



Regular Meeting Agenda  
Audit Committee

The Corporation of the City of Brampton

**Tuesday, May 4, 2021**

**9:30 a.m.**

**Council Chambers - 4th Floor, City Hall - Webex Electronic Meeting**

**Members:**

Regional Councillor M. Medeiros	Wards 3 and 4
Regional Councillor R. Santos	Wards 1 and 5
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	Citizen Member
Rishi Jain	Citizen Member
Abid Zaman	Citizen Member

NOTICE: In consideration of the current COVID-19 public health orders prohibiting large public gatherings and requiring physical distancing, in-person attendance at Council and Committee meetings will be limited to Members of Council and essential City staff only. Public attendance at meetings is currently restricted. It is strongly recommended that all persons continue to observe meetings online or participate remotely.

For inquiries about this agenda, or to make arrangements for accessibility accommodations for persons attending (some advance notice may be required), please contact:

Sonya Pacheco, Legislative Coordinator, Telephone 905.874.2178, TTY 905.874.2130 [cityclerksoffice@brampton.ca](mailto:cityclerksoffice@brampton.ca)

Note: Meeting information is also available in alternate formats upon request.

1. **Call to Order**
2. **Approval of Agenda**
3. **Declarations of Interest under the Municipal Conflict of Interest Act**
4. **Consent**

In keeping with Council Resolution C019-2021, agenda items will no longer be pre-marked for Consent Motion approval. The Meeting Chair will review the relevant agenda items during this section of the meeting to allow 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.

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

(See Item 7.1)

6. **Reports - Internal Audit**

- 6.1. Staff Report re: Annual Report - 2020

*To be received*

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

*To be received*

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

*To be received*

- 6.4. Staff Report re: Whistleblower Information Report

*To be received*

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

**7. Reports - Finance**

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

(See Item 5.1)

*Recommendation*

**8. Other/New Business**

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

*To be received*

*Note: This report was **referred** to this meeting by the Committee of Council pursuant to Recommendation CW226-2021 on April 28, 2021.*

**9. Question Period**

**10. Public Question Period**

15 Minute Limit (regarding any decision made under this section)

During the meeting, the public may submit questions regarding recommendations made at the meeting via email to the City Clerk at [cityclerksoffice@brampton.ca](mailto:cityclerksoffice@brampton.ca), to be introduced during the Public Question Period section of the meeting.

11. Closed Session

12. Adjournment

Next Regular Meeting: Tuesday, September 28, 2021



**Date:** 2021-04-09

**Subject:** **Annual Report- 2020**

**Contact:** Richard Gervais, Acting Director, Internal Audit, 905-874-3836,  
richard.gervais@brampton.ca

**Report Number:** CAO's Office-2021-505

**Recommendations:**

1. That the report titled: **Annual Report- 2020**, to the Audit Committee Meeting of May 4, 2021, be received.

**Overview:**

- The Annual Report provides an overview of the work conducted by Internal Audit in 2020; and
- The objective of this report is for Internal Audit to inform Audit Committee members on the division's achievements and initiatives.

**Background:**

In an effort to maintain transparency and accountability, Internal Audit presented its first annual report to the Audit Committee in 2017. This report provides Audit Committee and members of the public important and relevant information pertaining to the work conducted by the division. While audit reports, Management Actions Plans (MAPs), and Fraud Hotline updates are presented to Audit Committee on a quarterly basis, this report provides a summary of the audits and MAPs, as well as an overview of the initiatives, achievements, and other projects the division accomplished in 2020.

**Current Situation:**

Please refer to the attached 2020 Annual Report (appendix 1).

**Corporate Implications:**Financial Implications:

None

Other Implications:

None

**Term of Council Priorities:**

This report fulfills the Council Priority of ‘Brampton is a well-run city’ through the establishment of an annual report, which promotes corporate accountability and governance best practices.

**Conclusion:**

Internal Audit provides objective and independent assessments and valuable and practical recommendations to assist management in improving processes and procedures. The 2020 Annual Report contains highlights of the work conducted by Internal Audit, highlighting the division’s achievements and successes.

Internal Audit is committed to continue updating Audit Committee on a regular basis, providing members with information and oversight.

Authored by:

Reviewed and Approved by:

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Sabrina Cook, Research Coordinator  
Internal Audit

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Richard Gervais, Acting Director  
Internal Audit

Submitted by:

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David Barrick  
Chief Administrative Officer

**Attachments:**

Appendix 1: Annual Report- 2020

# INTERNAL AUDIT 2020 ANNUAL REPORT



## 2020: Year at a Glance

2020 was a challenging yet rewarding year for the City's Internal Audit team. We navigated through uncharted territory (due to the COVID-19 pandemic), adhered to strict Public Health protocols, and managed to successfully conduct our audit engagements.

As the COVID-19 pandemic reached North America in the late winter, we had to quickly adjust to working from home. Thanks to technology, an adaptable and innovative team, along with cooperation and support from our colleagues throughout the City, the Audit team remained connected, engaged, and continued performing audit engagements. We were able to perform all of our audit work thanks to virtual meetings, electronic files, and a resilient City of Brampton team.

During the second half of the year, three new members joined our division, adding to our team's talent, skill set, and diversity. Having a full team allows us to utilize each team member's strengths and acquired knowledge, learn from one another, and achieve our goals.

The Audit team was able to participate in several virtual learning opportunities throughout the year. The City facilitated workshops and seminars on a wide range of topics, and audit specific professional organizations also hosted online conferences and webinars, where we were able to learn with our peers and continue to network. These learning days allowed us to strengthen our skills and remain up to date with best practices and emergencing trends.

The International Standards for the Professional Practice of Internal Auditing ("Standards") require an external assessment of the Internal Audit function to be performed every five years. The Institute of Internal Auditors (IIA) Standards are authoritative guidance for the internal audit profession, and are seen as a minimum standard in professional internal audit functions. We engaged KPMG to conduct this review, and received an overall rating of "Partially Conforms". These recommendations are being implemented and will allow Internal Audit to continue to strive towards becoming a trusted advisor and a valuable business partner.

We continued cultivating and fostering strong relationships with our peers throughout the City through various audits and consulting engagements as well as special projects.

We embrace the City of Brampton's corporate values of **courage, trust, compassion, and integrity** in everything we do, and our team's hard work and passion truly embodies these qualities.

For more information, please visit our [webpage](#).

## Our Mandate

Internal Audit performs independent and objective assurance and consulting activities that are guided by a philosophy of adding value to improve the operations of the City of Brampton.

We assist the City in accomplishing its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of the organization's governance, risk management, and internal controls.

Our team provides objective and independent assessments on the effectiveness and efficiencies of controls and processes; valuable and practical recommendations to assist management in improving processes and procedures; as well as providing consulting services to management and staff on current and future initiatives.

The City of Brampton places an emphasis on good corporate governance through: educating and engaging the citizens of Brampton in transparent and accountable ways that show value and enhance the image of the City, investing in a collaborative environment with supportive organization and governance practices and policies, and lastly, practicing the proactive, effective, and responsible management of municipal assets and services. Good governance is a critical foundational element that reinforces the City's transformational shift in its operations, and Internal Audit is an integral part of the City's corporate governance structure.

The primary focus of Internal Audit is to ensure that City processes and related controls are functioning as intended. We determine if services can be improved or become more efficient, and ensure that the resources of the City are being used effectively.

**Ultimately, we endeavour to provide the taxpayers of Brampton assurance that City services and resources are being administered in an effective, efficient, and economical manner.**

# Independence and Objectivity

The Institute of Internal Auditors' (IIA) *International Standards* (Standards) require internal auditors to be independent and objective in performing their work. The IIA provides the following interpretation:

*“Independence is the freedom from conditions that threaten the ability of internal audit to carry out their responsibilities in an unbiased manner.*

*Objectivity is an unbiased mental attitude that allows internal auditors to perform engagements in such a manner that they believe in their work product and that no quality compromises are made. Objectivity requires that internal auditors do not subordinate their judgment on audit matters to others.”*

**Being independent allows Internal Audit to provide objective assessments of the City of Brampton's operations; this includes audit selection, scope, procedures, timing, and content.**

Internal Audit's independence is assured as a result of the following:

- Direct administrative and functional reporting relationship to the Chief Administrative Officer (CAO) and quarterly functional reporting, (or as needed) to City Council through the Audit Committee;
- CAO and Audit Committee approval of the Internal Audit Charter;
- CAO and Audit Committee approval of the Annual Audit Work plan;
- No direct operational responsibility or authority over any operational activity; and
- The addition of citizen members on Audit Committee (endorsed by Council in 2018)



# Our Accomplishments

## 2020 Audits Completed and Workplan Completion

We started 2020 with 13 planned and ongoing audits, of which 12 were completed. This represents 92% completion of the 2020 work plan. Two audit memos were issued in 2020 and full-scope audits of the respective business units are scheduled for a later date. The IT Assurance and Risk Management Audit and Cyber Maturity and Vulnerability Assessment were combined into the CyberSecurity Assessment.

