5. Personal matters about an identifiable individual, including municipal or local board employees

Carried

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

3. Consent – nil

4. Delegations/Presentations

4.1. Delegation from Kevin Travers, Partner, KPMG LLP Chartered Accountants, re: **KPMG Audit Plan for the 2019 Fiscal Year.**

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

Kevin Travers, Partner, KPMG LLP Chartered Accountants, provided an overview of the KPMG Audit Planning Report for the year ending December 31, 2019.

The following motion was considered.

- AU039-2019
1. That the delegation from Kevin Travers, Partner, KPMG LLP Chartered Accountants, to the Audit Committee Meeting of November 19, 2019, re: **KPMG Audit Plan for the 2019 Fiscal Year** be received;
 2. That the report from M. Kuzmanov, Accounting Manager, Corporate Services, dated November 12, 2019, to the Audit Committee Meeting of November 19, 2019, re: **KPMG Audit Plan for the 2019 Fiscal Year** be received; and

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3. That the Audit Planning Report for the Year Ending December 31, 2019, prepared by KPMG LLP, Chartered Accountants (KPMG LLP) to the Audit Committee, be received.

Carried

5. Reports – Internal Audit

- 5.1. Report from G. Constantine, Acting Director, Office of Internal Audit, dated May 6, 2019, re: **Employee Benefits Audit Report**.

G. Constantine, Acting Director, Office of Internal Audit, responded to questions from Committee, and discussion took place with respect to the following:

- Scope of the Employee Benefits Audit and an indication that Phase Two is planned to commence in late 2019
- Metrics/trends for extended health care services and an indication that this will be provided by the Human Resources (HR) Division
- Clarification regarding the analysis conducted by the Benefits Consultant
- Audit recommendation that HR management enhance oversight of the services provided by the Benefit Plan Provider and the Benefits Consultant

The following motion was considered.

- AU040-2019 That the report from G. Constantine, Acting Director, Office of Internal Audit, dated May 6, 2019, to the Audit Committee Meeting of November 19, 2019, re: **Employee Benefits Audit Report** be received.

Carried

- 5.2. Report from G. Constantine, Acting Director, Office of Internal Audit, dated July 22, 2019, re: **Information Technology Disaster Recovery Engagement Report**.

The following motion was considered.

- AU041-2019 That the report from G. Constantine, Acting Director, Office of Internal Audit, dated July 22, 2019, to the Audit Committee Meeting of November 19, 2019, re: **Information Technology Disaster Recovery Engagement Report** be received.

Carried

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- 5.3. Report from G. Constantine, Acting Director, Office of Internal Audit, dated October 16, 2019, re: **Data Centre Audit – Transit**.

The following motion was considered.

- AU042-2019 That the report from G. Constantine, Acting Director, Office of Internal Audit, dated October 16, 2019, to the Audit Committee Meeting of November 19, 2019, re: **Data Centre Audit – Transit** be received.

Carried

- 5.4. Report from G. Constantine, Acting Director, Office of Internal Audit, dated October 21, 2019, re: **Fleet Services Audit Report**.

The following motion was considered.

- AU043-2019 That the report from G. Constantine, Acting Director, Office of Internal Audit, dated October 21, 2019, to the Audit Committee Meeting of November 19, 2019, re: **Fleet Services Audit Report** be received.

Carried

- 5.5. Report from G. Constantine, Acting Director, Office of Internal Audit, dated October 21, 2019, re: **Status of Management Action Plans – September 30, 2019**.

The following motion was considered.

- AU044-2019 That the report from G. Constantine, Acting Director, Office of Internal Audit, dated October 21, 2019, to the Audit Committee Meeting of November 19, 2019, re: **Status of Management Action Plans – September 30, 2019** be received.

Carried

- 5.6. Report from G. Constantine, Acting Director, Office of Internal Audit, dated October 21, 2019, re: **Corporate Fraud Prevention Hotline Update**.

The following motion was considered.

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AU045-2019 That the report from G. Constantine, Acting Director, Office of Internal Audit, dated October 21, 2019, to the Audit Committee Meeting of November 19, 2019, re: **Corporate Fraud Prevention Hotline Update** be received.

Carried

6. Reports – Finance

6.1. Report from M. Kuzmanov, Accounting Manager, Corporate Services, dated November 12, 2019, re: **KPMG Audit Plan for the 2019 Fiscal Year.**

Dealt with under Item 4.1 – Recommendation AU039-2019

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

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

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

The following motion was considered.

AU046-2019 That Committee proceed into Closed Session to discuss matters pertaining to the following:

10.1. 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

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- 10.4. The security of the property of the municipality or local board
- 10.5. Personal matters about an identifiable individual, including municipal or local board employees

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 direction was given to staff in Closed Session
- 10.2 – Committee considered this matter and direction was given to staff in Closed Session
- 10.3 – Committee considered this matter and direction was given to staff in Closed Session
- 10.4 – Committee considered this matter and direction was given to staff in Closed Session
- 10.5 – Committee considered this matter and direction was given to staff in Closed Session

11. Adjournment

The following motion was considered.

AU047-2019 That the Audit Committee do now adjourn to meet again on Tuesday, March 10, 2020 at 9:30 a.m. or at the call of the Chair.

Carried

Regional Councillor M. Medeiros, Chair

**Tuesday, May 5, 2020
Special Meeting****Members Present via Electronic Meeting Participation:**

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
Iqbal Ali
Rishi Jain
Abid Zaman

Staff Present: D. Barrick, Chief Administrative Officer
S. Kalkat, Director, Office of Internal Audit
D. Sutton, Treasurer, Finance
P. Fay, City Clerk
C. Gravlev, Deputy City Clerk
S. Pacheco, Legislative Coordinator, City Clerk's Office

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Note: In consideration of the current COVID-19 public health orders prohibiting public gatherings of more than 5 people and requirements for physical distancing between persons, in-person attendance at this Audit Committee meeting was limited to Members of Council and essential City staff only. Physical distancing was maintained in Council Chambers at all times during the meeting.

The meeting was called to order at 9:30 a.m. and adjourned at 10:00 a.m.

1. Approval of Agenda

As this meeting of Audit Committee was conducted with electronic participation by Members of Council and Citizen Members, the meeting started with the City Clerk calling the roll for attendance at the meeting, as follows:

Members present during roll call: Councillor Medeiros, Councillor Santos, Councillor Palleschi, Councillor Dhillon, Councillor Bowman, Councillor Whillans, Councillor Singh, Citizen Members Iqbal Ali, Rishi Jain, Abid Zaman

Members absent during roll call: nil

The following motion was considered.

AU008-2020 That the agenda for the Special Audit Committee Meeting of May 5, 2020, be approved as published and circulated.

Carried

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

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.

(nil)

4. Delegations/Presentations

4.1. Delegation from Mr. Kevin Travers, Partner, KPMG LLP Chartered Accountants, re: **Draft 2019 Audited Consolidated Financial Statements for the City of Brampton.**

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Kevin Travers, Partner, KPMG LLP Chartered Accountants, provided an overview of the Audit Findings Report prepared by KPMG for the year ended December 31, 2019 (Appendix C to Report Item 6.1). Mr. Travers advised that:

- the audit was conducted in accordance with the Audit Plan previously presented to Committee
- no uncorrected differences, adjustments or control deficiencies were identified
- the reasonability of accounting estimates was satisfactory
- management's assessment of the financial impact of COVID-19 was reviewed

In addition, Mr. Travers provided information in regard to the following:

- Audit risks and results – significant financial reporting risks
- Technology in the audit
- Significant and other accounting policies and practices – adoption of new standards
- Current developments and audit trends

Mr. Travers and staff responded to questions from Committee with respect to the following:

- Long-term investments
 - Investment portfolio
 - Purpose/use of funds
 - Level of information provided in the financial statements
 - Regulations for permitted municipal investments
- Accounting of development charges in the financial statements
- Information provided in reserve and capital status update reports to Council
- City funding sources that can be used for the COVID-19 emergency
 - Staff advised there is currently no legislation in place requiring municipalities to have an emergency fund
- Accounting of potential funds from the Federal and Provincial Governments for the COVID-19 emergency
- Review of the annual Audit Plan by KPMG

The following motion was considered.

AU009-2020 That the delegation from Kevin Travers, Partner, KPMG LLP Chartered Accountants, to the Special Audit Committee Meeting of May 5, 2020, re: **Draft 2019 Audited Consolidated Financial Statements for the City of Brampton**, be received.

Carried

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5. **Reports – Internal Audit** – nil

6. **Reports – Finance**

6.1. Staff Report re: **Draft 2019 Audited Consolidated Financial Statements for the City of Brampton.**

The following motion was considered.

- AU010-2020 1. That the report titled: **Draft 2019 Audited Consolidated Financial Statements for the City of Brampton (R106/2020)**, to the Special Audit Committee Meeting of May 5, 2020, be received;
2. That the Draft 2019 Audited Financial Statements be received and approved; and
3. That the KPMG LLP Audit Findings Report for the year ended December 31, 2019, be received.

Carried

7. **Other/New Business** – nil

8. **Member Question Period** – nil

9. **Public Question Period**

The public was given the opportunity to submit questions via e-mail to the City Clerk's Office regarding any decisions made at this meeting.

P. Fay, City Clerk, confirmed that no questions were submitted regarding decisions made at this meeting.

10. **Closed Session** -nil

11. **Adjournment**

The following motion was considered.

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AU011-2020 That the Audit Committee do now adjourn to meet again on Tuesday, June 16, 2020 at 9:30 a.m. or at the call of the Chair.

Carried

Regional Councillor M. Medeiros, Chair

Tuesday, June 16, 2020

Members Present via Electronic Meeting Participation:

Regional Councillor M. Medeiros – Wards 3 and 4 (Chair)
Regional Councillor R. Santos – Wards 1 and 5 (Vice Chair)
Regional Councillor G. Dhillon – Wards 9 and 10 (arrived at 3:24 p.m.
– personal)
City Councillor J. Bowman – Wards 3 and 4
City Councillor H. Singh – Wards 9 and 10
Rishi Jain
Abid Zaman

Members Absent:

Regional Councillor M. Palleschi – Wards 2 and 6 (personal)
City Councillor D. Whillans – Wards 2 and 6 (personal)
Iqbal Ali (personal)

Staff Present:

D. Barrick, Chief Administrative Officer
R. Forward, Commissioner, Planning and Economic Development
J. Pittari, Commissioner, Legislative Services
D. Boyce, Acting Commissioner, Community Services
B. Boyes, Fire Chief, Fire and Emergency Services
D. Soos, Deputy City Solicitor, Corporate Support Services
S. Kalkat, Director, Office of Internal Audit
D. Sutton, Treasurer, Corporate Support Services
P. Fay, City Clerk
C. Gravlev, Deputy City Clerk
S. Pacheco, Legislative Coordinator, City Clerk's Office

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Note: In consideration of the current COVID-19 public health orders prohibiting public gatherings of more than 10 people and requirements for physical distancing between persons, in-person attendance at this Audit Committee meeting was limited to Members of Council and essential City staff only. Physical distancing was maintained in Council Chambers at all times during the meeting.

The meeting was called to order at 3:01 p.m. and recessed at 3:14 p.m. Committee moved into Closed Session at 3:24 p.m. and recessed at 3:45 p.m. Committee reconvened in Open Session at 3:53 p.m. and adjourned at 4:14 p.m.

1. Call to Order

As this meeting of Audit Committee was conducted with electronic participation by Members, the meeting started with the City Clerk calling the roll for attendance at the meeting, as follows:

Members present during roll call: Councillor Santos, Councillor Bowman, Councillor Medeiros, Councillor Singh, Rishi Jain, Abid Zaman

Members absent during roll call: Councillor Palleschi, Councillor Dhillon, Councillor Whillans, Iqbal Ali

2. Approval of Agenda

The following motion was considered.

AU012-2020 That the agenda for the Audit Committee Meeting of June 16, 2020, be approved as published and circulated.

Carried

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

4. 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.

(nil)

5. Delegations/Presentations – nil

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6. Reports – Internal Audit

6.1. Staff Report re: Internal Audit Charter (R 143/2020)

D. Barrick, Chief Administrative Officer, responded to questions from Committee regarding the proposed new model for the Internal Audit Charter, and explained how it differs from the ‘auditor general’ model. He added that the proposed internal audit model aligns with the City’s by-laws and policies.

