Minutes

Audit Committee

Committee of the Council of
The Corporation of the City of Brampton

Tuesday, March 05, 2019

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

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

Staff Present: J. Pittari, Acting Chief Administrative Officer
F. Velji, Director and Chief Audit Executive, Office of Internal Audit
D. Squires, City Solicitor, Corporate Services
P. Fay, City Clerk
S. Pacheco, Legislative Coordinator, City Clerk's Office

The meeting was called to order at 1:02 p.m., recessed at 1:03 p.m., moved into Closed Session at 1:06 p.m. and moved back into Open Session at 1:22 p.m. At 2:17 p.m., Committee recessed, moved into Closed Session at 2:23 p.m., moved back into Open Session at 2:36 p.m. and adjourned at 2:36 p.m.

1. Approval of Agenda

The following motion was considered.

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

Carried

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

See Item 10.1 – Recommendation AU005-2019

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

3. Consent – nil

4. Delegations/Presentations

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

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

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

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

The following motion was considered.

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.

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

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

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

Minutes

Audit Committee

Committee of the Council of
The Corporation of the City of Brampton

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

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

- 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

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**.

<u>Dealt with under Item 4.1 – Recommendation AU009-2019</u>

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.

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.

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

brampton.ca **BRAMPTON** Flower City

Minutes

Audit Committee
Committee of the Council of
The Corporation of the City of Brampton

Wednesday, June 26, 2019

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

Citizen Members Present: Rishi Jain

Members Absent: Iqbal Ali
Abid Zaman

Staff Present: J. Pittari, Acting Chief Administrative Officer
B. Zvaniga, Commissioner, Public Works and Engineering
J. Macintyre, Acting Commissioner, Corporate Services
D. Squires, City Solicitor, Corporate Services
F. Velji, Director and Chief Audit Executive, Office of Internal Audit
P. Fay, City Clerk, Office of the Chief Administrative Officer
C. Gravlev, Deputy City Clerk, Office of the Chief Administrative Officer
S. Pacheco, Legislative Coordinator, Office of the Chief Administrative Officer

The meeting was called to order at 9:34 a.m., recessed at 10:32 a.m., moved into Closed Session at 10:48 a.m., recessed at 11:22 a.m., moved back into Open Session at 11:26 a.m. and adjourned at 11:37 a.m.

1. <u>Approval of Agenda</u>

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. <u>Declarations of Interest under the Municipal Conflict of Interest Act</u> – nil

3. <u>Consent</u>

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. <u>Delegations/Presentations</u>

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

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

Kevin Travers, Partner, KPMG LLP Chartered Accountants, provided an overview of the Audit Findings Report prepared by KPMG for the year ended December 31, 2018, and advised that:

- the audit was conducted in accordance with the Audit Plan previously presented to Committee
- no adjustments or control deficiencies were identified
- the reasonability of accounting estimates was satisfactory

In addition, Mr. Travers provided information regarding:

- audit risks and results
- significant accounting policies and practices – adoption of new standards
- current developments and audit trends – public sector update

The following motion was considered.

AU019-2019

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

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

Carried

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

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

Ms. Velji responded to questions from Committee with respect to:

- development of skills and competencies relating to data analytics
- protocol for obtaining data and how it will be managed
- collaboration between the Office of Internal Audit and the Digital Innovation and IT Division
- the City's progress on audit data analytics compared to other municipalities

The following motion was considered.

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

Carried

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

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

Committee discussion took place with respect to the following:

- Promoting the City's audit work externally

- Staff participation/response to the Internal Audit survey and a suggestion that this survey be re-posted
- Suggestion that staff explore options for implementing "pop-up" questions on desktops, as part of the awareness program

The following motion was considered.

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

Carried

5. Reports – Internal Audit

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

The following motion was considered.

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

Carried

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

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

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

The following motion was considered.

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

Carried

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

The following motion was considered.

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

Carried

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

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

The following motion was considered.

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

Carried

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

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

- the process for investigating corporate fraud complaints
- the process for reporting on corporate fraud investigations to Audit Committee and/or City Council, depending on the magnitude of the matter

- the investigation related to the March 2019 report, categorized as "manipulation or falsification of data, records, reports, contracts"

The following motion was considered.

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

Carried

6. Reports – Finance

6.1. Report from M. Kuzmanov, Manager of Accounting, Corporate Services, 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 KPMGLLP Chartered Accountants (KPMGLLP) be extended for one year commencing November 20, 2019, subject to the Treasurer finalizing an agreement with KPMGLLP for the provision of external audit services; and,

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

Carried

7. Other/New Business – nil

8. Question Period

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

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

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

9. <u>Public Question Period</u> – nil

10. <u>Closed Session</u>

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

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

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

The following motion was considered.

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

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

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

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

Carried

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

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

11. Adjournment

The following motion was considered.

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

Carried

Regional Councillor M. Medeiros, Chair

Minutes

Audit Committee
Committee of the Council of
The Corporation of the City of Brampton

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

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

- 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. <u>Reports – Internal Audit</u>

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

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. <u>Reports – Finance</u> – nil

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

BRAMPTON Flower City
brampton.ca

Minutes

Audit Committee
Committee of the Council of
The Corporation of the City of Brampton

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

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

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

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.

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

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