*Figure 1: Status of Audit and Consulting Engagements*

Engagement	Status
Transit Operations	Completed
HR Employee Benefits (Phase 2)	In progress
Rose Theatre Operations	Completed
Contract Management	Completed
Building Design & Construction	Completed
P-Card Management	Completed
Segregation of Duties	Completed
Asset Management	Completed
IT Assurance and Risk Management	Completed
Cyber Maturity & Vulnerability Assessment	Completed
DCP Fleet	Completed
Data Architecture & Management	Audit Memo Issued. Full audit deferred.
Real Estate Management	Audit Memo Issued. Full Audit deferred to 2021.

Please visit our [webpage](#) or refer to appendix 1 to view the 2021 work plan.

## Management Action Plans (MAP)

Divisions are required to provide a quarterly update to Internal Audit on the progress of implementing agreed-upon audit recommendations. We review the comments submitted by the client, and where necessary, the Director of Internal Audit will meet with management to discuss the respective progress and comments. The implementation status updates from management are reported to the Audit Committee on a quarterly basis.

At the end of 2020, 24 of 56 recommendations were completed and implemented by management. The remaining 32 recommendations are scheduled to be implemented throughout 2021 and early 2022. The majority of these 32 recommendations are not yet due, meaning their original target completion dates are scheduled for 2021. There are four



recommendations with initial target completion dates in 2020 that remain open pending the completion of software implementations, with expected completion in 2021 and 2022. Internal Audit will continue working with management to monitor their progress implementing the recommendations, and continue to update Audit Committee on the implementation status on a quarterly basis.

*Figure 2: Status of Audit Recommendations as of December 31, 2020*

Audit Report	Rating	Year	MAPs open Q4 2020	MAPs Due at Q4	As of December 31, 2020		
					Completed	Deferred	Not Yet Due
Building Permits		2017	1	1	-	1	-
Building Inspections		2018	1	1	-	1	-
Corporate Security		2018	1	1	1	-	-
IT Service Desk		2019	1	1	-	1	-
Mobile Phone Management Follow-Up		2019	4	4	4	-	-
Payroll Services		2019	10	10	10	-	-
Construction- Countryside Dr. Road Widening		2019	1	1	-	1	-
HR Recruitment Follow-Up		2019	2	-	-	-	2
Contracted Cleaning		2019	1	-	-	-	1
Review of Councillor Budget and Staffing Model	N/A	2019	2	2	2	-	-
Fleet Services		2019	1	1	-	1	-
HR Benefits (Phase 1)		2019	3	-	-	-	3
Rose Theatre Operations		2020	2	2	1	1	-
Asset Management		2020	3	2	-	2	1
Contract Management		2020	1	1	1	-	-
Segregation of Duties		2020	1	1	-	1	-
Transit Operations		2020	9	3	3	-	6
Cyber Security Assessment	N/A	2020	10	1	2	-	8
Building Design & Construction	N/A	2020	2	-	-	-	2
<b>TOTAL</b>			<b>56</b>	<b>32</b>	<b>24</b>	<b>9</b>	<b>23</b>

Internal Audit is committed to continuously collaborating with management in identifying, reviewing, improving, and updating policies, procedures, and processes on a regular basis, and enhancing efficiencies and process effectiveness.

We thank management and staff for their continued support and encourage them to continue striving to meet the target completion dates of audit recommendations.





# Emerging Themes from Completed Audits

In May 2018, Council endorsed [Brampton's 2040 Vision](#) a vision that is based on redefining what a 'bedroom community' looks like, while creating a vibrant city where people will live, work, and play in harmony with nature and one another. Brampton City Council's [Term of Council Priorities](#) for 2018-2022 are a key step in moving us toward 2040; 22 priorities will inform our activities, decisions, and budgets, and are organized in five themes: **opportunities**, **mosaic**, **green**, **healthy** and **safe**, and **well-run**.

Internal Audit reviewed the completed 2020 audits, and identified these recurring themes as opportunities for continuous improvement to be addressed by management.

## Policies and Procedures

We found policies and procedures that were not reflective of current practices, as well as a lack of regular updates and reviews.

Having updated policies that reflect current practice provides greater transparency and ensures consistency of practice for all staff. In addition, having a methodology with which to review and update policies on a regular basis ensures that all policies remain relevant.

## Preparedness of Management

In two instances, we were not able to conduct full scope audits, as management was not ready for such work to be completed. It is important to note that COVID-19 played a significant role in this, as did resource constraints. Internal Audit always wants to add value, and as such, we worked with management to identify areas of improvement, and issued audit memos, outlining our findings. Full scope audits of these respective business units are scheduled to be conducted in the 2021 workplan.

## Fraud Prevention and Awareness

As part of the City of Brampton's commitment to protecting its assets and to the principles of accountability, transparency, honesty, and respect, the Corporation has established a framework to prevent, detect, and report incidents of fraud, and a process to investigate and report on fraudulent acts. This initiative reflects the City's ongoing efforts to demonstrate our commitment to responsible, sound, and ethical operating practices. The Fraud Prevention Policy and the Fraud Hotline are components of this framework. They complement other existing policies, which, taken together, are intended to support and strengthen our commitment to the City's Corporate values (courage, trust, compassion, and integrity), to promote and maintain a high level of integrity of our employees so that they feel empowered to do the right thing, and to ensure the City's assets are protected.

The City's Fraud Prevention Hotline was established in July 2016 to provide all City staff with a convenient, secure, confidential, and anonymous way to report possible incidents of fraud. The City uses an independent third-party service provider to manage its Hotline.

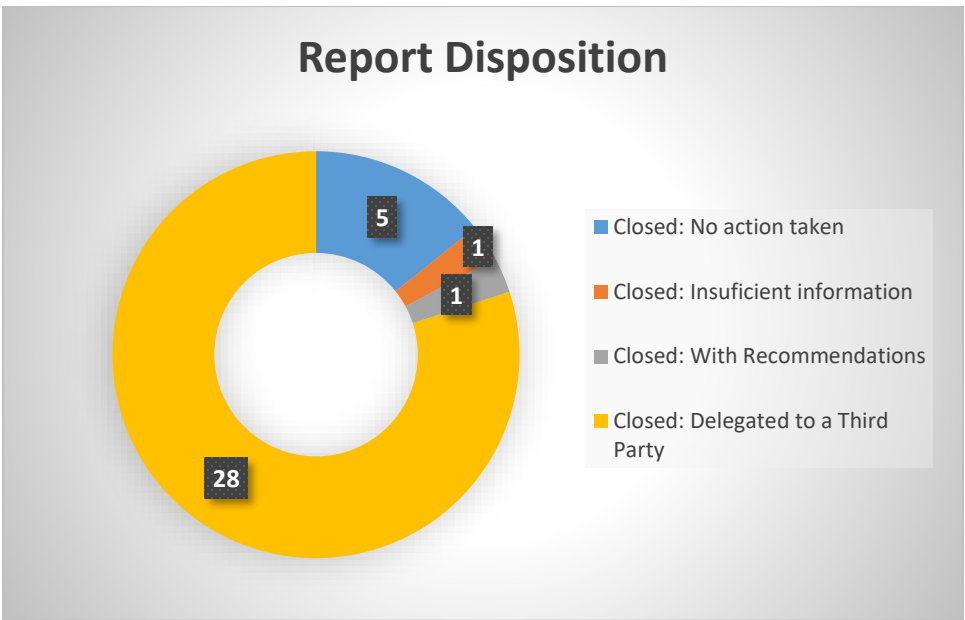
Between the launch of the Fraud Hotline and December 31, 2020, there has been a total of 77 reports received through the Fraud Hotline. In 2020, 35 reports were received through the web portal, which represents a 94% increase from the 18 reports received in 2019.

After analysis, none of the reports were related to monetary fraud, misuse of City assets, and/or theft. The following provides a breakdown of the disposition of the 35 reports:

- 28 complaints (similar in nature) were referred to a third party investigator and the reports are now closed;
- No action was taken for 5 complaints after initial assessment and were then closed;
- 1 complaint was investigated by Internal Audit recommended process improvements were made to management and then closed; and,
- 1 complaint was closed due to insufficient information.

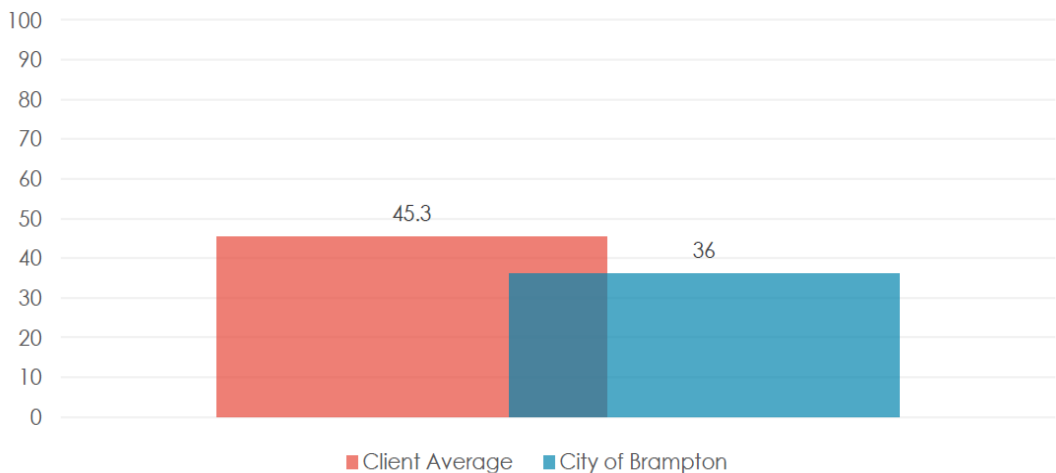
The following figure provides a summary of the 2020 reports by disposition.