Questions were raised regarding the proposed changes outlined in the subject report, specifically the proposed reporting structure for the Office of Internal Audit, and the potential impact of this structure on the independence and objectivity of the internal audit function.

In response to questions from Committee, D. Soos, Deputy City Solicitor, Corporate Support Services, advised that Committee may move into closed session to receive legal advice on this matter, under the following open session meeting exceptions under Section 239 (2) of the *Municipal Act, 2001*:

- (f) Advice that is subject to solicitor-client privilege, including communications necessary for that purpose, and
- (e) litigation or potential litigation, including matters before administrative tribunals, affecting the municipality or local board

Committee agreed to vary the order of business and considered Closed Session matters at this time.

The following motion was considered.

AU013-2020 That Committee proceed into Closed Session to discuss matters pertaining to the following:

- 11.1. The security of the property of the municipality or local board
- 11.2. Advice that is subject to solicitor-client privilege, including communications necessary for that purpose, and litigation or potential litigation, including matters before administrative tribunals, affecting the municipality or local board

Carried

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

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- 11.1 – This item was considered by Committee in Closed Session and no direction was given to staff
- 11.2 – This item was considered by Committee in Closed Session and no direction was given to staff. It was further advised by the City Clerk that the open session meeting exception under the *Municipal Act, 2001* re. litigation or potential litigation, including matters before administrative tribunals, affecting the municipality or local board, was incorrectly identified as an open meeting exception reason for closed session consideration of this matter and not applicable to this item.

Following Closed Session, Committee proceeded to consider the agenda items.

The following motion was considered.

AU014-2020 That the report titled: **Internal Audit Charter (R 143/2020)**, to the Audit Committee Meeting of June 16, 2020, be **deferred** to the next Audit Committee Meeting, scheduled to take place on September 8, 2020.

Carried

6.2. Staff Report re: **Annual Report – 2019 (I 61/2020)**

In response to a question from Committee, staff advised that the deferral of Item 6.1 does not impact the subject report.

The following motion was considered.

AU015-2020 That the report titled: **Annual Report – 2019 (I 61/2020)**, to the Audit Committee Meeting of June 16, 2020, be received.

Carried

6.3. Staff Report re: **Status of Management Action Plans (MAPs) – March 31, 2020 (I 60/2020)**

The following motion was considered.

AU016-2020 That the report titled: **Status of Management Action Plans (MAPs) – March 31, 2020 (I 60/2020)**, to the Audit Committee Meeting of June 16, 2020, be received.

Carried

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6.4. Staff Report re: **Corporate Fraud Prevention Hotline Update (I 62/2020)**

Committee discussion took place with respect to the subject report, and included the following:

- Request that additional information be provided on reports of alleged fraud (e.g. affected departments, final disposition of reports)
- Request for an update at the next meeting on reports that remain open due to office closures resulting from the COVID-19 emergency
- Protection from reprisals for employees that report an incident of suspected fraud

The following motion was considered.

AU017-2020 That the report titled: **Corporate Fraud Prevention Hotline Update (I 62/2020)**, to the Audit Committee Meeting of June 16, 2020, be received.

Carried

6.5. Staff Report re: **Purchasing Card Governance and Transaction Review Audit (I 59/2020)**

The following motion was considered.

AU018-2020 That the report titled: **Purchasing Card Governance and Transaction Review Audit (I 59/2020)** to the Audit Committee Meeting of June 16, 2020, be received.

Carried

6.6. Staff Report re: **IT Asset Management – End User Computing Audit (I 65/2020)**

The following motion was considered.

AU019-2020 That the report titled: **IT Asset Management – End User Computing Audit (I 65/2020)**, to the Audit Committee Meeting of June 16, 2020, be received.

Carried

6.7. Staff Report re: **Rose Theatre Audit (I 64/2020)**

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10. Public Question Period – nil

The public was given the opportunity to submit questions via e-mail to the City Clerk's Office regarding any decisions made at this meeting.

P. Fay, City Clerk, confirmed that no questions were submitted.

11. Closed Session

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

11.2. Advice that is subject to solicitor-client privilege, including communications necessary for that purpose

Note: Added during consideration of Item 6.1

See Item 6.1 – Recommendation AU013-2020

12. Adjournment

The following motion was considered.

AU022-2020 That the Audit Committee do now adjourn to meet again on Tuesday, September 8, 2020 at 9:30 a.m. or at the call of the Chair.

Carried

Regional Councillor M. Medeiros, Chair

Tuesday, September 8, 2020**Members Present via Electronic Meeting Participation:**

Regional Councillor M. Medeiros – Wards 3 and 4 (Chair)
Regional Councillor R. Santos – Wards 1 and 5 (Vice Chair)
Note: Councillor Santos chaired the meeting
City Councillor J. Bowman – Wards 3 and 4
City Councillor H. Singh – Wards 9 and 10
Regional Councillor Vicente – Wards 1 and 5 (designate for City
Councillor Whillans)
Iqbal Ali – Citizen Member

Members Absent:

Regional Councillor M. Palleschi – Wards 2 and 6 (personal)
Regional Councillor G. Dhillon – Wards 9 and 10 (personal)
City Councillor D. Whillans – Wards 2 and 6 (personal)
Rishi Jain – Citizen Member (personal)
Abid Zaman – Citizen Member (personal)

Staff Present:

D. Barrick, Chief Administrative Officer
S. Kalkat, Director, Office of Internal Audit
Z. Majid, Senior Manager, Accounting Services and Deputy
Treasurer, Corporate Support Services
P. Fay, City Clerk
C. Gravlev, Deputy City Clerk
S. Pacheco, Legislative Coordinator, City Clerk's Office

1. **Call To Order**

Note: In consideration of the current COVID-19 public health orders prohibiting large public gatherings of people and requirements for physical distancing between persons, in-person attendance at this Audit Committee meeting was limited to Members of Council and essential City staff only. Physical distancing was maintained in Council Chambers at all times during the meeting.

The meeting was called to order at 3:11 p.m., recessed at 4:17 p.m. and moved into Closed Session at 4:27 p.m. Committee recessed at 4:28 p.m., reconvened in Open Session at 4:33 p.m. and adjourned at 4:34 p.m.

This meeting of Audit Committee was conducted with electronic participation by Members, the meeting started with the City Clerk calling the roll for attendance at the meeting, as follows:

Members present during roll call: Councillor Medeiros, Councillor Santos, Councillor Bowman, Councillor Singh, Councillor Vicente (designate for Councillor Whillans), Iqbal Ali

Members absent during roll call: Councillor Dhillon, Councillor Palleschi, Councillor Whillans, Rishi Jain, Abid Zaman

2. **Approval of Agenda**

The following motion was considered.

AU023-2020 That the agenda for the Audit Committee Meeting of September 8, 2020, be approved as published and circulated.

Carried

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

4. **Consent** – nil

5. **Presentations\Delegations** – nil

6. **Reports – Internal Audit**

6.1 Staff Report re: **Internal Audit Charter (R 143/2020)**

Committee discussion took place regarding the Internal Audit Charter, as outlined in the subject report, and included the following:

- Concerns regarding the Functional Reporting structure of the Office of Internal Audit and the potential impact of this structure on the independence and objectivity of the internal audit function
- Suggestion that internal audit reports be reported directly to the Audit Committee and/or Council, rather than through the CAO
- Concerns that the appointment, dismissal and remuneration of the Internal Audit Director is under the responsibility of the CAO, due to the potential impact this may have on the independence and objectivity of the internal audit function
- Council's decision to continue with an Internal Audit model rather than an Auditor General model
- Role of the Audit Committee to ensure the internal audit function is independent and impartial.

D. Barrick, Chief Administrative Officer, clarified that the existing reporting structure of the Office of Internal Audit has not changed and, in accordance with Council's direction, the proposed Charter was updated to align with City by-laws and policies. In addition, Mr. Barrick explained how the Internal Audit model differs from the Auditor General model.

S. Kalkat, Director, Internal Audit, clarified the reporting process for internal audit reports to Audit Committee, and the flow of information to the CAO and management in advance of the meeting.

Item 6.6 was brought forward and dealt with at this time.

At the request of Committee, Nicholas Rolfe, KPMG, responded to questions and concerns raised by Audit Committee members, and provided the following:

- The existing reporting structure of Internal Audit remains unchanged and meets Internal Auditing standards
- Internal Audit staff are required to comply with the standards of the International Professional Practices Framework (IPPF) and the Code of Ethics as set out by the Institute of Internal Auditors (IIA)
- Audit Committee can meet with the Internal Audit Director in closed session to address any potential risks/concerns

- Internal Audit reports should be discussed with management prior to being presented to Audit Committee, in order to have an effective internal audit process and function.

In addition, Mr. Rolfe provided an overview of KPMG's Internal Audit Function Review (Appendix 1 of Item 6.6.), and provided details on the Summary of Results and Key Recommendations outlined within. Mr. Rolfe responded to questions from Committee with respect to the following:

- Appropriate sample size for conducting an effective audit
- Risk-based approach to auditing
- Process for following up on the completion of recommendations
- Process for appointing citizen members to the Audit Committee

Ms. Kalkat confirmed that the status of KPMG's recommendations will be reported to the Audit Committee as part of the Management Action Plans report.

A motion to approve the recommendations in staff report 6.1 (Internal Audit Charter) was introduced, as amended, to add the following clauses:

3. That the Audit Committee be given the opportunity to meet with the Director of Internal Audit, in closed session, at each meeting given proper authority under the *Municipal Act, 2001* with regard to a closed session exception; and
4. That future citizen members be selected through the Citizen Appointments Committee.

The following motion was considered in regard to Item 6.1.

- AU024-2020
1. That the report titled: **Internal Audit Charter (R143/2020)**, to the Audit Committee Meeting of September 8, 2020, be received;
 2. That the by-law attached as Appendix 1 to this report be enacted, adopting the Internal Audit Charter, attached as Appendix 2 to this report, and Audit Committee Terms of Reference, attached as Appendix 3 to this report;
 3. That the Audit Committee be given the opportunity to meet with the Director of Internal Audit, in closed session, at each meeting given proper authority under the Municipal Act with regard to a closed session exception; and
 4. That future citizen members be selected through the Citizen Appointments Committee.

Carried

The following motion was considered in regard to Item 6.6.

AU025-2020 That the report titled: **Quality Assurance Review of the Internal Audit Function- 2020 (I 87/2020)**, to the Audit Committee Meeting of September 8, 2020, be received.

Carried

6.2 Staff Report re: **Driver Certification Program (DCP) Specified Procedures Inspection Compliance Audits – Fleet and Fire & Emergency Services (I 84/2020)**

The following motion was considered.

AU026-2020 That the report titled: **Driver Certification Program (DCP) Specified Procedures Inspection Compliance Audits – Fleet and Fire & Emergency Services (I84/2020)**, to the Audit Committee Meeting of September 8, 2020, be received.

Carried

6.3 Staff Report re: **Corporate Fraud Prevention Hotline Update (I 85/2020)**

In response to questions from Committee, S. Kalkat, Director, Internal Audit, advised that each complaint received through the Corporate Fraud Prevention Hotline is investigated and provided information on the process for these investigations.

The following motion was considered.

AU027-2020 That the report titled: **Corporate Fraud Prevention Hotline Update (I85/2020)**, to the Audit Committee Meeting of September 8, 2020, be received.

Carried

6.4 Staff Report re: **Contract Awarding Process Audit (I 86/2020)**

Committee members expressed concern regarding the sample size (26 of 1615 active contracts) used to assess compliance with policies and procedures.

S. Kalkat, Director, Internal Audit, clarified that this was a compliance audit and provided information on the audit process.

The following motion was considered.

AU028-2020 That the report titled: **Contract Awarding Process Audit (I86/2020)**, to the Audit Committee Meeting of September 8, 2020, be received.

Carried

6.5 Staff Report re: **Status of Management Action Plans (MAPs) - June 30, 2020 (I 88/2020)**

The following motion was considered.

AU029-2020 That the report titled: **Status of Management Actions Plans-June 30, 2020 (I88/2020)**, to the Audit Committee Meeting of September 8, 2020, be received.

Carried

6.6 Staff Report re: **Quality Assurance Review of the Internal Audit Function - 2020 (I 87/2020)**

Dealt with under Item 6.1 – See Recommendation AU025-2020

7. **Reports – Finance** – nil

8. **Other/New Business**

9. **Question Period** – nil

10. **Public Question Period**

The public was given the opportunity to submit questions via e-mail to the City Clerk's Office regarding any decisions made at this meeting.

The Clerk confirmed that no questions were submitted.

11. **Closed Session**

11.1. Open Session meeting exception under Section 239 (2) (a) of the Municipal Act, 2001:

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

The following motion was considered.

AU030-2020 That Committee proceed into Closed Session to discuss matters pertaining to the following:

11.1. Open Session meeting exception under Section 239 (2) (a) of the Municipal Act, 2001:

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:

11.1 – This item was considered by Committee in Closed Session and no direction was given to staff

12. **Adjournment**

The following motion was considered.

AU031-2020 That the Audit Committee do now adjourn to meet again for a Regular Meeting on November 24, 2020 at 9:30 a.m., or at the call of the Chair.

Carried

Regional Councillor R. Santos, Vice-Chair



Minutes

Audit Committee

The Corporation of the City of Brampton

Tuesday, November 24, 2020

Members Present: Regional Councillor M. Medeiros
Regional Councillor R. Santos
Regional Councillor M. Palleschi
Regional Councillor G. Dhillon
City Councillor J. Bowman
City Councillor D. Whillans
City Councillor H. Singh
Iqbal Ali
Abid Zaman

Members Absent: Rishi Jain

Staff Present: Sunny Kalkat, Director, Internal Audit
Peter Fay, City Clerk
Charlotte Gravlev, Deputy City Clerk
Chandra Urquhart, Legislative Coordinator

1. Call to Order

Note: In consideration of the current COVID-19 public health orders prohibiting large public gatherings of people and requirements for physical distancing between persons, in-person attendance at this Audit Committee meeting was limited to Members of Council and essential City staff only. Physical distancing was maintained in Council Chambers at all times during the meeting.

The meeting was called to order at 9:34 a.m. and recessed at 10:59 a.m. Committee moved into Closed Session at 11:10 a.m., recessed at 11:42 a.m., reconvened in Open Session at 11:55 a.m., and adjourned at 11:59 a.m.

As this meeting of the Audit Committee was conducted with electronic participation by the Members, the meeting started with the City Clerk calling the roll for attendance at the meeting, as follows:

Members present during roll call: Councillor Medeiros, Councillor Santos, Councillor Palleschi, Councillor Dhillon, Councillor Bowman, Councillor Singh, Councillor Whillans, Iqbal Ali, Abid Zaman

Members absent during roll call: Rishi Jain (regrets)

Others present: Councillor Vicente, Councillor Fortini

Note: Councillor Whillans left the meeting at 11:30 a.m. (other municipal business)

2. Approval of Agenda

AU032-2020

That the agenda for the Audit Committee Meeting of November 24, 2020 be approved.

Carried

3. Declarations of Interest under the Municipal Conflict of Interest Act

Nil

4. Consent

Nil

5. Presentations\Delegations

5.1 Delegation from Kevin Travers, Partner, KPMG LLP Chartered Accountants, re: KPMG Audit Plan for the 2020 Fiscal Year

Item 7.1 was brought forward and dealt with at this time.

Kevin Travers, Partner, and Maria Khoushnood, Audit Senior Manager, KPMG LLP Chartered Accountants, provided an overview of the executive summary of the Audit Plan for the 2020 Fiscal Year and advised that the plan is presented from a risk base perspective noting the impacts of COVID-19 on the City's business. The following was highlighted:

- Group audit scope include
 - The Brampton Public Library Board
 - Downtown Brampton Business Improvement Area
 - The Corporation of City of Brampton Trust Funds
- COVID-19: Embedding Resilience & Readiness
- Audit Materiality – used to scope the audit and identify risks
- Key deliverables and milestones
- New audit standards
- Audit quality and transparency
- Current developments – accounting

Mr. Travers provided clarification with respect to the following:

- Whether or not it was common practice for the budget process to have accurate audit numbers prior to budget
- Whether more focus will be placed on the impact of Covid-19 in the financial reporting in the future

The following motion was considered:

AU033-2020

1. That the delegation from Kevin Travers, Partner, KPMG LLP Chartered Accountants, to the Audit Committee Meeting of November 24, 2020, re: **KPMG Audit Plan for the 2020 Fiscal Year** be received;
2. That the report titled: **KPMG Audit Plan for the 2020 Fiscal Year**, to Audit Committee meeting of November 24, 2020, be received; and
3. That the **Audit Planning Report for the Year Ending December 31st, 2020**, prepared by KPMG LLP, Chartered Accountants (KPMG LLP) to the Audit Committee meeting of November 24, 2020, be received.

Carried

5.2 Staff Presentation, re: Internal Audit

S. Kalkat, Director, Internal Audit, provided a presentation on the Internal Audit role and function in the organization. The following topics were highlighted:

- Internal Audit - Overview
- Internal Audit - Independent Assurance
- IA Plan 2021 - Pending Approval
- Approach - Detailed Activities
- Audit Requests - Protocols and Escalations

Committee discussion took place and staff responded to questions with respect to the following:

- The criteria followed to determine that an audit may be deferred or delayed at a later date includes factors around and risk
- Explanation for previously deferred audits regarding IT and Realty Services

The following motion was considered:

AU034-2020

That the presentation by S. Kalkat, Director, Internal Audit, re: **Internal Audit Presentation**, to the Audit Committee Meeting of November 24, 2020, be received.

Carried

6. Reports - Internal Audit

6.1 Staff Report re: Internal Audit Work Plan – 2021

S. Kalkat, Director, Internal Audit, responded to questions and comments from Committee including the following:

- Reference to the items listed on the work plan and whether it includes 'carryover' items from 2020, and timelines for completion
- Expansion of the scope of the review re item #5
- Request for follow-up information on HR recruitment and benefits

Ms. Kalkat advised that an update will be provided at a future meeting on the issues raised by Committee.

The following motion was considered:

AU035-2020

That the report by S. Kalkat, Director, Internal Audit, re: **Internal Audit Work Plan- 2021**, to the Audit Committee Meeting of November 24, 2020, be received.

Carried

6.2 Staff Report re: Status of Management Action Plans (MAPs) – September 30, 2020

S. Kalkat, Director, Internal Audit, responded to questions regarding the delay of the 2019 payroll services item given the financial impact on the audit process. She noted that an update with respect to completion timelines will be will be provided at a future meeting.

The following motion was considered:

AU036-2020

That the report by S. Kalkat, Director, Internal Audit, re: **Status of Management Actions Plans-September 30, 2020**, to the Audit Committee Meeting of November 24, 2020, be received.

Carried

6.3 Staff Report re: Corporate Fraud Prevention Hotline Update

Committee discussion took place with respect to the subject report, and included the following:

- Request for an overview of the final disposition of reports received through the fraud prevention hotline
- Questioned whether the hotline is also available to external parties, such as City vendors and residents
- Indication that the hot line is available to all City employees and the understanding that it is available externally

- Suggestion that staff consider the merits to advertise the hotline through other avenues to the public
- An indication that staff will undertake benchmarking on the practice within other municipalities regarding the availability of the hotline to the public
- Process for handling reports that may relate to management while ensuring confidentiality of individuals
- Request for information on the current practice with respect to the protection of employee 'whistle blowers'
- Rebranding the hotline to encourage reporting that would include unethical activities
- Process for dealing with complaints on HR matters that are not fraud related and the need to reassure staff and the public that complaints are taken seriously
- Expression of support for the promotion of the fraud hotline and the need for transparency in the City's hiring and business operations
- Suggestion that new City staff to be advised through the on-boarding process of the availability and purpose of the Fraud Prevention Hotline

S. Kalkat, Director, Internal Audit, advised that all complaints received through the Corporate Fraud Prevention Hotline are investigated and outlined the process for these investigations. She advised that Committee will be updated at a future meeting on the issues raised and comments/suggestions provided.

A motion to approve the recommendation in the staff report was introduced, as amended, to add the following clauses:

That the Director of Internal Audit be requested to research and report, to the next meeting of the Audit Committee, on:

- 1) the potential for external promotion and access to the Fraud Prevention Hotline; and
- 2) the whistle-blower protection scheme in place at the City.

The motion in its entirety was consider as follows:

AU037-2020

1. That the report titled: **Corporate Fraud Prevention Hotline Update**, to the Audit Committee Meeting of November 24, 2020, be received;
2. That the Director of Internal Audit be requested to research and report, to the next meeting of the Audit Committee, on:
 - i.) the potential for external promotion and access to the Fraud Prevention Hotline; and
 - ii.) the whistle-blower protection scheme in place at the City.

Carried

6.4 Staff Report re: Deferral of Data Architecture and Management Audit

The following motion was considered:

AU038-2020

That the report by S. Kalkat, Director, Internal Audit, re: **Deferral of Data Architecture and Management Audit**, to the Audit Committee Meeting of November 24, 2020, be received.

Carried

6.5 Staff Report re: Deferral of Realty Services Audit

The following motion was considered:

AU039-2020

That the report by S. Kalkat, Director, Internal Audit, re: **Deferral of Realty Services Audit** to the Audit Committee Meeting of November 24, 2020, be received.

Carried

6.6 Staff Report re: Transit Operations Audit Report

Alex Milojevic, General Manager, provided comments on the report that included the following:

- Overview of Transit operations during COVID-19 and its challenges
- Details on revenue collected and reconciliation
- Fare evasion or ‘non-payment’ of fares by riders and difficulty to enforce and monitor – confirmation that almost 99 percent of riders pay fares
- Corrective action undertaken in the four areas identified for improvements
- Categorizing the entire department as requiring significant improvement viewed as ‘unfair ‘

S. Kalkat, Director, Internal Audit, acknowledged that Transit staff have undertaken to corrective action on the areas identified for improvements. A follow-up report will be presented to Committee with information on the measures taken to address the areas identified that require improvements.

Committee complimented Transit staff on the handling of Transit operations given the ‘significant challenges’ they encountered and continue to face during COVID-19.

The following motion was considered:

AU040-2020

1. That the report by S. Kalkat, Director, Internal Audit, re: **Transit Operations Audit Report** to the Audit Committee Meeting of November 24, 2020, be received.
2. That the **Audit Planning Report for the Year Ending December 31st, 2020**, prepared by KPMG LLP, Chartered Accountants (KPMG LLP) to the Audit Committee meeting of November 24, 2020, be received.

Carried

7. Reports - Finance

7.1 Staff Report re: KPMG Audit Plan for the 2020 Fiscal Year

Dealt with under Item 7.1 – Recommendation AU033-2020

8. Other/New Business

Nil

9. Question Period

Nil

10. Public Question Period

Nil

11. Closed Session

AU041-2020

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

- 11.1. Open Meeting exception under Section 239 (2) (a) of the Municipal Act, 2001:
The security of the property of the municipality or local board.

11.2. Open Meeting exception under Section 239 (2) (a) of the Municipal Act, 2001:

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

11.3. Open Meeting exception under Section 239 (2) (a) of the Municipal Act, 2001:

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:

11.1. This item was considered by Committee in Closed Session and direction was given to staff to introduce a motion in Open Session. See Recommendation AU042-2020.

11.2. This item was considered by Committee in Closed Session and direction was given to staff to introduce a motion in Open Session. See Recommendation AU043-2020.

11.3. This item was considered by Committee in Closed Session and no direction was given to staff

The following motion was considered with respect to Item 11.1

AU042-2020

1. That this item referenced as Appendix 3 in Closed Session be considered as part of the open session report listed on the agenda as Item 6.2. **Status of Management Actions Plans-September 30, 2020** and be made available to the public in its entirety;

2. That the report be received.

Carried

The following motion was considered with respect to Item 11.2.

AU043-2020

1. That the portion of the report pertaining to the matter on Segregation of Duties, as determined by the Director, Internal Audit, be considered in open session and be made available to the public; and,
2. That the open session report be received.

Carried

12. Adjournment

The following motion was considered:

AU044-2020

That the Audit Committee do now adjourn to meet again for a Regular Meeting on February 23, 2021 at 9:30 a.m. or at the call of the Chair.