Figure 3: Report Disposition

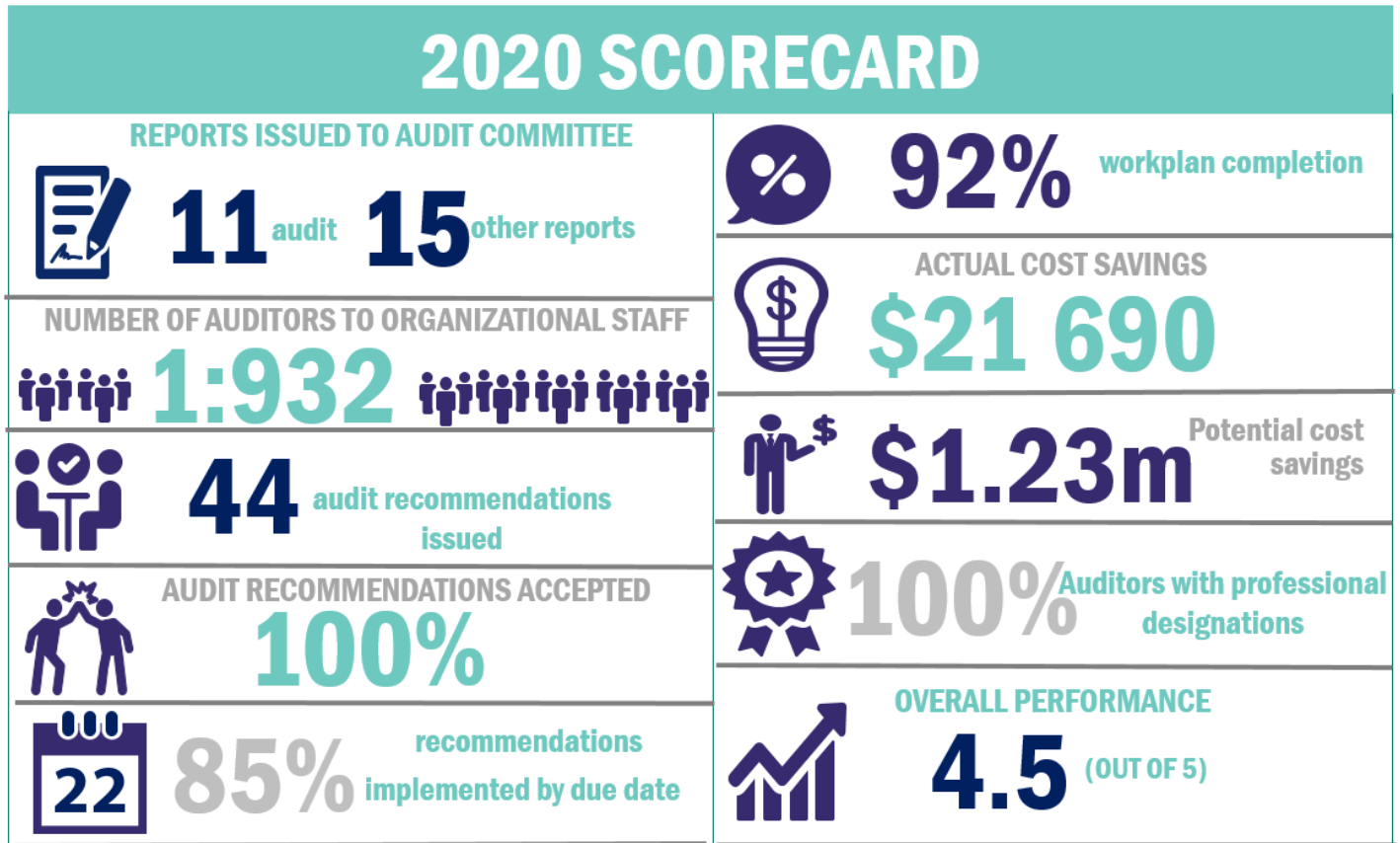


The Fraud Hotline service provider also provided Internal Audit with a benchmarking report, consisting of some other Canadian municipalities (Clients) for the period January 1, 2020 to December 31, 2020. Figure 4 shows that the number of reports received in 2020 was 45.3 on average for other clients, whereas for the City the number was 36 during the same time period.

Figure 4: Number of Reports Received Compared to Other Clients



## Internal Audit Scorecard



## APPENDIX 1: INTERNAL AUDIT 2021 WORKPLAN

Engagements
Corporate Governance (incl. anti-corruption & money laundering policies)
Executive Expenses
Vendor Performance
Economic Development Division
Emergency Spending Review
Transit (Follow-Up)
Contract Management- Snow Removal
Real Estate Management
Corporate Facility Management & Operations
IT Vendor Management
IT Infrastructure & Cloud Management
Project Assurance- IT Management Action Plans
Project Assurance- CLASS Migration to A2G
Project Assurance- Implementation of Video Court Appearances



## APPENDIX 2: CRITERIA FOR AUDIT REPORTING

The audit report rating is intended to provide management with an indication of the overall status of internal controls and processes in the audited area. The audit report rating is based on Internal Audit's overall assessment of the significance of issues identified during the audit process, and in conjunction with professional judgement also considers the following:

1. Design and effectiveness of internal controls, processes, procedures, policies, and systems.
2. Compliance with policies, standard operating procedures, and other requirements (i.e. legal, regulatory, accounting, contractual).
3. Quality of the data and information provided by management and related systems.
4. Efficiency of systems, processes and procedures.

<b>Effective</b>	<ul style="list-style-type: none"> <li>- Key controls are adequately and appropriately designed, and are operating effectively to support objectives and manage risks.</li> <li>- Audit recommendations resulted in only minor enhancements to the effectiveness or efficiency of controls and processes.</li> <li>- One or more Priority 3 findings.</li> <li>- Insignificant cumulative financial impact when all audit findings have been considered.</li> <li>- Audit findings would not be subject to a follow-up by Internal Audit.</li> </ul>
<b>Enhancement Required</b>	<ul style="list-style-type: none"> <li>- A few key control weaknesses were noted that require enhancements to better support objectives and manage risks.</li> <li>- One Priority 2 finding and Priority 3 findings.</li> <li>- Priority 3 findings only where the cumulative financial impact is significant.</li> <li>- Corrective action and oversight by management is needed.</li> <li>- Audit findings could be subject to a follow-up by Internal Audit.</li> </ul>
<b>Significant Improvement Required</b>	<ul style="list-style-type: none"> <li>- Numerous key control weaknesses were noted that require significant improvement to support objectives and manage risks.</li> <li>- One Priority 1 finding, or more than one Priority 2 findings and Priority 3 findings.</li> <li>- Priority 2 and 3 findings only where the cumulative financial impact is significant.</li> <li>- Corrective action and oversight by senior management is required.</li> <li>- Audit findings will be subject to a follow-up by Internal Audit.</li> </ul>



**Immediate  
Action  
Required**

- Key controls are either not adequately or appropriately designed and are not operating effectively, or there is an absence of appropriate key controls to support objectives and manage risks.
- More than one Priority 1 finding, combined with Priority 2 or 3 findings.
- Regardless of the type of findings, the cumulative financial impact is material to the City's financial statements.
- Confirmed fraud by management or staff.
- Corrective action and oversight by Corporate Leadership Team is required immediately.
- Follow-up of such audit findings by Internal Audit would be of high priority.