Carried

P. Brown, Mayor

P. Fay, City Clerk



Minutes

Audit Committee

The Corporation of the City of Brampton

Tuesday, February 23, 2021

- Members Present: Regional Councillor M. Medeiros
Regional Councillor R. Santos
Regional Councillor M. Palleschi
City Councillor J. Bowman
City Councillor D. Whillans
City Councillor H. Singh
Rishi Jain
Abid Zaman
- Members Absent: Regional Councillor G. Dhillon
Iqbal Ali
- Staff Present: David Barrick, Chief Administrative Officer
Richard Gervais, Acting Director, Internal Audit
Sandeep Aujla, Director, Human Resources
Mark Medeiros, Acting Treasurer, Corporate Support Services
Sameer Akhtar, City Solicitor
Peter Fay, City Clerk
Charlotte Gravlev, Deputy City Clerk
Sonya Pacheco, Legislative Coordinator

1. Call to Order

Note: In consideration of the current COVID-19 public health orders prohibiting large public gatherings of people and requirements for physical distancing between persons, in-person attendance at this Audit Committee meeting was limited to Members of Council and essential City staff only. Physical distancing was maintained in Council Chambers at all times during the meeting.

The meeting was called to order at 9:31 a.m. and recessed at 10:25 a.m. Committee reconvened in Closed Session at 10:40 a.m., recessed at 10:57 a.m., moved back into in Open Session at 11:10 a.m. and adjourned at 11:20 a.m.

As this meeting of the Audit Committee was conducted with electronic participation by the Members, the meeting started with the City Clerk calling the roll for attendance at the meeting, as follows:

Members present during roll call: Councillor Medeiros, Councillor Santos, Councillor Palleschi, Councillor Bowman, Councillor Singh, Councillor Whillans, Abid Zaman

Members absent during roll call: Councillor Dhillon (personal), Iqbal Ali (regrets), Rishi Jain (arrived late at 9:35 a.m.)

Other Council Members present: Councillor Vicente, Councillor Fortini

2. Approval of Agenda

The following motion was considered.

AU001-2021

That the agenda for the Audit Committee Meeting of February 23, 2021 be approved as published and circulated.

Carried

3. Declarations of Interest under the Municipal Conflict of Interest Act

Nil

4. Consent

In keeping with Council Resolution C019-2021, the Meeting Chair reviewed the relevant agenda items during this section of the meeting and allowed Members to

identify agenda items for debate and consideration, with the balance to be approved as part of the Consent Motion given the items are generally deemed to be routine and non-controversial.

The following items listed with a caret (^) were considered to be routine and non-controversial by the Committee and were approved at one time.

(6.3, 8.1, 11.1)

The following motion was considered.

AU002-2021

That the following items to the Audit Committee Meeting of February 23, 2021 be approved as part of Consent:

(6.3, 8.1, 11.1)

Yea (8): Regional Councillor Santos, City Councillor Whillans, Regional Councillor Palleschi, Regional Councillor Medeiros, City Councillor Bowman, City Councillor Singh, Rishi Jain and Abid Zaman

Absent (2): Regional Councillor Dhillon, Iqbal Ali

Carried (8 to 0)

5. Presentations\Delegations

Nil

6. Reports - Internal Audit

6.1 Staff Report, re: Corporate Fraud Prevention Hotline Update

Committee discussion took place with respect to the following:

- Opportunity and implications, including costs and staff resources, of extending the hotline to the public
- Extension of the contract for an additional one-year term
- Impact of future considerations for an Auditor General model
- Consideration of Option 2 in Appendix 1 of the staff report

The following motion was introduced.

That Option 2 within the report be pursued, to extend the contract to include external sources of input, and for an additional one-year term.

Further Committee discussion included the following:

- Request for information on existing or potential whistle-blower policy and procedures to protect employees from reprisal for filing complaints
- Indication that a majority of complaints received from staff were related to human resources matters
- Indication that staff are reviewing the mechanisms and identifying gaps for employee complaints, including those against Members of Council
 - Suggestion to incorporate a mechanism within the Council Code of Conduct
- Process and role of the Integrity Commissioner in reviewing complaints from staff against Members of Council
- Concern regarding potential delays in addressing staff complaints against Council Members and the need to establish an appropriate mechanism for such complaints
- Discretion of the Integrity Commissioner to investigate complaints
- Process for filing complaints with the Ombudsman

An amendment to the motion was introduced and accepted by the mover to read as follows:

That Option 1 described within the report be pursued, such that the contract be extended for an additional one-year term, while further research and costing be undertaken with respect to potential expansion of the hotline to the public; and

That staff be requested to research and report with an overview of existing or potential whistle-blower policy and procedures to the May 4, 2021 Audit Committee meeting.

Committee requested that further discussion on this matter be dealt with in Closed Session, as it relates to the security of the property of the municipality or local board.

Later in the meeting Committee considered this matter in Closed Session (Item 11.2). Following consideration of this matter in Closed Session, discussion took place with respect to the following:

- Request that staff research and report back on a policy to protect staff from reprisal for filing complaints
- Confirmation from staff that a report regarding the potential expansion of the hotline to the public will be provided at a later date to be determined

An amendment to the motion was introduced to add the following clause:

That staff be requested to research and report with an overview of existing or potential whistle-blower policy and procedures to the May 4, 2021 Audit Committee meeting.

The motion, as amended, was considered as follows.

AU003-2021

1. That the report titled: **Corporate Fraud Prevention Hotline Update**, to the Audit Committee Meeting of February 23, 2021, be received.
2. That Option 1 described within the report be pursued, such that the contract be extended for an additional one-year term, while further research and costing be undertaken with respect to potential expansion of the hotline to the public; and
3. That staff be requested to research and report with an overview of existing or potential whistle-blower policy and procedures to the May 4, 2021 Audit Committee meeting.

Yea (8): Regional Councillor Santos, City Councillor Whillans, Regional Councillor Palleschi, Regional Councillor Medeiros, City Councillor Bowman, City Councillor Singh, Rishi Jain and Abid Zaman

Absent (2): Regional Councillor Dhillon, Iqbal Ali

Carried (8 to 0)

6.2 Staff Report, re: Status of Management Action Plans (MAPs) – December 31, 2020

Regional Councillor Santos outlined the need to review the Respectful Workplace Policy and identify gaps as it relates to the Council Code of Conduct and the process for staff complaints against Members of Council.

P. Fay, City Clerk, advised that this matter could be raised at the next Governance and Council Operations Committee meeting scheduled to take place on March 1, 2021 and/or with the Integrity Commissioner at the March 24, 2021 Council Meeting.

In addition, Mr. Fay advised that the City Clerk's Office will work with staff to identify gaps and linkages between the Council Code of Conduct and the Respectful Workplace Policy.

Regional Councillor Santos requested that the matter of the Council Code of Conduct and Human Resource Policies be added as a discussion item on the next Governance and Council Operations Committee meeting.

The following motion was considered.

AU004-2021

That the report titled: **Status of Management Actions Plans-December 31, 2020**, to the Audit Committee Meeting of February 23, 2021, be received.

Carried

- 6.3 ^ Staff Report, re: Building Design and Construction - Diagnostic Review

AU005-2021

That the report titled: **Building Design and Construction – Diagnostic Review**, to the Audit Committee Meeting of February 23, 2021, be received.

Carried

7. Reports - Finance

Nil

8. Other/New Business

- 8.1 ^ Staff Report re: Data and Analytics Strategy Implementation Update

AU006-2021

That the report titled: **Data and Analytics Strategy Implementation Update**, to the Audit Committee Meeting of February 23, 2021, be received.

Carried

9. Question Period

Nil

10. Public Question Period

Nil

11. Closed Session

Item 11.1 was approved under Consent. See Recommendation AU002-2021.

Note: During consideration of Item 6.1, Committee requested that further discussion on the matter be dealt with in Closed Session, as it relates to the security of the property of the municipality or local board.

The following motion was considered.

AU007-2021

That Committee proceed into Closed Session to address matters pertaining to:

11.2. Open Meeting exception under Section 239 (2) (a) of the Municipal Act, 2001:

The security of the property of the municipality or local board (re. Item 6.1)

Carried

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

11.2 – This item was considered by Committee in Closed Session and no direction was given to staff

12. Adjournment

The following motion was considered.

AU008-2021

That the Audit Committee do now adjourn to meet again on Tuesday, May 4, 2021 at 9:30 a.m. or at the call of the Chair.

Carried

Regional Councillor M. Medeiros, Chair



Minutes

Audit Committee

The Corporation of the City of Brampton

Tuesday, May 4, 2021

Members Present:

Regional Councillor M. Medeiros
Regional Councillor R. Santos
Regional Councillor M. Palleschi
Regional Councillor G. Dhillon
City Councillor J. Bowman
City Councillor D. Whillans
City Councillor H. Singh
Iqbal Ali,
Rishi Jain
Abid Zaman

Staff Present:

David Barrick, Chief Administrative Officer
Richard Gervais, Acting Director, Internal Audit
Michael Davidson, Commissioner, Corporate Support Services
Sandeep Aujla, Director, Human Resources, Corporate Support Services
Mark Medeiros, Acting Treasurer, Corporate Support Services
Sameer Akhtar, City Solicitor
Maciej Jurczyk, Senior Manager, Business Improvement and Innovation, Office of the CAO
Peter Fay, City Clerk, Legislative Services
Charlotte Gravlev, Deputy City Clerk, Legislative Services
Sonya Pacheco, Legislative Coordinator, Legislative Services

1. **Call to Order**

Note: In consideration of the current COVID-19 public health orders prohibiting large public gatherings of people and requirements for physical distancing between persons, in-person attendance at this Audit Committee meeting was limited to Members of Council and essential City staff only. Physical distancing was maintained in Council Chambers at all times during the meeting.

The meeting was called to order at 9:30 a.m. and adjourned at 12:47 p.m.

As this meeting of the Audit Committee was conducted with electronic participation by the Members, the meeting started with the City Clerk calling the roll for attendance at the meeting, as follows:

Members present during roll call: Councillor Medeiros, Councillor Santos, Councillor Palleschi, Councillor Dhillon, Councillor Bowman, Councillor Singh, Councillor Whillans, Abid Zaman, Iqbal Ali, Rishi Jain

Other Council Members present: Councillor Vicente, Councillor Fortini

Note: City Councillor Whillans left the meeting at 10:55 a.m. and returned at 11:06 a.m. (other municipal business)

2. **Approval of Agenda**

The following motion was considered.

AU009-2021

That the agenda for the Audit Committee Meeting of May 4, 2021 be approved as published and circulated.

Carried

3. **Declarations of Interest under the Municipal Conflict of Interest Act**

Nil

4. Consent

In keeping with Council Resolution C019-2021, the Meeting Chair reviewed the relevant agenda items during this section of the meeting and allowed Members to identify agenda items for debate and consideration, with the balance to be approved as part of the Consent Motion given the items are generally deemed to be routine and non-controversial.

There were no items identified to be approved under consent.

5. Presentations\Delegations

5.1 Delegation from Kevin Travers, Lead Audit Engagement Partner, KPMG LLP, re: 2020 Audited Consolidated Financial Statements for the City of Brampton

Item 7.1 was brought forward and dealt with at this time.

Kevin Travers, Lead Audit Engagement Partner, KPMG LLP, provided an overview of the Audit Findings Report prepared by KPMG for the year ended December 31, 2020 (appended to Report Item 7.1).

Mr. Travers and staff responded to questions from Committee with respect to the following:

- Impact of the COVID-19 pandemic on the performance of the audit
- Confirmation that there were no audit differences in this audit period and no significant issues were identified
- Reporting of surplus funds from hiring gaps
- Purpose of the KPMG audit

The following motion was considered.

AU010-2021

1. That the delegation from Kevin Travers, Lead Audit Engagement Partner, KPMG LLP, to the Audit Committee Meeting of May 4, 2021, re: **2020 Audited Consolidated Financial Statements for the City of Brampton**, be received; and
2. That the report titled: **2020 Audited Consolidated Financial Statements for the City of Brampton**, to the Audit Committee Meeting of May 4, 2021, be received; and

3. That the 2020 Audited Consolidated Financial Statements for the City of Brampton, be approved.

Carried

6. Reports - Internal Audit

6.1 Staff Report re: Annual Report - 2020

Committee discussion took place with respect to the following:

- Staffing changes in the Internal Audit Office
- Concerns regarding the independence of the audit function under the existing charter
- Process for the reconsideration of a Council decision, and a suggestion that the approval of the audit charter be reopened at a future Council meeting
- Review process and results for the 28 complaints received through the Corporate Fraud Prevention Hotline, and the referral of these complaints to a third party investigator
 - Staff confirmed no investigations were conducted, recommendations were provided to the Human Resources Division, and the complaints were closed
 - Concerns regarding the complaints process and the lack of information provided to Audit Committee
 - Indication from staff that the full review report can be provided to Audit Committee
 - Information from staff regarding the review, reporting and decision-making process relating to the 28 complaints, including the selection of the third party investigators
 - Audit Charter in effect during the time these complaints were under review
 - High level reporting to Audit Committee through the Corporate Fraud Prevention Hotline Update reports
 - Suggestion to update the complaints process to provide more transparency
- Questions regarding the Cyber Maturity and Vulnerability Assessment and the Real Estate Management audit deferral to 2021

The following motion was introduced:

That staff be directed to report to the Audit Committee on the process for review, investigation and reporting of complaints submitted to the Corporate Fraud Prevention Hotline ;

That a draft process with enhanced transparency for the Audit Committee's awareness and consideration be provided.

Further Committee discussion on this matter included the following:

- Increase in the number of complaints received in 2020 and a request for information on the nature, findings and action taken for the complaints
- Indication from staff that the Standard Operating Procedures for complaints received through the hotline does not include reporting to the Audit Committee
- Timeline for the recruitment of the Internal Audit Director, which is dependent on Council's decision regarding the implementation of the Auditor General model
- Clarification from staff regarding the 2019 and 2020 reviews of complaints received

An amendment to the motion was introduced to add the following clause:

That the 2020 summary of findings report be provided to the Audit Committee at its next meeting, and the associated lawyer be invited to delegate.

The motion, in its entirety, was considered as follows:

AU011-2021

1. That the report titled: **Annual Report- 2020**, to the Audit Committee Meeting of May 4, 2021, be received; and
2. That staff be directed to report to the Audit Committee on the process for review, investigation and reporting of complaints submitted to the Corporate Fraud Prevention Hotline ;
3. That a draft process with enhanced transparency for the Audit Committee's awareness and consideration be provided; and
4. That the 2020 summary of findings report be provided to the Audit Committee at its next meeting, and the associated lawyer be invited to delegate.

A recorded vote was requested and the motion carried unanimously, as follows:

Yea (10): Regional Councillor Santos, City Councillor Whillans, Regional Councillor Palleschi, Regional Councillor Medeiros, City Councillor Bowman, City Councillor Singh, Regional Councillor Dhillon, Citizen Member Ali, Citizen Member Jain and Citizen Member Zaman

Carried (10 to 0)

6.2 Staff Report re: Corporate Fraud Prevention Hotline Update – Q1 2021

Committee discussion on this matter included the following:

- Standard Operating Procedures for complaints of fraud received through the hotline
- High level updates provided to the Audit Committee regarding fraud complaints, and a request that the report category be provided in future update reports, as was previously done
- Review process for complaints and how they are closed
- Increase in the number of complaints received over the last 18 months
- Concerns regarding the nature of complaints being received through the hotline and through emails to Members of Council
- Indication that some complaints received through the hotline should be dealt with through alternate mechanisms
- Status of the hotline contract extension for a one-year term, and research on costing for the potential expansion of the hotline to the public
- The need to communicate and raise awareness of the hotline and the Whistleblower policy to staff
- Concerns regarding the decision-making process for investigating and closing hotline complaints

The following motion was considered.

AU012-2021

That the report titled: **Corporate Fraud Prevention Hotline Update - Q1 2021**, to the Audit Committee Meeting of May 4, 2021, be received.

Carried

6.3 Staff Report re: Status of Management Action Plans (MAP) – March 31, 2021

The following motion was considered.

AU013-2021

That the report titled: **Status of Management Action Plans (MAP) – March 31, 2021**, to the Audit Committee Meeting of May 4, 2021, be received.

Carried

6.4 Staff Report re: Whistleblower Information Report

Committee discussion on this matter included the following:

- Whistleblower policies and by-laws established in other GTHA municipalities, including the Region of Peel and City of Mississauga
- Differences between implementing a policy and by-law, and a suggestion that a stand-alone policy be developed in Brampton that closely aligns with the Region of Peel and City of Mississauga
- Timelines for completion of the proposed policy and its review by the Audit Committee
- Indication that whistleblower protections are provided in the City's Employee Code of Conduct

The following motion was considered.

AU014-2021

1. That the report titled: **Whistleblower Information Report**, to the Audit Committee Meeting of May 4, 2021, be received; and

2. That staff be directed to develop a draft stand-alone Whistleblower policy.

A recorded vote was requested and the motion carried unanimously, as follows:

Yea (10): Regional Councillor Santos, City Councillor Whillans, Regional Councillor Palleschi, Regional Councillor Medeiros, City Councillor Bowman, City Councillor Singh, Regional Councillor Dhillon, Citizen Member Ali, Citizen Member Jain and Citizen Member Zaman

Carried (10 to 0)

6.5 Staff Report re: HR Employee Benefits Audit (Phase 2)

Committee discussion on this matter included the following:

- Clarification from staff regarding changes to the final report from what was previously provided to the Audit Committee Chair and Vice Chair
- Information regarding the finding relating to overbilling by a service provider, and the possibility of implementing enhanced internal controls more broadly within the corporation to prevent future incidents

The following motion was considered.

AU015-2021

That the report titled: **HR Employee Benefits Audit (Phase 2)**, to the Audit Committee Meeting of May 4, 2021 be received.

Carried

7. Reports - Finance

7.1 Staff Report re: 2020 Audited Consolidated Financial Statements for the City of Brampton

Dealt with under Item 5.1 - Recommendation AU010-2021

8. Other/New Business

8.1 Staff Report re: Analysis of Adopting an Auditor General Model

Committee discussion on this matter included the following:

- Concerns regarding the current Internal Audit reporting structure to the CAO, and the potential impact on the independence of the audit function
- Importance of ensuring the audit function is independent and a suggestion that the audit function report directly to the Audit Committee
- Opinions that an Auditor General model would restore and enhance the independence of the audit function
- Consideration of a hybrid Auditor General model, and the need to review potential additional resources and transitional costs

D. Barrick, CAO, referenced industry standards and advised that an Internal Audit Function Review was previously performed by KPMG LLP. Mr. Barrick

advised that Nick Rolfe, Partner, KPMG LLP, was present in the meeting to respond to questions from Committee regarding this review.

In response to a question from Committee, information was provided on the timeline of the KPMG review in relation to the staff report on the new Internal Audit Charter, presented to Audit Committee on September 8, 2020.

In response to further questions from Committee, Mr. Rolfe provided information on the Internal Audit Function Review performed by KPMG, the role of Internal Audit Directors to ensure the independence of the audit function, and the role of management in reviewing audit findings. In addition, Mr. Rolfe responded to questions regarding the appropriateness of the current Internal Audit reporting structure, as outlined in the Charter.

Committee discussion took place with respect to the following:

- Differences between the Auditor General and Internal Audit model functions
- Hybrid Auditor General and Internal Audit model in the City of Hamilton
- Auditor General models in other municipalities, including contracted services and budgets
- Internal Audit Office operating budget
- Process and timelines for moving to an Auditor General model
- Internal Audit reporting structure under the previous and current Audit Charter
- Indication from staff that the Audit Charter was revised to align with the *Municipal Act*, in accordance with direction from the Audit Committee
- Indication that a reconsideration of the approval of the Audit Charter can occur at Council
- The need to address concerns regarding the independence of the Internal Audit function and a suggestion to reinstate the previous Audit Charter
- Concerns that the appointment, dismissal and remuneration of the Internal Audit Director is under the responsibility of the CAO, due to the potential impact on the independence and objectivity of the internal audit function
- Request that the Audit Committee Chair and Vice Chair be advised when external agencies are invited to future Audit Committee meetings

A point of order was raised by City Councillor Bowman. The Chair gave leave for the point of order. In response to information provided by staff, Councillor

Bowman clarified that the Audit Committee did not provide direction for changes made to the Audit Charter relating to the reporting structure of Internal Audit.

The following motion was considered.

AU016-2021

That the report titled: **Analysis of Adopting an Auditor General Model**, to the Audit Committee Meeting of May 4, 2021, be received.

Carried

9. Question Period

Nil

10. Public Question Period

The public was given the opportunity to submit questions via e-mail to the City Clerk's Office regarding any decisions made at this meeting. P. Fay, City Clerk, confirmed that no questions were submitted regarding decisions made at this meeting.

11. Closed Session

Nil

12. Adjournment

The following motion was considered.

AU017-2021

That the Audit Committee do now adjourn to meet again on Wednesday, September 28, 2021 at 9:30 a.m. or at the call of the Chair.

Carried

Regional Councillor M. Medeiros, Chair



Minutes

Audit Committee

The Corporation of the City of Brampton

Tuesday, June 15, 2021

Special Meeting

- Members Present: Regional Councillor M. Medeiros
Regional Councillor R. Santos
Regional Councillor G. Dhillon
City Councillor J. Bowman
City Councillor H. Singh
Iqbal Ali,
Rishi Jain
Abid Zaman
- Members Absent: Regional Councillor M. Palleschi
City Councillor D. Whillans
- Staff Present: David Barrick, Chief Administrative Officer
Richard Gervais, Acting Director, Internal Audit
Sameer Akhtar, City Solicitor
Peter Fay, City Clerk
Charlotte Gravlev, Deputy City Clerk
Sonya Pacheco, Legislative Coordinator

1. Call to Order

Note: In consideration of the current COVID-19 public health orders prohibiting large public gatherings of people and requirements for physical distancing between persons, in-person attendance at this Special Audit Committee meeting was limited to Members of Council and essential City staff only. Physical distancing was maintained in Council Chambers at all times during the meeting.

The meeting was called to order at 9:30 a.m. and adjourned at 10:41 a.m.

As this Special meeting of the Audit Committee was conducted with electronic participation by the Members, the meeting started with the City Clerk calling the roll for attendance at the meeting, as follows:

Members present during roll call: Councillor Medeiros, Councillor Santos, Councillor Dhillon, Councillor Bowman, Councillor Singh, Abid Zaman, Iqbal Ali, Rishi Jain

Members absent: Councillor Palleschi (personal), Councillor Whillans (other municipal business)

Other Council Members present: Councillor Fortini

2. Approval of Agenda

The following motion was considered.

AU018-2021

That the agenda for the Special Audit Committee Meeting of June 15, 2021 be approved as published and circulated.

Carried

3. Declarations of Interest under the Municipal Conflict of Interest Act

Nil

4. Consent

Nil

5. **Presentations\Delegations**

Nil

6. **Reports - Internal Audit**

Nil

7. **Reports - Finance**

Nil

8. **Other/New Business**

8.1 Discussion re: Hiring Process for the Director of Internal Audit

Committee discussion took place with respect to the hiring process for the Director of Internal Audit and included the following:

- Authority of the Audit Committee, as outlined in the Audit Charter (March 2019), relating to the Chief Audit Executive (CAE) position, including the appointment, dismissal, performance review and remuneration
 - Indication that the language in the Audit Charter is ambiguous and there is a need for clarification on the role of the Audit Committee and CAO in the hiring of the CAE / Director of Internal Audit
- Indication that the Director of Internal Audit reports functionally to the Audit Committee and administratively to the CAO
- Provisions in the *Municipal Act* regarding the CAO's responsibility for the management of the City, and potential conflict with the Audit Charter as it relates to the hiring of the Director of Internal Audit
- Previous recruitment process for the Director of Internal Audit
- Suggestion to establish a sub-committee of the Audit Committee to work with the CAO on the recruitment process
- Suggestion that the recruitment process be clarified and documented for future reference, and that a legal opinion be obtained
- Clarification regarding Council's position on the Auditor General Model, and confirmation that this model is not being considered at this time

- Information regarding the hybrid Auditor General Model in the City of Hamilton
- Indication that the Audit Charter conforms to the International Standards for the Professional Practice of Internal Auditing

The following motion was introduced:

That staff be directed to clarify and report back on a process and timeline for the hire of a Director of Internal Audit, with consideration of alignment with the *Municipal Act* and the Internal Audit Charter (2019).