## APPENDIX 3: CRITERIA FOR EVALUATING AUDIT FINDINGS

<p><b>Priority 1 (P1)</b></p> <p><b><u>One or more</u></b> of the following conditions exist that require <b><u>immediate attention of the Corporate Leadership Team</u></b>. Corrective actions by senior management must be implemented</p> <ul style="list-style-type: none"> <li>- Financial impact of both actual and potential losses is material.</li> <li>- Management's actions, or lack thereof, have resulted in the compromise of a key process or control, which requires immediate significant efforts and/or resources (including time, financial commitments, etc.) to mitigate associated risks. Failure by management to remedy such deficiencies on a timely basis will result in the City being exposed to immediate risks and/or financial loss.</li> <li>- One or more of the following conditions is true: i) management failed to identify key risks; ii) management failed to implement processes and controls to mitigate key risks.</li> <li>- Management's actions, or lack thereof, have resulted in a key initiative to be significantly impacted or delayed, and the financial support for such initiative will likely be compromised.</li> <li>- Management failed to implement effective control environment or provide adequate oversight, resulting in a negative pervasive impact on the City or potential fraudulent acts by City staff.</li> <li>- Fraud by management or staff, as defined by the Corporate Fraud Prevention Policy (policy 2.14).</li> </ul>
<p><b>Priority 2 (P2)</b></p> <p><b><u>One or more</u></b> of the following conditions exist that require attention by senior management. Corrective actions by management should be implemented.</p> <ul style="list-style-type: none"> <li>- Financial impact of both actual and potential losses is significant.</li> <li>- Management's actions, or lack thereof, may result in a key process or control to be compromised, which requires considerable efforts and/or resources (including time, financial commitments, etc.) to mitigate associated risks.</li> <li>- Management correctly identified key risks and have implemented processes and controls to mitigate such risks, however, one or more of the following is true: i) the processes and controls are not appropriate or adequate in design; ii) the processes and controls are not operating effectively on a consistent basis.</li> <li>- Management's actions, or lack thereof, have impacted or delayed a key initiative, and the funding for such initiative may be compromised.</li> <li>- Management failed to provide effective control environment or oversight on a consistent basis, resulting in a negative impact on the respective division, or other departments.</li> <li>- Management failed to comply with Council-approved policies, by-laws, regulatory requirements, etc., which may result in penalties.</li> <li>- Management failed to identify or remedy key control deficiencies that may impact the effectiveness of anti-fraud programs.</li> </ul>
<p><b>Priority 3 (P3)</b></p> <p><b><u>One or more</u></b> of the following conditions exist that require attention by management. Corrective actions by management should be implemented.</p> <ul style="list-style-type: none"> <li>- Financial impact of both actual and potential losses is insignificant.</li> <li>- A non-key process or control if compromised may require some efforts and/or resources (including time, financial commitments, etc.) to mitigate associated risks.</li> <li>- Processes and controls to mitigate risks are in place; however, opportunities exist to further enhance the effectiveness or efficiency of such processes and controls. Management oversight exists to ensure key processes and controls are operating effectively.</li> <li>- Minimal risk of non-compliance to Council-approved policies, by-laws, regulatory requirements, etc.</li> <li>- Low impact to the City's strategic or key initiative.</li> <li>- Low impact to the City's operations.</li> </ul>







[brampton.ca](http://brampton.ca)



**BRAMPTON**

**Date:** 2021-04-09

**Subject:** **Corporate Fraud Prevention Hotline Update– Q1 2021**

**Contact:** Richard Gervais, Acting Director, Internal Audit, 905-874-3836,  
richard.gervais@brampton.ca

**Report Number:** CAO's Office-2021-503

**Recommendations:**

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

**Overview:**

- For the period of January 1, 2021 to March 31, 2021, five new reports have been receive by the Fraud Hotline;
- The Corporate Fraud Prevention Hotline (“Fraud Hotline”) was launched on July 4, 2016 for the use of City of Brampton employees; and
- Internal Audit will provide ongoing updates on the status of the Fraud Hotline to the Audit Committee.

**Background:**

As part of the City of Brampton’s (“the City”) commitment to protecting its assets, a Fraud Framework to prevent, detect, and report incidents of fraud, as well as investigate any suspected acts of fraud, was established. On July 4, 2016 the City launched the Corporate Fraud Prevention Hotline, which allows City employees to report alleged incidents of fraud. The Fraud Hotline allows employees to report incidents of suspected fraud anonymously and confidentially 24 hours a day, seven days a week. Employees can submit a report through a third-party secure website or over the phone through a third-party dedicated toll-free number.

As a result of low activity related to the Fraud Hotline and the number of new employees joining the City, the Fraud Framework was re-launched in 2018, consisting of the updated Fraud Prevention Policy and the Fraud Hotline. The Fraud Framework complements other existing policies, which taken together, are intended to support and strengthen the City's commitment to the Corporate Values of courage, trust, compassion, and integrity.

Internal Audit performs its assurance and consulting activities guided by a philosophy of adding value to improve the operations of the City of Brampton. As part of this commitment, Internal Audit has created and maintains an Employee Fraud Awareness Program, providing employees with tools and information, and encouraging the use of the Fraud Hotline. If required, employees should feel empowered to do the right thing to ensure the City's assets are protected.

### **Current Situation:**

Internal Audit updates the Audit Committee on the status of the Fraud Hotline, including statistics on the number and types of reports received. The Fraud Hotline received five new reports between January 1, 2021, and March 31, 2021. Two reports have been closed and three remain under review.

The following is a high-level summary of the complaints received in Q1 2021:

- Non-compliance with policy or procedure;
- The hiring of unqualified personnel;
- Recruitment and hiring and practices; and
- None of the reports were regarding any monetary fraud, misuse of City assets, and/or theft.

The following table provides a list of all reports received and their disposition for the period of January to March 2021.

*Table 1: Reports Received January-March 2021*

<b>Date Submitted</b>	<b>Disposition</b>	<b>Report Method</b>	<b>Report Status</b>	<b>Reporter Notification</b>
March 2021	Insufficient Information	Web	Closed	No
March 2021	Under Review	Web	Open	No
March 2021	No Action Taken	Web	Closed	No
March 2021	Under Review	Web	Open	No
March 2021	Under Review	Web	Open	No

A 'No' in the Reporter Notification column indicates the reporter chose not to be notified of updates or requests for additional information. They must logon to the system to look for changes.

## **Corporate Implications:**

### Financial Implications:

The 2021 operating budget approved by Council, includes amounts for a third-party to operate the Corporate Fraud Prevention Hotline.

### Other Implications:

None

## **Term of Council Priorities:**

This report fulfills the Council Priority of ‘Brampton is a well-run city’ through the support of the Corporate Fraud Prevention Policy and Fraud Hotline, which promote Corporate accountability, our Corporate values, and governance best practices.

## **Conclusion:**

The Corporate Fraud Prevention Policy and Hotline enhances and strengthens the City’s governance structure. It reinforces Council’s expectations regarding rules of behavior and emphasizes the values of the City. Internal Audit will continue to update the Audit Committee on the status of the Fraud Hotline and any ongoing and/or completed fraud investigations.

Authored by:

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Sabrina Cook, Research Coordinator  
Internal Audit

Reviewed and Approved by:

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Richard Gervais, Acting Director  
Internal Audit

Submitted by:

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David Barrick  
Chief Administrative Officer

**Date:** 2021-04-06

**Subject:** **Status of Management Action Plans (MAP) – March 31, 2021**

**Contact:** Richard Gervais, Acting Director, Internal Audit, 905-874-3836,  
richard.gervais@brampton.ca

**Report Number:** CAO's Office-2021-504

**Recommendations:**

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

**Overview:**

- As part of the internal audit follow-up process, departments are required to provide Internal Audit with an update on current status and progress of all outstanding recommendations;
- The objective of this report is for Internal Audit to inform Audit Committee members on the progress of the implementation of audit recommendations, as reported by management;
- The comments reflect the status of the implementation of recommendations due to be completed by or prior to March 31, 2021;
- As of March 31, 2021, 5 recommendations were implemented by management and 8 recommendations have been deferred;
- Internal Audit may validate results at a subsequent date as part of the follow-up audit process; and
- Details concerning the individual recommendations are available upon request.

## Background:

In accordance with the requirements of Standard 2500.A1 of the International Standards for the Professional Practice of Internal Auditing, Internal Audit has established a follow-up process to monitor and ensure that management action plans for audit recommendations have been successfully implemented. This process has been in place since 2006.

For the follow-up process, departments are required to provide an update to Internal Audit on the progress of implementing agreed-upon recommendations. Internal Audit reviews the comments submitted by the department, and where necessary, the Director of Internal Audit will meet with management to discuss the respective progress and comments. Upon complete implementation of the recommendations by management, Internal Audit will assess whether a follow-up audit is necessary to validate the operating effectiveness of the implemented processes and procedures. Such follow-up audits are included in Internal Audit's annual work plan and is approved by the Audit Committee.

The implementation status updates from management are reported to the Audit Committee. This report summarizes the status of all recommendations due to be implemented by management on or prior to March 31, 2021.

## Current Situation:

As of March 31, 2021, five recommendations were implemented by management on or prior to this date, and eight recommendations were deferred. Some of the deferred recommendations due to software/system updates that are in the process of being implemented. The remaining recommendations identified as "not yet due" have anticipated completion dates between Q2 2021 and early 2022. The following table details the open and deferred recommendations.

Recs at Q4 2020	New Recs in Q1 2021	Recs Completed in Q1 2021	Recs Open in Q1 2021	Recs Deferred in Q1 2021	Recs Due by Q2 2021-Q1 2022
56	5	5	32	8	24

Please refer to **Appendix 1** for the details of the recommendations as of March 31, 2021.

Please refer to **Appendix 2** for a detailed list of the status of the recommendations as of March 31, 2021.

## Corporate Implications:

### Financial Implications:

None

Other Implications:

None

**Term of Council Priorities:**

This report achieves the Term of Council Priority of 'Brampton is a well-run city' through the establishment of an internal audit follow up procedure for the implementation of recommendations, which promotes corporate accountability, values, and governance best practices.

**Conclusion:**

Internal Audit is committed to continuously collaborating with management in identifying, reviewing, improving, and updating policies, procedures, and processes on a regular basis, and enhancing efficiencies and process effectiveness.

Internal Audit encourages management and staff to continue striving to meet the target completion dates of the Management Action Plans.