Further Committee discussion included the following:

- Active recruitment for an Internal Audit Manager
- Questions as to whether Audit Committee citizen members can participate in the hiring process for the Director of Internal Audit

A motion to refer the following motion to the June 16, 2021 Council meeting was introduced:

That staff be directed to clarify and report back on a process and timeline for the hire of a Director of Internal Audit, with consideration of alignment with the *Municipal Act*, the Internal Audit Charter (2019), and Legal and Human Resource advice on the inclusion of Audit Committee Citizen Members within the hiring process.

The following amendments to the motion were introduced and accepted by the mover:

- To add the words "and reference to previous Director of Internal Audit hiring processes employed".
- To add the words "and consideration for the establishment of a sub-committee."

The motion, in its entirety, was considered as follows.

AU019-2021

That the following motion be **referred** to the June 16, 2021 meeting of Council.

"Moved by Councillor Santos

That staff be directed to clarify and report back on a process and timeline for the hire of a Director of Internal Audit, with consideration of alignment with the

Municipal Act, the Internal Audit Charter (2019), and Legal and Human Resource advice on the inclusion of Audit Committee Citizen Members within the hiring process, and reference to previous Director of Internal Audit hiring processes employed, and consideration for the establishment of a sub-committee.”

Carried

9. **Question Period**

Nil

10. **Public Question Period**

The public was given the opportunity to submit questions via e-mail to the City Clerk’s Office regarding any decisions made at this meeting. P. Fay, City Clerk, confirmed that no questions were submitted regarding decisions made at this meeting.

11. **Closed Session**

Nil

12. **Adjournment**

The following motion was considered.

AU020-2021

That the Audit Committee do now adjourn to meet again on Wednesday, September 28, 2021 at 9:30 a.m. or at the call of the Chair.

Carried

Regional Councillor M. Medeiros, Chair



Minutes
Audit Committee

The Corporation of the City of Brampton

Tuesday, September 28, 2021

Members Present: Regional Councillor M. Medeiros
Regional Councillor R. Santos
Regional Councillor M. Palleschi
City Councillor J. Bowman
City Councillor D. Whillans
City Councillor H. Singh
Iqbal Ali,

Members Absent: Regional Councillor G. Dhillon
Rishi Jain
Abid Zaman

Staff Present: David Barrick, Chief Administrative Officer
Michael Davidson, Commissioner, Corporate Support Services
Gurpreet Singh, Acting Director, Internal Audit
Sameer Akhtar, City Solicitor
Peter Fay, City Clerk, Legislative Services
Charlotte Gravlev, Deputy City Clerk, Legislative Services
Sonya Pacheco, Legislative Coordinator, Legislative Services

1. Call to Order

Note: In consideration of the current COVID-19 public health orders prohibiting large public gatherings of people and requirements for physical distancing between persons, in-person attendance at this Audit Committee meeting was limited to Members of Council and essential City staff only. Physical distancing was maintained in Council Chambers at all times during the meeting.

The meeting was called to order at 9:30 a.m. and adjourned at 10:04 a.m.

As this meeting of the Audit Committee was conducted with electronic participation by the Members, the meeting started with the City Clerk calling the roll for attendance at the meeting, as follows:

Members present during roll call: Councillor Medeiros, Councillor Santos, Councillor Whillans, Councillor Bowman, Councillor Singh, Iqbal Ali,

Members absent during roll call: Councillor Palleschi (personal), Councillor Dhillon (personal), Rishi Jain, Abid Zaman

Note: Councillor Palleschi arrived at 9:36 a.m. (personal)

Other Council Members present: Councillor Fortini, Councillor Vicente

2. Approval of Agenda

The following motion was considered.

AU021-2021

That the agenda for the Audit Committee Meeting of September 28, 2021, be approved as published and circulated.

Carried

3. Declarations of Interest under the Municipal Conflict of Interest Act

Nil

4. Consent

In keeping with Council Resolution C019-2021, the Meeting Chair reviewed the relevant agenda items during this section of the meeting and allowed Members to identify agenda items for debate and consideration, with the balance to be

approved as part of the Consent Motion given the items are generally deemed to be routine and non-controversial.

The following items listed with a caret (^) were considered to be routine and non-controversial by the Committee and were approved at one time.

6.4, 6.5, 11.1, 11.2, 11.3, 11.4, 11.5

The following motion was considered.

AU022-2021

That the following items to the Audit Committee Meeting of September 28, 2021, be approved as part of Consent:

6.4, 6.5, 11.1, 11.2, 11.3, 11.4, 11.5

Yea (7): Regional Councillor Santos, City Councillor Whillans, Regional Councillor Palleschi, Regional Councillor Medeiros, City Councillor Bowman, City Councillor Singh, Iqbal Ali

Absent (3): Regional Councillor Dhillon, Rishi Jain, Abid Zaman

Carried (7 to 0)

5. Presentations\Delegations

Nil

6. Reports - Internal Audit

6.1 Staff Report re: Corporate Fraud Prevention Hotline Update –Q2 2021

Committee discussion on this matter included the following:

- 25 new reports received through the Fraud Hotline from April 1, 2021 to June 30, 2021, some of which relate to improper hiring practices
- Questions regarding the outcome of the Q1 reports relating to hiring practices, and information from staff that these complaints were referred to a third party independent agency for investigation and the results are pending
 - It was noted that new reports related to this matter are on hold pending the results of the investigation to avoid duplication of work
 - Information was requested regarding the timelines for the investigation

- Indication that there is consistency among the complaints relating to improper hiring practices
- Anonymity of the hotline and the inability to determine if multiple complaints were submitted by one individual
- History of complaints and investigations related to improper hiring practices
- Clarification regarding the "Harm to People" report category
- Unavailability of Human Resources staff to respond to questions from Committee, and a request that an update on the third party investigation be provided at a future meeting

The following motion was considered.

AU023-2021

That the report titled: **Corporate Fraud Prevention Hotline Update- Q2 2021**, to the Audit Committee Meeting of September 28, 2021, be received.

Carried

6.2 Staff Report re: Fraud Hotline Expansion to Brampton Residents

Committee discussion on this matter included the following:

- Costs associated with expanding the fraud hotline to the public, including additional staff resources
- Concerns regarding the potential volume of complaints from the public to the hotline, and a request that staff benchmark other municipalities and provide this information prior to budget deliberations
- Request that staff identify the number of calls received through 311 that may be more appropriately reported through the fraud hotline, and that this information be provided prior to budget deliberations

The following motion was considered.

AU024-2021

That the report titled: **Fraud Hotline Expansion to Brampton Residents**, to the Audit Committee Meeting of September 28, 2021, be received.

Carried

6.3 Staff Report re: Status of Management Action Plans (MAP) – June 30, 2021

M. Davidson, Commissioner, Corporate Support Services, responded to questions from Committee regarding the status of the "HR Benefits (Phase 1)" audit report, outlined in Appendix 1 of the subject report. He advised that projects are ongoing but delayed due to staff shortages. Mr. Davidson advised that manual processes remain in effect.

The following motion was considered.

AU025-2021

That the report titled: **Status of Management Actions Plans (MAP) – June 30, 2021**, to the Audit Committee Meeting of September 28, 2021, be received.

Carried

6.4 ^ Staff Report re: Status Update on Internal Audit's Referred Matters

AU026-2021

That the report titled: **Status Update on Internal Audit's Referred Matters**, to the Audit Committee Meeting of September 28, 2021, be received.

Carried

6.5 ^ Staff Report re: Corporate Governance Audit Report

AU027-2021

That the report titled: **Corporate Governance Audit Report**, to the Audit Committee Meeting of September 28, 2021, be received.

Carried

7. **Reports - Finance**

Nil

8. **Other/New Business**

Nil

9. Question Period

Nil

10. Public Question Period

The public was given the opportunity to submit questions via e-mail to the City Clerk's Office regarding any decisions made during the meeting. P. Fay, City Clerk, confirmed that no questions were submitted regarding decisions made at this meeting.

11. Closed Session

Items 11.1, 11.2, 11.3, 11.4, 11.5 were approved under Consent, and as such, Committee did not proceed into Closed Session to consider these items.

- 11.1. Open Meeting exception under Section 239 (2) (a) of the Municipal Act, 2001:

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

- 11.2. Open Meeting exception under Section 239 (2) (a) of the Municipal Act, 2001:

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

- 11.3. Open Meeting exception under Section 239 (2) (a) of the Municipal Act, 2001:

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

- 11.4. Open Meeting exception under Section 239 (2) (f) and (k) of the Municipal Act, 2001:

Advice that is subject to solicitor-client privilege, including communications necessary for that purpose; and, a position, plan, procedure, criteria or instruction to be applied to any negotiations carried on or to be carried on by or on behalf of the municipality or local board.

- 11.5. Open Meeting exception under Section 239 (2) (d) and (f) of the Municipal Act, 2001:

Labour relations or employee negotiations; and, advice that is subject to solicitor-client privilege, including communications necessary for that purpose.

12. **Adjournment**

The following motion was considered.

AU028-2021

That the Audit Committee do now adjourn to meet again on Wednesday, December 7, 2021 at 2:00 p.m. or at the call of the Chair.

Carried

Regional Councillor M. Medeiros, Chair



Minutes

Audit Committee

The Corporation of the City of Brampton

Tuesday, December 7, 2021

Members Present: Regional Councillor M. Medeiros (Chair)
Regional Councillor R. Santos (Vice-Chair)
Regional Councillor M. Palleschi
Regional Councillor G. Dhillon
City Councillor J. Bowman
City Councillor H. Singh
Rishi Jain
Abid Zaman

Members Absent: City Councillor D. Whillans (personal)
Iqbal Ali,

—

1. **Call to Order**

Note: In consideration of the current COVID-19 public health orders prohibiting large public gatherings of people and requirements for physical distancing between persons, in-person attendance at this Audit Committee meeting was limited to Members of Council and essential City staff only. Physical distancing was maintained in Council Chambers at all times during the meeting.

The meeting was called to order at 1:06 p.m. and adjourned at 2:55 p.m.

As this meeting of the Audit Committee was conducted with electronic participation by the Members, the meeting started with the City Clerk calling the roll for attendance at the meeting, as follows:

Members present during roll call: Councillor Medeiros, Councillor Santos, Councillor Palleschi, Councillor Dhillon, Councillor Bowman, Councillor Singh, Abid Zaman; Rishi Jain

Members absent during roll call: Councillor Whillans, Iqbal Ali

Others present: Councillor Vicente

2. **Approval of Agenda**

Thank following motion was considered.

AU029-2021

That the agenda for the Audit Committee Meeting of December 7, 2021 be amended to add:

8.1 Discussion at the request of Abid Zaman, Citizen Member re: Hiring for Internal Auditor position.

Carried

Richard Gervais, Interim Acting Director, Internal Audit, introduced newly hired internal Audit staff.

3. Declarations of Interest under the Municipal Conflict of Interest Act

Nil

4. Consent

In keeping with Council Resolution C019-2021, the Meeting Chair reviewed the relevant agenda items during this section of the meeting and allowed Members to identify agenda items for debate and consideration, with the balance to be approved as part of the Consent Motion given the items are generally deemed to be routine and non-controversial.

The following items listed with a caret (^) were considered to be routine and non-controversial by the Committee and were approved at one time.

6.3, 6.4, 6.5, 6.6, 6.7

The following motion was considered.

AU030-2021

That the following items to the Audit Committee Meeting of September 28, 2021, be approved as part of Consent:

6.3, 6.4, 6.5, 6.6, 6.7

Yea (8): Councillor Medeiros, Councillor Santos, Councillor Palleschi, Councillor Dhillon, Councillor Bowman, Councillor Singh, Abid Zaman; Rishi Jain

Absent (2): Councillor Whillans, Iqbal Ali

Carried (8 to 0)

5. Presentations\Delegations

- 5.1 Presentation by Maja Kuzmanov, Manager, Accounting Services and Maria Khoushnood, Partner, KPMG, re: KPMG Audit Planning Report for the Year Ending December 31, 2021

Item 7.1 was brought forward at this time.

Maja Kuzmanov, Manager, Accounting Services introduced Maria Khoushnood, Partner, KPMG and advised the Committee she would be the new KPMG representative.

Ms. Khoushnood provided an overview of the Audit Planning Report prepared by KPMG for the year ended December 31, 2021 (appended to Report Item 7.1) .

Ms. Khoushnood and staff responded to questions from Committee with respect to the following:

- Clarified the switch in personnel complies with KPMG's "Rotation Compliance Policy" and occurs every 10 years.
- Questions regarding specified procedures and the possible impact on KPMG's independence.

The following motion was considered.

AU031-2021

1. That the presentation by Maja Kuzmanov, Manager, Accounting Services, and Maria Khoushnood, Partner, KPMG, re: **KPMG Audit Planning Report for the Year Ending December 31, 2021**, to the Audit Committee Meeting of December 7, 2021, be received,
2. That the report by Maja Kuzmanov, Accounting Manager, Finance, Corporate Services, re: **KPMG Audit Plan for the 2021 Fiscal Year**, to the Audit Committee meeting of December 7, 2021 be received; and,
3. That the Audit Planning Report for the Year Ending December 31st, 2021, prepared by KPMG LLP, Chartered Accountants (KPMG LLP) to the Audit Committee, be received.

Carried

6. Reports - Internal Audit

6.1 Staff report re: Corporate Fraud Prevention Hotline Update– Q3 2021

Committee discussion took place with respect to the following:

- Outlined that a total of 39 reports were received through Deloitte investigation.
- Advised 20 reports were passed onto the Integrity Commissioner, leaving 19 reports still under review with Internal Audit.
- Clarification that the total cost of the Deloitte investigation (including taxes) was \$539,000.

- In Q3 there were no new reports received from the City's Fraud Prevention Hotline. All reports received were through Deloitte investigation.

The following motion was considered.

AU032-2021

1. That the report by Richard Gervais, Acting Director, Internal Audit, re: **Corporate Fraud Prevention Hotline Update- Q3 2021**, to the Audit Committee Meeting of December 7, 2021, be received.

Carried

6.2 Staff report re: Deferral of Realty Services Audit

Committee discussion took place with respect to the following:

- Question regarding when the last Realty Services audit was undertaken.
- Staff suggested a consultation process be undertaken with Realty Services staff to discuss the steps required to ensure compliance.
- Councillor Palleschi suggested the report be referred to the January 26, 2022 meeting Council.

The following motion was considered.

AU033-2021

1. That the report by Richard Gervais, Acting Director, Internal Audit re: **Deferral of Realty Services Audit**, to the Audit Committee Meeting of December 7, 2021, be referred to the January 26, 2022 meeting of Council.

Carried

6.3 ^ Staff report re: Emergency Expenses Audit

AU034-2021

That the report by Richard Gervais, Acting Director, Internal Audit, re: **Emergency Expenses Audit**, to the Audit Committee Meeting of December 7, 2021, be received.

Carried

6.4 ^ Staff report re: Internal Audit Risk Assessment and Development of an Audit Universe

AU035-2021

1. That the report by Richard Gervais, Acting Director, Internal Audit, re: **Internal Audit Risk Assessment and Development of an Audit Universe**, to the Audit Committee Meeting of December 7, 2021, be received.

Carried

6.5 ^ Staff report re: The Fraud Hotline Expansion to Brampton Residents

AU036-2021

1. That the report by Richard Gervais, Acting Director, Internal Audit, re: **The Fraud Hotline Expansion to Brampton Residents**, to the Audit Committee Meeting of December 7, 2021, be received.

Carried

6.6 ^ Staff report re: Status of Management Action Plans (MAP) – September 30, 2021

AU037-2021

1. That the report by Richard Gervais, Acting Director, Internal Audit, re: **Status of Management Actions Plans (MAP) – September 30, 2021**, to the Audit Committee Meeting of December 7, 2021, be received.

Carried

6.7 ^ Staff report re: Vendor Performance Management Audit

AU038-2021

1. That the report by Richard Gervais, Acting Director, Internal Audit, re: **Vendor Performance Management Audit**, to the Audit Committee Meeting of December 7, 2021, be received.

Carried

7. Reports - Finance

7.1 Staff report re: KPMG Audit Plan for the 2021 Fiscal Year

Dealt with under Item 5.1 - Recommendation AU031-2021.

8. Other/New Business

8.1 Discussion at the request of Abid Zaman, Citizen Member re: Hiring for Internal Auditor position

Abid Zaman, Citizen Member, inquired about the status of the hiring for a permanent Director, Internal Auditor and when the job posting was released.

David Barrick, Chief Administrative Officer, advised that at the previous meeting correspondence was provided with respect to the matter in closed session. Mr. Barrick referred Member Zaman to the closed session information provided to committee. Mr. Barrick clarified that the job posting has been posted for a few weeks and interviews will be arranged in the coming weeks.

Evaninderjit Mangat, Senior Manager, Talent Acquisition and Total Compliance confirmed the job posting was advertised for three weeks with a closing date of December 5, 2021 and was posted on several social media platforms. Next steps will be screening applicants resumes, interview panel and scheduling interview dates.

9. Question Period

Nil

10. Public Question Period

The public was given the opportunity to submit questions via e-mail to the City Clerk's Office regarding any decisions made during the meeting. P. Fay, City Clerk, confirmed that no questions were submitted regarding decisions made at this meeting.

11. Closed Session

Nil

12. **Adjournment**

The following motion was considered.

AU039-2021

That the Audit Committee do now adjourn to meet again for a Regular Meeting on February 8, 2022 at 9:30 a.m. or at the call of the Chair.

Carried

Regional Councillor M. Medeiros, Chair



Minutes

Audit Committee

The Corporation of the City of Brampton

Tuesday, February 8, 2022

- Members Present: Regional Councillor M. Medeiros (Chair)
Regional Councillor R. Santos (Vice-Chair)
Regional Councillor M. Palleschi
Regional Councillor G. Dhillon
City Councillor J. Bowman
City Councillor D. Whillans
City Councillor H. Singh
Rishi Jain, Citizen Member
Abid Zaman, Citizen Member
- Members Absent: Iqbal Ali, Citizen Member
- Staff Present: David Barrick, Chief Administrative Officer
Richard Gervais, Acting Director, Internal Audit
Marlon Kallideen, Commissioner, Legislative Services
Jason Schmidt-Shoukri, Commissioner, Public Works and Engineering
Cynthia Ogbarmey-Tetteh, Acting Commissioner, Corporate Support Services
Bill Boyes, Fire Chief, Fire and Emergency Services
Nash Damer, Treasurer, Corporate Support Services
Sameer Akhtar, City Solicitor
Charlotte Gravlev, Deputy City Clerk
Tammi Jackson, Legislative Coordinator
Sonya Pacheco, Legislative Coordinator

1. **Call to Order**

Note: In consideration of the current COVID-19 public health orders prohibiting large public gatherings of people and requirements for physical distancing between persons, in-person attendance at this Audit Committee meeting was limited to Members of Council and essential City staff only. Physical distancing was maintained in Council Chambers at all times during the meeting.

The meeting was called to order at 9:30 a.m. and adjourned at 10:01 a.m.

As this meeting of the Audit Committee was conducted with electronic participation by the Members, the meeting started with the City Clerk calling the roll for attendance at the meeting, as follows:

Members present during roll call: Councillor Medeiros, Councillor Santos, Councillor Palleschi, Councillor Whillans, Councillor Bowman, Councillor Singh, Citizen Member Abid Zaman; Citizen Member Rishi Jain

Members absent during roll call: Councillor Dhillon (personal - arrived at 9:39 a.m.), Citizen Member Iqbal Ali (regrets)

Others present: Councillor Fortini

2. **Approval of Agenda**

The following motion was considered.

AU001-2022

That the agenda for the Audit Committee Meeting of February 8, 2022 be approved, as published and circulated.

Carried

At this time in the meeting, Richard Gervais, Acting Director, Internal Audit, introduced the Internal Audit team members.

3. **Declarations of Interest under the Municipal Conflict of Interest Act**

Nil

4. **Consent**

In keeping with Council Resolution C019-2021, the Meeting Chair reviewed the relevant agenda items during this section of the meeting and allowed Members to identify agenda items for debate and consideration, with the balance to be approved as part of the Consent Motion given the items are generally deemed to be routine and non-controversial.

The following items listed with a caret (^) were considered to be routine and non-controversial by the Committee and were approved at one time.

6.3, 6.4, 6.5, 6.6, 6.7, 6.8, 6.9

The following motion was considered.

AU002-2022

That the following items to the Audit Committee Meeting of September 28, 2021, be approved as part of Consent:

6.3, 6.4, 6.5, 6.6, 6.7, 6.8, 6.9

A recorded vote was taken and the motion carried, as follows:

Yea (8): Regional Councillor Santos, City Councillor Whillans, Regional Councillor Palleschi, Regional Councillor Medeiros, City Councillor Bowman, City Councillor Singh, Rishi Jain, Abid Zaman

Absent (2): Regional Councillor Dhillon, Iqbal Ali

Carried (8 to 0)

5. **Presentations\Delegations**

Nil

6. **Reports - Internal Audit**

6.1 Staff Report re: 2022 Internal Audit Work-Plan

In response to a request from Committee, Richard Gervais, Acting Director, Internal Audit, advised that there are eleven audits in the 2022 Internal Audit work plan, and provided an overview of each.

Committee discussion on this matter included the following:

- Request that information (dates and overview) of previous audits conducted for the audit engagements outlined in the 2022 work plan be provided
- Scope of work for the Business and Property Taxes audit engagement, and whether business licensing fee relief and concerns regarding the security of large cash payments received by staff will be reviewed as part of this audit
- Scope of work for the Parks Operations and Maintenance audit engagement, and whether external contracts will be reviewed as part of this audit
- Request that information on the final scope of the 2022 audit engagements be provided
- Scope of work for the Procurement and Sole Source Purchasing audit engagement, and whether benchmarking of other municipalities will be included as part of this audit
- Confirmation from staff that the Realty Services audit engagement has commenced
- Scope of work for the IT Infrastructure & Cloud Management audit engagement, and an indication from staff that the audit does not include a financial review of the progression of software updates
- Indication from staff that quarterly updates on the 2022 work plan will be provided to the Audit Committee

The following motion was considered.

AU003-2022

That the report titled: **2022 Internal Audit Work-Plan**, to the Audit Committee Meeting of February 8, 2022, be received.

Carried

6.2 Staff Report re: Corporate Fraud Prevention Hotline Update –Q4 2021

Committee discussion took place with respect to the subject report and included the following:

- Concern that approximately half of the fraud reports submitted did not have sufficient information to conduct an investigation, and questions as to whether sufficient information is provided on how to complete a report to prevent these occurrences

- Staff advised that the Corporate Fraud Prevention Hotline processes will be reviewed in 2022, and a campaign will be undertaken to educate and raise awareness of the Hotline
- Information from staff on the types of issues reported, and that similar reports regarding Human Resources matters were grouped together for review

The following motion was considered.

AU004-2022

That the report titled: **Corporate Fraud Prevention Hotline Update- Q4 2021**, to the Audit Committee Meeting of February 8, 2022, be received.

Carried

- 6.3 ^ Staff Report re: Status of Management Action Plans (MAP) – December 31, 2021

AU005-2022

That the report titled: **Status of Management Actions Plans (MAP) – December 31, 2021**, to the Audit Committee Meeting of February 8, 2022, be received.

Carried

- 6.4 ^ Staff Report re: Annual Report - 2021

AU006-2022

That the report titled: **Annual Report - 2021**, to the Audit Committee Meeting of February 8, 2022, be received.

Carried

- 6.5 ^ Staff Report re: Facilities Operations & Maintenance Audit

AU007-2022

That the report titled: **Facilities Operations & Maintenance Audit**, to the Audit Committee Meeting of February 8, 2022, be received.

Carried

6.6 ^ Staff Report re: Economic Development Audit

AU008-2022

That the staff report titled: **Economic Development Audit**, to the Audit Committee meeting of February 8, 2022, be received.

Carried

6.7 ^ Staff Report re: Transit Follow-up Audit Report

AU009-2022

That the report titled: **Transit Follow-up Audit Report Update**, to the Audit Committee Meeting of February 8, 2022, be received.

Carried

6.8 ^ Staff Report re: Project Assurance – Implementation of Video Court Appearances

AU010-2022

That the report titled: **Project Assurance – Implementation of Video Court Appearances**, to the Audit Committee Meeting of February 8, 2022, be received.