Authored by:

Reviewed and Approved by:

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Sabrina Cook, Research Coordinator  
Internal Audit

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Richard Gervais, Acting Director  
Internal Audit

Submitted by:

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David Barrick  
Chief Administrative Officer

**Attachments:**

Appendix 1: Management Action Plans as of March 31, 2021

Appendix 2: Management Action Plan Status Details as of March 31, 2021






As of March 31, 2021							
Audit Report	Rating	Year	MAPs open Q1 2021	MAPs Due at Q1	Completed	Deferred	Not Yet Due
Building Permits		2017	1	-	1*	-	-
Building Inspections		2018	1	-	1*		
IT Service Desk		2019	1	1	-	1	-
Construction- Countryside Dr. Road Widening		2019	1	-	-	-	1
HR Recruitment Follow-Up		2019	2	2	-	2	-
Contracted Cleaning		2019	1	-	-	-	1
Fleet Services		2019	1	-	-	-	1
HR Benefits (Phase 1)		2019	3	-	-	-	3
Rose Theatre Operations		2020	1	1	1	-	-
Asset Management		2020	3	2	1	1	1
Segregation of Duties		2020	1	1	-	1	-
Transit Operations		2020	6	3	-	3	3
Cyber Security Assessment	N/A	2020	8	1	1	-	7
Building Design & Construction	N/A	2020	2	2	-	-	2
HR Benefits (Phase 2)		2021	5	-	-	-	5
TOTAL			37	13	5	8	24


























Note:















































\* indicates recommendations completed in advance of their target completion dates.



## APPENDIX 2- Management Action Plan Status Details as of March 31, 2021

Legend	
In progress	
Completed	
Deferred	
In progress- delayed	
Expected completion	

Audit and Finding/Issue	Q1 2021	Q2 2021	Q3-Q4 2021
<b>Building Permits</b> Permit Review and Issuance Process		x	x
<b>Building Inspections</b> Performance Metrics		x	x
<b>IT Service Desk</b> Out of Hours System Issues are not Recorded			x
<b>Construction</b> Monthly Reporting to Senior Management			x
<b>HR Recruitment</b> Policies & Procedures Require Review and Update			x
<b>HR Recruitment</b> Policies & Procedures Require Review and Update			x
<b>Fleet Services</b> Frozen Vehicle Data Units			
<b>HR Benefits (Phase 1)</b> Policies & Procedures are not current			
<b>HR Benefits (Phase 1)</b> Validation of Practitioners for STD			
<b>HR Benefits (Phase 1)</b> Validation of Practitioners for STD			
<b>Rose Theatre Operations</b> Standard Operating Procedures (SOPs) are not complete or current		x	x
<b>Contracted Cleaning</b> Contract Terms & Conditions			x

<b>Audit and Finding/Issue</b>	<b>Q1 2021</b>	<b>Q2 2021</b>	<b>Q3-Q4 2021</b>
<b>Asset Management</b> Ineffective automated asset discovery and management tool			<b>x</b>
<b>Asset Management</b> Key person dependency risk			
<b>Asset Management</b> Lack of oversight over electronic card access and physical door keys		<b>x</b>	<b>x</b>
<b>Segregation of Duties</b> Employees suspended in April on a temporary basis still retained their access to sub-systems in addition to only network and email			<b>x</b>
<b>Transit Operations</b> Scrap Sales & Potential Exposure			
<b>Transit Operations</b> Inventory Parts Identification Process			
<b>Transit Operations</b> Physical Inventory Management			
<b>Transit Operations</b> Inventory management systems are not integrated			2022
<b>Transit Operations</b> Fare Collection and Enforcement			
<b>Transit Operations</b> Attendance cards Mechanics and Stock Keepers			
<b>Cyber Security</b> Patch management deficiencies			
<b>Cyber Security</b> Password strength			
<b>Cyber Security</b> Limited security awareness training and testing			
<b>Cyber Security</b> No reporting on spoofing mail services		<b>x</b>	<b>x</b>
<b>Cyber Security</b> Limited network segregation			
<b>Cyber Security</b> Limited network traffic decryption/ inspection			2022
<b>Cyber Security</b> Phishing tests are not performed across the organization			
<b>Cyber Security</b>			

<b>Audit and Finding/Issue</b>	<b>Q1 2021</b>	<b>Q2 2021</b>	<b>Q3-Q4 2021</b>
IT Service Continuity Management Planning is in its early stages of development			
<b>Building Design &amp; Constructions</b> SOP Development & Identification of Mandatory Documentation	●	●	○
<b>Building Design &amp; Construction</b> Compliance Review & Training	●	●	○

**Date:** 2021-04-09

**Subject:** Whistleblower Information Report

**Contact:** Richard Gervais, Acting Director, Internal Audit, 905-874-3836,  
richard.gervais@brampton.ca

**Report Number:** CAO's Office-2021-506

**Recommendations:**

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

**Overview:**

- At the February 23, 2021 Audit Committee Meeting, Audit Committee members requested that staff provide an information report on Whistleblower protection at the City of Brampton ("City");
- Whistleblower protection is specified in three corporate policies, however, there is no stand-alone Whistleblower Protection policy at the City; and
- Internal Audit's review of Whistleblower protection at the City indicated that a streamlined complaints process is necessary, and the Corporate Policy team is leading this initiative.

**Background:**

At the February 23, 2021 Audit Committee Meeting, Internal Audit was asked to provide research and information regarding Whistleblower protection at the City of Brampton.

For the purpose of this report, Internal Audit has defined a Whistleblower to be: someone who, in good faith, reports incidents of suspected fraud, waste, or non-compliance to corporate policies. A Whistleblower policy or by-law, therefore, would be a set of provisions protecting the Whistleblower from any form of reprisal or retaliation as a result of reporting such incidents.

Internal Audit reviewed and conducted analysis of current City policies which make reference to Whistleblower protection as well municipal benchmarking to determine what Whistleblower protections are in place in other municipalities, and looked into any legal or statutory requirements. While there are no legal requirements for municipalities to have Whistleblower protection, in practice, based on Internal Audit's review of other municipalities, Whistleblower protection is prevalent.

### **Current Situation:**

The City does not currently have a stand-alone Whistleblower policy or by-law. The City's Corporate Fraud Prevention Policy, Employee Code of Conduct, and Respectful Workplace Policy make reference to Whistleblower protection, specifically protection from retaliation and reprisal for allegations made in good faith. Please refer to the appendices of this report to review the Corporate Fraud Prevention Policy, Employee Code of Conduct, and Respectful Workplace Policy.

#### *Corporate Fraud Prevention Policy*

The Corporate Fraud Prevention Policy applies to employees and to contractors, vendors, and outside agencies doing business with the City who have agreed to be bound by this policy. It does not apply to Members of Council, who are governed by the Council Code of Conduct. The Corporate Fraud Prevention Policy applies to acts of unethical or dishonest conduct defined as Fraud.

Sections 5, 8, and 9 of the Corporate Fraud Prevention Policy specifically address whistleblower protection:

- "The City will not tolerate any form of retaliation against Whistleblowers, who, in good faith, provide information concerning Fraud." (section 5.2)
- "No disciplinary action will be recommended or taken against a person who makes an allegation of fraud in good faith, regardless of the outcome of the investigation." (section 8.2)
- "All Whistleblowers' identities will remain confidential and anonymous. No one governed by this Policy shall retaliate against a Whistleblower for reporting in good faith an act that the Whistleblower believes to be fraudulent or dishonest with the intent of adversely affecting the terms or conditions of employment or otherwise." (section 9.1-9.3)

#### *Employee Code of Conduct*

The Employee Code of Conduct applies to City employees only, and guides the conduct, behavior, and responsibilities of staff.

Sections 2 and 6 of the Employee Code of Conduct address whistleblower protection:

- “There will be no retaliation for speaking up and making a truthful report of actual or potential misconduct, for participating in an investigation, or for exercising legal rights.” (section 2.4)
- “The City takes fraud-and the threat of fraud- very seriously and commits to deter, detect, report, and correct fraud.” (section 6.1)
- “There is no risk of reprimand, penalty, or discipline for reporting suspect behavior or fraud in good faith or for participating in a fraud investigation.” (section 6.1)

### *Respectful Workplace Policy*

The Respectful Workplace Policy applies to employees (including but not limited to service contractors, students, and volunteers), Members of Council, vendors and suppliers, and members of the public (including citizen members of Committees).

Section 6 of the Respectful Workplace Policy addresses whistleblower protection:

- “All individuals have the right to report or act as a witness, in good faith, incidents or complaints of Harassment or Discrimination without fear of Reprisal. Where it is confirmed that an incident of substantiated Harassment or Discrimination behaviour has occurred, corrective action taken will not be considered a Reprisal.” (section 6.6)

Furthermore, section 8 describes the consequences of launching a complaint that is false, frivolous, or made in bad faith:

- “Any employee who violates this Policy or is found to have launched a complaint that is false, frivolous, or made in bad faith maybe be subject to corrective action which may include:
  - Termination of employment;
  - Prohibition from the City property;
  - Having the incident reported to the Police; and/or,
  - Other action as appropriate.”

### *Benchmarking*

Internal Audit benchmarked the City’s current Whistleblower provisions against those of the Cities of Toronto, Ottawa, Hamilton, Mississauga, Vaughan, and the Region of Peel to determine what comparable municipalities have in place for Whistleblower protection.