Carried

6.9 ^ Staff Report re: Cybersecurity Assessment Management Action Plan Update

AU011-2022

That the report titled: **Cybersecurity Assessment Management Action Plan Update**, to the Audit Committee Meeting of February 8, 2022, be received.

Carried

7. **Reports - Finance**

Nil

8. **Other/New Business**

Nil

9. **Question Period**

Nil

10. **Public Question Period**

The public was given the opportunity to submit questions via e-mail to the City Clerk's Office regarding any decisions made during the meeting. P. Fay, City Clerk, confirmed that no questions were submitted regarding decisions made at this meeting.

11. **Closed Session**

Nil

12. **Adjournment**

The following motion was considered.

AU012-2022

That the Audit Committee do now adjourn to meet again on Tuesday, May 17, 2022 at 9:30 a.m. or at the call of the Chair.

Carried

Regional Councillor M. Medeiros, Chair



Minutes

Audit Committee

The Corporation of the City of Brampton

Tuesday, May 17, 2022

- Members Present: Regional Councillor M. Medeiros (Chair)
Regional Councillor R. Santos (Vice-Chair)
Regional Councillor M. Palleschi
City Councillor J. Bowman
City Councillor D. Whillans
City Councillor H. Singh
Rishi Jain, Citizen Member
- Members Absent: Regional Councillor G. Dhillon (personal)
Iqbal Ali, Citizen Member (regrets)
Abid Zaman, Citizen Member (regrets)
- Staff Present: Paul Morrison, Interim Chief Administrative Officer
Diana Soos, Commissioner, Legislative Services
Marlon Kallideen, Commissioner, Community Services
Jason Schmidt-Shoukri, Commissioner, Planning, Building and Economic Development
Cynthia Ogbarmey-Tetteh, Acting Commissioner, Corporate Support Services
Mike Parks, Acting Commissioner, Public Works and Engineering
Richard Gervais, Acting Director, Internal Audit
Vincent Rodo, Director, Transit
Kim Kane, Deputy Fire Chief, Fire and Emergency Services
Rajat Gulati, Senior Manager, Realty Services, Legislative Services
Sameer Akhtar, City Solicitor
Peter Fay, City Clerk
Charlotte Gravlev, Deputy Clerk
Sonya Pacheco, Legislative Coordinator

1. **Call to Order**

The meeting was called to order at 9:30 a.m. and adjourned at 10:05 a.m.

As this meeting of the Audit Committee was conducted with in-person and electronic participation by the Members, the meeting started with the City Clerk calling the roll for attendance at the meeting, as follows:

Members present during roll call: Councillor Medeiros, Councillor Santos, Councillor Palleschi, Councillor Whillans, Councillor Bowman, Councillor Singh, Citizen Member Rishi Jain

Members absent during roll call: Councillor Dhillon (personal), Citizen Member Abid Zaman (regrets), Citizen Member Iqbal Ali (regrets)

Others present: Councillor Fortini

2. **Approval of Agenda**

The following motion was considered.

AU013-2022

That the agenda for the Audit Committee Meeting of May 17, 2022 be approved, as published and circulated.

Carried

3. **Declarations of Interest under the Municipal Conflict of Interest Act**

Nil

4. **Consent**

In keeping with Council Resolution C019-2021, the Meeting Chair reviewed the relevant agenda items during this section of the meeting and allowed Members to identify agenda items for debate and consideration, with the balance to be approved as part of the Consent Motion given the items are generally deemed to be routine and non-controversial.

The following items listed with a caret (^) were considered to be routine and non-controversial by the Committee and were approved at one time.

6.1, 6.3, 6.5

The following motion was considered.

AU014-2022

That the following items to the Audit Committee Meeting of May 17, 2022, be approved as part of Consent:

6.1, 6.3, 6.5

A recorded vote was taken and the motion carried, as follows:

Yea (7): Regional Councillor Santos, City Councillor Whillans, Regional Councillor Palleschi, Regional Councillor Medeiros, City Councillor Bowman, City Councillor Singh, Citizen Member Rishi Jain

Absent (3): Regional Councillor Dhillon, Citizen Member Iqbal Ali, Citizen Member Abid Zaman

Carried (7 to 0)

5. Presentations\Delegations

5.1 Delegation from Maria Khoushnood, Partner, KPMG Enterprise, re: 2021 Audited Consolidated Financial Statements for the City of Brampton

Item 7.1 was brought forward and dealt with at this time.

Maria Khoushnood, Partner, KPMG Enterprise, presented KPMG's Audit Findings Report for the year ended December 31, 2021, and highlighted the following:

- Audit quality and highlights
 - No significant control deficiencies were identified
- Audit differences and accountability estimates
- KPMG's independence to the City of Brampton, as required by professional standards
- Impacts of the COVID-19 pandemic and related revisions to the audit plan
- Audit risks and results

- Uncorrected differences and corrected adjustments
- Appendices provided for information, including new audit standards coming into effect

The following motion was considered.

AU015-2022

1. That the delegation from Maria Khoushnood, Partner, KPMG Enterprise, re: **2021 Audited Consolidated Financial Statements for the City of Brampton**, to the Audit Committee Meeting of May 17, 2022, be received;
2. That the report titled: **2021 Audited Consolidated Financial Statements for the City of Brampton**, to the Audit Committee Meeting of May 17, 2022, be received; and
3. That the 2021 Audited Consolidated Financial Statements for the City of Brampton, be approved.

Carried

6. Reports - Internal Audit

- 6.1 ^ Staff Report re: 2022 Internal Audit Work Plan Status Update

AU016-2022

That the report titled: **2022 Internal Audit Work Plan Status Update**, to the Audit Committee Meeting of May 17, 2022, be received.

Carried

- 6.2 Staff Report re: Update of Internal Audit Charter and Audit Committee Terms of Reference

The following motion was considered.

AU017-2022

That the report titled: **Update of Internal Audit Charter and Audit Committee Terms of Reference**, to the Audit Committee Meeting of May 17, 2022, be **deferred** to the September 27, 2022 Audit Committee meeting.

Carried

6.3 ^ Staff Report re: Corporate Fraud Prevention Hotline Update – Q1 2022

AU018-2022

That the report titled: **Corporate Fraud Prevention Hotline Update - Q1 2022**, to the Audit Committee Meeting of May 17, 2022, be received.

Carried

6.4 Staff Report re: Corporate Fraud Prevention Policy Updates

The following motion was considered.

AU019-2022

That the report titled: **Fraud Prevention Policy Updates**, to the Audit Committee Meeting of May 17, 2022, be **deferred** to the September 27, 2022 Audit Committee meeting.

Carried

6.5 ^ Staff Report re: Status of Management Action Plans - Q1 2022

AU020-2022

That the report titled: **Status of Management Actions Plans – Q1 2022**, to the Audit Committee Meeting of May 17, 2022, be received.

Carried

6.6 Staff Report re: Realty Services – Gap Analysis

Committee discussion on this matter included the following:

- Purpose for conducting a gap analysis instead of an audit, and differences of these processes
- Gap analysis findings
- Impact of staff shortages on the Realty Services Division, and immediate action required by management to address process gaps and fill staff vacancies
- Expediting the timelines for management responses to the findings
- Details regarding the number of staff shortages and the prioritization of work

- Impact of multiple departmental shifts of the Realty Services Division on the ability to provide the annual transitional buildings report to Council, and an indication from staff that the next report is anticipated to be provided to Council in June 2022
- Management of City-owned properties by various departments
- Objective of the Realty Services function to maintain an inventory of all City-owned properties, and information from staff regarding the implementation of an IT solution, and review of best practices, to improve this function
- Concerns regarding staff editing rights and the lack of an audit trail in the Integrated Workplace Management System (IWMS), and an indication from staff that this issue will be addressed to ensure proper controls are implemented
- Backlog in updating physical and electronic files

The following motion was considered.

AU021-2022

That the report titled: **Realty Services – Gap Analysis**, to the Audit Committee Meeting of May 17, 2022, be received.

Carried

7. Reports - Finance

7.1 Staff Report re: 2021 Audited Consolidated Financial Statements for the City of Brampton

Dealt with under Item 5.1 - Recommendation AU015-2022

8. Other/New Business

Nil

9. Question Period

Nil

10. Public Question Period

The public was given the opportunity to submit questions in person or via e-mail to the City Clerk's Office regarding any decisions made during the meeting. P. Fay, City Clerk, confirmed that no questions were submitted regarding decisions made at this meeting.

11. Closed Session

Nil

12. Adjournment

The following motion was considered.

AU022-2022

That the Audit Committee do now adjourn to meet again on Tuesday, September 27, 2022 at 9:30 a.m. or at the call of the Chair.

Carried

Regional Councillor M. Medeiros, Chair



Minutes

Audit Committee

The Corporation of the City of Brampton

Special Meeting

Wednesday, June 15, 2022

- Members Present: Regional Councillor M. Medeiros (Chair)
Regional Councillor R. Santos (Vice-Chair) (arrived at 11:10 am and left at 11:27 a.m. - personal)
Regional Councillor M. Palleschi (arrived at 11:10 am and left at 11:27 a.m. - personal)
Regional Councillor G. Dhillon
City Councillor J. Bowman
City Councillor D. Whillans
Iqbal Ali, Citizen Member
Rishi Jain, Citizen Member
- Members Absent: City Councillor H. Singh (personal)
Abid Zaman, Citizen Member (regrets)
- Staff Present: Paul Morrison, Interim Chief Administrative Officer
Marlon Kallideen, Commissioner, Community Services
Diana Soos, Commissioner, Legislative Services
Cynthia Ogbarmey-Tetteh, Acting Commissioner, Corporate Support Services
Mike Parks, Acting Commissioner, Public Works and Engineering
Vincent Rodo, Acting General Manager, Brampton Transit
Richard Gervais, Acting Director, Internal Audit
Michael Won, Director, Environment and Development Engineering, Public Works and Engineering
Sunil Sharma, Director, Capital Works, Public Works and Engineering
Evaninderjit Mangat, Senior Manager, Talent Acquisition and Total Compensation, Corporate Support Services
Maja Kuzmanov, Manager, Accounting, Corporate Support Services
Peter Fay, City Clerk
Charlotte Gravlev, Deputy Clerk
Sonya Pacheco, Legislative Coordinator

1. **Call to Order**

The meeting was called to order at 10:52 a.m., recessed at 10:55 a.m., and moved into Closed Session at 11:10 a.m. and recessed at 11:27 a.m. At 11:37 a.m. Committee reconvened in Open Session and adjourned at 11:38 a.m.

As this Special Meeting of the Audit Committee was conducted with electronic participation by the Members, the meeting started with the City Clerk calling the roll for attendance at the meeting, as follows:

Members present during roll call: Councillor Medeiros, Councillor Whillans, Councillor Bowman, Councillor Dhillon, Citizen Member Iqbal Ali, Citizen Member Rishi Jain

Members absent during roll call: Councillor Singh (personal), Councillor Palleschi (arrived at 11:10 am and left at 11:27 a.m. - personal), Councillor Santos (arrived at 11:10 am and left at 11:27 a.m. - personal), Citizen Member Abid Zaman (regrets)

2. **Approval of Agenda**

The following motion was considered.

AU023-2022

That the agenda for the Special Audit Committee Meeting of June 15, 2022, be approved, as published and circulated.

Carried

3. **Declarations of Interest under the Municipal Conflict of Interest Act**

Nil

4. **Question Period**

Nil

5. **Public Question Period**

The public was given the opportunity to submit questions via e-mail to the City Clerk's Office regarding any decisions made during the meeting. P. Fay, City Clerk, confirmed that no questions were submitted regarding decisions made at this meeting.

6. Closed Session

The following motion was considered.

AU024-2022

That Committee proceed into closed session to address matters pertaining to:

6.1. Open Session meeting exception under Section 239 (2) (b) of the Municipal Act, 2001:

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 matters considered in Closed Session, as follows:

6.1 – This item was considered by Committee in Closed Session, information was received, and direction was given to staff.

7. Adjournment

The following motion was considered.

AU025-2022

That the Audit Committee do now adjourn to meet again for a Regular Meeting of on September 27, 2022 or at the call of the Chair.

Carried

Regional Councillor M. Medeiros, Chair