The following table provides a summary of our findings. Note that the City of Toronto By-law consolidated the former Fraud Policy and Whistleblower Policy.

*Table 1: Municipalities' Whistleblower Protection*

<b>Municipality</b>	<b>Policy</b>	<b>By-law</b>
City of Toronto	N/A	Disclosure of Wrongdoing and Reprisal Protection Provisions By-Law
City of Ottawa	Fraud & Waste Policy Employee Code of Conduct	N/A
City of Hamilton	Fraud Policy & Protocol	Whistleblower By-Law
City of Mississauga	Whistleblower Program Policy Fraud & Theft Policy	N/A
City of Vaughan	Employee Code of Conduct	N/A
Region of Peel	Whistleblower Protection Policy	N/A
City of Brampton	Fraud Prevention Policy Employee Code of Conduct Respectful Workplace Policy	N/A

Complaints that are vexatious and malicious in nature can damage reputations and waste City resources. The City of Mississauga and the Region of Peel address reports made in bad faith with the following clauses:

**City of Mississauga- Whistleblower Program Policy:**

- “Employees who knowingly make a false or misleading statement; seek reprisal against an individual as the result of a complaint; do not cooperate during the course of an investigation or complaint of retaliation; or against whom acts of Waste and/or Wrongdoing are substantiated will be subject to disciplinary action, up to and including dismissal.”

**Region of Peel- Whistleblower Protection Program Policy**

- “Employees who knowingly make a false or misleading statement or do not cooperate during the course of an investigation or reprisal will be subject to discipline up to and including dismissal.”

*Other Considerations*

Internal Audit's review and discussions with other municipalities highlighted the importance of having effective processes in place for filing and handling complaints and an effective communications and awareness plan to ensure staff and members of the public are informed of the processes.

The City's Corporate Policy team is leading an initiative, in collaboration with relevant stakeholders, including Internal Audit, to address public and internal complaints. A Public Complaints Policy is being developed and work is underway to streamline and align internal processes. A communications plan is also being created to help guide staff and the public on the methods for filing complaints.

Effective complaints processes should be consistent and include measures such as:

- The ability to record, assign, and track reports through to closure;
- Management reporting, including performance indicators and analysis; and
- Service standards such as timelines and communication with the complainant.

City Council is considering designating a Municipal Ombudsman and/or adopting an Auditor General model. Should Council choose one or both of these options, there may be an associated change in how complaints are handled.

### **Corporate Implications:**

#### Financial Implications:

N/A

#### Other Implications:

A Whistleblower policy or by-law may remove perceived barriers to employees reporting suspected fraud, waste, or non-compliance to corporate policies, and may increase the number of reports the City receives. Additional resources may be needed to process the increased volume of complaints.

### **Term of Council Priorities:**

This report fulfills the Council Priority of 'Brampton is a well-run city' through the consideration of the creation of a Whistleblower Policy, which promotes corporate accountability, our corporate values, and governance best practices.

### **Conclusion:**

The City of Brampton provides Whistleblower protection in three key Corporate policies. A decision to implement a separate Whistleblower Policy or By-law, or to embed Whistleblower protection in existing policies, depends on the policy framework being developed by the City. There is a view that embedding Whistleblower clauses within policies where they are needed is more meaningful and easier to find when referencing policies. On the other hand, a stand-alone policy or by-law could set out minimum protection standards and may provide staff with additional reassurance.



There are currently over 100 corporate policies, excluding Brampton Fire & Emergency Services and Brampton Transit, so the challenge is effective communication regarding Whistleblower provisions. The way complaints are handled may change should the City decide to assign a Municipal Ombudsman and/or adopt an Auditor General model.

Provisions for Whistleblower protection are common to the municipalities we benchmarked, though the details and implementation tools vary. Whistleblower protection at the City of Brampton is provided through the Corporate Fraud Prevention Policy, Employee Code of Conduct, and Respectful Workplace Policy, specifically protection from retaliation and reprisal for allegations made in good faith. We also noted clauses intended to protect the City and its employees from vexatious and malicious allegations.

Whistleblower policies are intended to protect individuals whose complaints may include incidents of suspected fraud, waste, non-compliance to corporate policies or other serious allegations, which the City wants to be informed of and be able to correct. A key element to collecting information on such incidents is the ability to report them. Clear and simple procedures should be in place and communicated to City employees and the public.

In summary, there is Whistleblower protection in place, and it is one of a number of interrelated policies and procedures that facilitate transparent and responsive governance. A decision on how to document and communicate those provisions should be consistent with the policy framework being developed by the City.

Authored by:

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Sabrina Cook, Coordinator  
Internal Audit

Reviewed and Approved by:

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Richard Gervais, Acting Director  
Internal Audit

Submitted by:

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David Barrick  
Chief Administrative Officer

### **Attachments:**

Appendix 1: Corporate Fraud Prevention Policy  
Appendix 2: Employee Code of Conduct  
Appendix 3: Respectful Workplace Policy

Category: Governance

**Title:** Corporate Fraud Prevention Policy

Policy Number: GOV-110

Approved by: AU035-2019, C353-2019

Administered by: Office of Internal Audit

Effective: September 1, 2019

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## 1. Background

The operation of municipalities is subject to risk of Fraud.

The City's goal is to establish and maintain an environment of fairness, ethical behaviour and honesty for employees, contractors, suppliers and those with whom the City has a relationship. To maintain such an environment requires the active assistance of each and every employee every day.

The City is committed to the deterrence, detection and correction of Fraud, implementation of measures to prevent, detect and report Fraud, and investigation of any suspected acts of Fraud.

## 2. Purpose

The purpose of this Policy is to provide guidance and establish responsibilities for the prevention, detection and reporting of Fraud, the conduct of Fraud investigations and the consequences when Fraud is found to have occurred.

## 3. Application and Scope

3.1 This Policy applies to:

- All employees or persons acting on behalf of the City including management, bargaining unit staff and regular and temporary employees; and
- Contractors, vendors and outside agencies doing business with the City who have agreed to be bound by this Policy.

- 3.2 This Policy does not apply to the Mayor and Members of Council who are governed by a separate Council Code of Conduct. Any behaviour or activity that contravenes that Code may be directed to the Office of the Integrity Commissioner.
- 3.3 This Policy applies to acts of unethical or dishonest conduct defined as Fraud for the purposes of this Policy.

#### 4. Outcomes

- 4.1 Intended outcomes of this Policy are:
- a. An environment of fairness, ethical behaviour and honesty for our employees, contractors, suppliers and other parties with whom the City has established a relationship;
  - b. Zero tolerance for Fraud; and
  - c. Reasonable efforts to obtain recovery of any losses due to Fraud.

#### 5. Policy Statements

- 5.1 Any person who suspects an act of Fraud by anyone who falls under the scope of this Policy must immediately report the event. Reports shall be made directly to the Chief Audit Executive (CAE), to their supervisor, or anonymously via the Fraud Prevention Hotline.
- 5.2 The City will not tolerate any form of retaliation against Whistleblowers who, in good faith, provide information concerning Fraud.
- 5.3 City staff are responsible for reporting, in good faith, any suspected Fraud.
- 5.4 Suspected acts of Fraud will be investigated in an impartial manner regardless of the suspected person's length of service, position, title or relationship to the City.
- 5.5 Due to the important and sensitive nature of suspected Fraud, effective professional follow-up and investigation is critical. Persons reporting suspected Fraud should not, under any circumstances, perform investigative or other follow-up steps on their own.
- 5.6 The Office of Internal Audit should be contacted if there are any questions or for clarification of what constitutes Fraud.

#### 6. Definitions

- 6.1 In this Policy,

**Assets** – All property of the City, including but not limited to equipment, financial assets, land, vehicles, material, uniforms, cell phones, computers, electronic mail,

internet services, records, information and work time;

**City** – The Corporation of the City of Brampton;

**Fraud** – All unethical or dishonest acts, deception, abuse, waste and misconduct including, but not limited to:

- a. Intentional diversion, manipulation, misapplication, mistreatment or misuse of City resources;
- b. A false representation of facts, including making false or misleading statements, or trying to hide wrongdoing by a person or an organization;
- c. Deception which is intentional and results in a benefit to a person and/or causes damage, harm, or loss to the City or others;
- d. Unnecessary spending or careless squandering of the City's resources;
- e. Conduct contrary to the Employee Code of Conduct, specifically:
  - Failure to disclose a conflict of interest of whether direct or indirect;
  - Breach of trust;
  - Solicitation of gifts and/or benefits; and
  - Unauthorized use of City property and Assets for personal benefit, gain or enjoyment.
- f. Examples of fraud under this Policy include:
  - Obtaining a benefit or service from the City for which the person does not qualify;
  - Providing a City benefit or service to a person for which that person does not qualify;
  - Unauthorized reductions in fees or fines;
  - Suspending or terminating enforcement action based on a personal relationship;
  - Bid-fixing;
  - Authorizing contracts in violation of City purchasing laws;
  - Failure to disclose an actual or potential conflict of interest;
  - Accepting bribes or kickbacks;
  - Accepting gifts in excess of \$50;
  - Carrying on a personal business during City of Brampton work hours using City resources;
  - Wilful destruction of City property;
  - Forgery or alteration of a cheque, document, or account belonging to the City;
  - Misappropriation or embezzlement of City funds, securities, supplies or other Assets;
  - Unauthorized personal use of Assets;
  - Personal use of procurement cards (P-Card) without reimbursement;
  - Making an allegation of fraud known to be false;
  - Profiting as a result of insider knowledge;
  - Theft of cash, cheques, procurement cards or other Assets;

- Falsifying records such as timecards, expense reports or official documents;
- Any activity (including computer related) involving the alteration, destruction, forgery or manipulation of data for fraudulent purposes or misappropriation of City-owned software, hardware or other Assets;
- Breach of federal, provincial or municipal legislation;
- Disclosure of confidential information for personal gain;
- Accepting or seeking anything of material value from contractors, vendors, or persons providing services/material to the City or City job applicants;
- Unauthorized use or misuse of City facilities, equipment, vehicles or other Assets;
- Falsifying time worked or leave taken on a timesheet;
- Retaining ineligible dependents on health care coverage; and
- Incurring unnecessary costs as a result of inefficient or negligent practices, systems or controls.

**Good Faith** – A sincere belief or motive without any malice or the desire to defraud others.

**Person** – Includes individuals and companies;

**Whistleblower** – A person who, in good faith, reports an activity which he or she believes to be Fraud.

## 7. Investigating Fraud

- 7.1 The Office of Internal Audit has the primary responsibility for the management and coordination of the investigation of all suspected Fraud and related investigative activities with appropriate parties, as required.
- 7.2 The Office of Internal Audit and, if applicable, the members of the investigative team will have:
  - Free and unrestricted access to all City records, except records which are protected by law, and premises, whether owned or rented.
  - The authority to examine, copy and/or remove all or any portion of the contents of files, desks, cabinets and other storage facilities (whether in electronic or other format) without the prior knowledge or consent of any person who might use or have custody of such items or facilities when it is within the scope of investigation or related follow up activities.
- 7.3 Any person involved in an investigation of suspected Fraud shall keep the content of the investigation confidential. Investigation results will not be disclosed or discussed with anyone other than those who have a legitimate need to know.

- 7.4 At the conclusion of an investigation, the CAE will report to a member of the Senior Leadership Team whom the CAE considers appropriate on any findings of active fraud or a breach of this Policy.

## **8. Acting in Good Faith**

- 8.1 Anyone reporting a Fraud must act in good faith or have reasonable grounds for believing the information provided. No person shall make an allegation that is known to be false.
- 8.2 No disciplinary action will be recommended or taken against a person who makes an allegation of fraud in good faith, regardless of the outcome of the investigation.

## **9. Whistleblower Protection**

- 9.1 All Whistleblowers' identities will remain confidential and anonymous.
- 9.2 No one governed by this Policy shall retaliate against a Whistleblower for reporting in good faith an act that the Whistleblower believes to be fraudulent or dishonest with the intent of adversely affecting the terms or conditions of employment or otherwise.
- 9.3 Protection from retaliation does not prohibit managers or supervisors from taking action, including disciplinary action, as part of their normal duties and based on valid performance-related factors.

## **10. Fraud Awareness Training**

- 10.1 Each City employee is required to attend at least one session of Fraud Awareness Training every two years. Coordination and tracking of training will be done by the Human Resources Division.

## **11. Distribution**

- 11.1 All newly hired employees and volunteers will be provided with a copy of the Policy as part of their orientation and will be required to provide a written acknowledgement upon receipt of the Policy.
- 11.2 On an annual basis, all employees are required to read and acknowledge understanding of this Policy by signing an acknowledgement form.

## **12. Related Policies and Administrative Directives**

- 12.1 This Policy is designed to augment the Corporate policies, identified in Section 15, and is not intended to replace or preclude them.
- 12.2 To the extent that this Policy may conflict with any other policies containing related information, this Policy shall apply.

### **13. Roles and Responsibilities**

#### **13.1 Council is responsible for:**

- a. ensuring adequate resources are made available to support investigations.

#### **13.2 Chief Audit Executive (CAE) is responsible for:**

- a. Management and coordination of investigations;
- b. Advising Council and, if appropriate, the CAO, of any allegations that, if true, may involve significant, imminent risk to the City;
- c. Administration, recommended revision, interpretation and application of this Policy; and
- d. Management and coordination of the investigation of all suspected Fraud and related investigative activities with appropriate parties and authorities, as required.

#### **13.3 Employees with direct reports are responsible for:**

- a. Recognizing the types of Fraud, risks and potential exposures within their area of responsibility and be alert for any indications of such;
- b. Creating and maintaining effective monitoring, review and control procedures to prevent and detect Fraud; and
- c. Retaining accountability for the effectiveness of the above responsibilities even when authority to carry them out is delegated to subordinates.

#### **13.4 All Employees are responsible for:**

- a. Reporting, in good faith, any suspected Fraud.

#### **13.5 Human Resources Division is responsible for:**

- a. Providing a copy of this Policy to all newly hired City employees and volunteers as part of their orientation;
- b. Retaining a copy of the written acknowledgement that the individual(s) have received this Policy; and
- c. Obtaining annual confirmation of adherence to this Policy from all employees.

#### **13.6 Senior Leadership is responsible for:**

- a. Management action on confirmed fraud breach;
- b. Creating monitoring for the detection and prevention of fraud.

## 14. Monitoring and Compliance

### 14.1 Consequences of non-compliance

- a. Non-compliance with this Policy by a person who falls under the scope of this Policy may result in disciplinary action up to and including dismissal and/or prosecution by appropriate authorities. The Director of Human Resources and/or the City Solicitor will be consulted by the Chief Audit Executive in advance of such action being taken.
- b. Failure to comply by a consultant, vendor, contractor, outside agency, person doing business with the City or otherwise within the scope of this Policy, may result in action being taken, including the cancellation of the business or other relationship between the entity and the City, or the termination of any contract in accordance with its terms.
- c. Any evidence of Fraud may be reported to the appropriate regulatory or other authorities.
- d. The City will pursue every reasonable effort to obtain recovery of losses due to Fraud.

## 15. References and Resources

This Policy should be read and applied in conjunction with the following references and resources as updated from time to time. Please note that some of the following documents may not be publically available.

### References to related bylaws, Council policies, and administrative directives

- Conflict of Interest Policy
- Conflict of Interest Provincial Offences Act Policy
- Employee Code of Conduct
- Employee Expense Policies (various)
- Information Technology Use Policy
- Respectful Workplace Policy
- [Purchasing Card Policy PUR-120](#)
- [Purchasing By-Law 19-2018](#)

### Revision History

Date	Description
2018/03/07	Replaces Policy 2.14.0 Corporate Fraud Prevention Policy
2019/09/25	Annual review resulted in minor edits to add clarity to provisions; adding definitions for person and good faith; adding a complaint made in bad faith under the definition of fraud; adding reporting to a



Date	Description
	member of the Senior Leadership Team any findings of fraud investigations as appropriate and additional provision on protection of whistleblowers from retaliation. Housekeeping edits to the template Amended by Council Resolutions C353-2019 and AU035-2019.
2020/08/05	Next Scheduled Review ( <i>annual review</i> )

# **EMPLOYEE CODE OF CONDUCT**

**HRM-100**

**Approved by CAO & CLT:**

Feb 16, 2021



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# 1. Introduction

## 1.1 The Code

City of Brampton employees reflect the diverse and dynamic makeup of the City. The Code of Conduct (the “Code”) is about the values, principles, and standards of behaviour that govern actions as City employees. Based on values, the Code sets the standard for a safe and respectful workplace, protects the collective reputation of the City, and strengthens the commitment to make Brampton a connected, inclusive, and innovative place to work and live.

The Code guides the actions and conduct of employees as representatives of the City—to build trust and confidence within the organization and the community. It speaks to employees’ responsibilities to the City, to each other, and to the public.

The Code guides employees:

- To live the City’s values and protect the City’s reputation
- To be honest, ethical, fair, and transparent
- To think critically, to act objectively and impartially
- To make well-informed decisions every day
- To build trust with the public
- To comply with laws, regulations, standards, policies and procedures
- To seek resources for assistance

The Code of Conduct is organized into themes, to provide a common reference for standards of behaviour. It helps employees understand what to expect and what is expected of employees in the workplace. There are five themes that employees are responsible for: *Protect Information and Interests*, *Foster a Safe and Healthy Workplace*, *Treat People with Care*, *Conduct Business with Integrity*, and *Safeguard Assets*.

## 1.2 The City’s Culture

The City of Brampton’s Values are Courage, Trust, Integrity and Compassion—they are what City employees stand for.

*Courage means being curious, determined, resilient and bold.*

*Trust means being respectful, vulnerable and humble.*

*Compassion means being humanistic, considerate and patient.*

*Integrity means being authentic, transparent, principled and honest.*

The respect employees have for each other, customers and the public is rooted in the City’s Values. Employees demonstrate them in the way they build relationships and how they make decisions. The Code incorporates the City’s Values and guides employees to live them in day-to-day work.

‘*Living the City’s Values*’ means that employees act without malice, judgment, or to seek benefit. It means having the courage for difficult conversations, putting trust in laws, legislation, policies, and procedures, having integrity and standing up for what one believes in, and about showing compassion in times of need.

Living the City’s Values can be challenging at times. It requires strength, knowledge, resilience, and perseverance. It is more than just being aware of the Values or following the Code—employees need to weave them into operations and behaviours to ensure respect, lawfulness

and compliance. These foundational pieces will build and sustain trust—the core of the relationships with each other and the community we serve.

### **1.3 Expected Behaviours**

#### **Tell the Truth**

Work and relationships require trust. The City, the community and colleagues rely on employees to be honest and responsible. Employees will honour commitments—do what they say they will do—to build trust and sustain it.

#### **Make Well-informed Decisions**

Employees must conduct themselves with integrity and compassion. Employees will place careful thought into actions and decisions, applying critical thinking, knowledge and skill. Employees will apply best efforts to carry out civic responsibilities and preserve the City's collective reputation.

#### **Uphold the law**

The City's operations are subject to laws and regulations. The City's policies and procedures comply with legal and regulatory obligations, with the intent and in the spirit of the laws that apply. This helps the City preserve its reputation for acting responsibly and with integrity. Breaking the law could result in civil, criminal and regulatory penalties, including fines for the City and the individual involved.

#### **Respect other professional Codes of Conduct**

Some employees may be accountable to uphold the principles of other professional codes of conduct (e.g. accountants, lawyers, engineers, planners, human resources professionals). Anyone in such a position is encouraged and supported to do so. If a situation arises that may cause conflict or confusion, speak to a leader or Human Resources.

#### **Comply with policies and procedures**

All employees are responsible for knowing, understanding and following the City's policies, directives, standard operating procedures, and guidelines that apply. Employees will comply with a leader's directive unless it is contrary to the City's Values, policies, against the law or may result in health or safety risks. Employees must always be aware of the policies and procedures specific to their business and work within the boundaries of what they have the authority to do.

### **1.4 Supporting the Community**

Employees support the communities where they live, work and do business. The City's Values and the Code serve as the foundation for behaviour when employees represent the City at work or in communities. Employee behaviour should be beyond reproach in all dealings and particularly for the community served. The City takes pride in all contributions, and encourages employees to volunteer and participate in the community (e.g. charitable food drive).

### **1.5 A Shared Commitment**

The Code of Conduct applies to everyone, and everyone has the responsibility to follow it. Understanding and complying with the Code is a condition of employment. Employees abide by the Code for the well-being of the City, its operations, and its employees.

## 1.6 Consequences of Non-Compliance

Anyone who breaches the Code of Conduct, or fails to report an actual or potential breach of the Code of Conduct is subject to corrective action. Corrective action is the City's response to unacceptable behaviour and can range from the use of disciplinary or non-disciplinary methods. Discipline can result in action up to and including termination of employment. Some violations or behaviours may also result in a legal response including civil litigation, or the involvement of the police. Examples include, but are not limited to, theft, fraud, and violence.

## 1.7 Responsibilities for Leaders

While all employees are required to act in accordance with the City's Values, leaders have additional responsibilities under the Code of Conduct. The City expects those who lead or supervise others, to demonstrate ethical leadership and set the right tone by:

- Modeling appropriate behaviours that are consistent with the Code and City Values
- Fostering a positive work environment in which only legal, ethical, responsible and appropriate behaviours are acceptable
- Promoting team awareness and understanding of the City's Code, Values, policies and procedures to ensure ongoing compliance
- Identifying and mitigating ethics and compliance risks
- Responding appropriately and in a timely way to colleagues who seek advice, raise concerns and/or report misconduct in a manner that offers security and ease to do so
- Managing conflict of interest situations to achieve fair and appropriate outcomes
- Promptly escalating concerns and reports of actual or potential misconduct and following up to ensure they are addressed

# 2. Speak Up, Raise Concerns and Report Misconduct

## 2.1 Speaking Up and Raising Concerns

The Code and City policies explain the ethical behaviours that the City expects of employees however, they cannot anticipate every situation that employees may encounter. The City takes violations of the Code very seriously so, speak up and raise concerns to ensure that employees, the community, and the City's reputation are protected. The City will address all questions and concerns.

### If feeling unsure

Sometimes, individuals know when something is wrong—it just feels wrong. Other times, it is hard to tell if an action does, or will break the Code, a City policy, procedure or law. Use the City's Values and the Code to inform best judgment, and when in doubt, seek clarification from a trusted leader, or Human Resources in times of uncertainty.

If there are doubts, ask these questions:

- *Is it legal?*
- *Does it comply with City policies and procedures?*
- *Is it in line with the City's corporate values?*
- *Would I be comfortable if my actions were made public?*

- *Would it be okay if everyone did it?*

If the answer is 'NO' to any of these questions, stop what is happening.

If the answer is 'YES' to all of these questions, carry on and move forward.

If the answer is 'I DON'T KNOW' to any of these questions, ask someone for help.

## 2.2 Reporting Misconduct

Every employee has a duty to report actual or suspected misconduct, even one's own.

Employees must immediately notify a leader and / or Human Resources of misconduct that includes violations of the Code, policies and the law.

- If an employee is asked to commit (or believe that we have been witness to) a potentially illegal or unethical act, they must report it immediately.
- If an employee becomes aware of a breach of the Code or any other situation that could place the City at risk of loss or harm, they must report it immediately.

The City will investigate these reports promptly, and keep the details confidential, including, where appropriate, the identity of the person making the report. The City will only disclose information to the extent necessary to investigate and address the situation, or as legally required.

## 2.3 Investigations

Reports of concerns, violations or misconduct may be investigated to determine if there was a breach of the Code, policy or law governing conduct. Investigations will be thorough, fair and in accordance with legal obligations. All employees have a duty to cooperate with internal or external investigations concerning alleged misconduct, and provide honest, accurate, complete and timely information. The City will make every effort to protect the confidentiality of the investigation.

## 2.4 Commitment to Non-Retaliation

There will be no retaliation for speaking up and making a truthful report of actual or potential misconduct, for participating in an investigation or for exercising legal rights. Retaliation can include behaviour or actions that punish or deter someone from speaking up such as: negative performance evaluations, creating a hostile work environment, harassment, demotion, dismissal, or assigning tasks with the intent to isolate or discourage someone.

- If an employee encounters any form of retaliation, report it to a leader or Human Resources immediately. The City commits to investigate every claim of retaliation and to take disciplinary action if necessary.

### **Consider this when deciding to speak up and raise concerns:**

- Does this situation support the City's Values of courage, trust, compassion and integrity?
- How would residents, colleagues or business partners view this situation?
- Would the City's reputation be damaged if this situation became public knowledge?

### **Find more information at:**

Relevant resources that support the Code: [legislation](#), [policies](#), [administrative directives](#), [standard operating procedures](#), [protocols](#), and [guidelines](#).

## 3. Protect Information and Interests

### 3.1 Protecting Confidential Information

The City's information assets are public property. The City trusts employees to protect the organization's information resources so they can be used effectively to deliver public services. The public trusts employees to protect privacy, ensuring personal information is collected, used and disclosed with caution and care. Employees must manage all information within their care ethically and responsibly.

- Confidential information (which includes personal information) is information that is not public property, is not in the public domain, and / or would cause harm to individuals, or to the City if improperly disclosed. This includes information communicated in confidence.
- Personal information means any information that would identify a specific individual. The City uses the detailed definition provided in the [Municipal Freedom of Information and Protection of Privacy Act](#).
- The inappropriate disclosure of confidential information may result in financial and / or reputational harms and may constitute a privacy breach.
- Confidential information including personal information, should only be accessed and used by staff, when required for legitimate business purposes, and only for the period required to achieve those business purposes.
- Every employee has a responsibility to secure confidential information from the risk of theft, loss, misuse or inappropriate disclosure.
- In the event of a privacy breach or improper disclosure, employees must comply with the City's privacy policies and directives.
- Employees must report a potential or actual breach to the Privacy Officer, Legislative Services, and refrain from sharing details of the breach with anyone who does not have a business need to know.

#### Protecting Customer Information

The City's customers are residents, business partners and anyone that interacts with the City. Customers share personal information with the City and expects the City to protect their privacy. Employees will only share information about customers with their consent, and even then, only for a legitimate business purpose.

Every privacy breach results in a loss of public trust. Employees will always take the proper precautions when collecting, using and sharing information about the City's customers. Employees must always be mindful and take care not to be overheard, leave information visible, behind, or unsecure when working in public spaces.

#### Protecting the City's Information

The City's business information is a critical asset and every employee has an obligation to safeguard it. Employees must always use proper records management processes when creating, using and maintaining, and disposing of records.

#### Remember this when protecting information:

- Privacy protection is everyone's responsibility
- Complete a Privacy Risk Assessment for any new or modified program, service or technology that collects or uses personal information
- Limit the collection and use of personal information



- Don't keep records longer than required, comply with the Records retention by-law, and ensure records are securely destroyed

**Find more information in:**

[Municipal Freedom of Information and Protection of Privacy Act](#)  
[Information Management Policy](#)  
[Privacy Administrative Directive](#)  
[Records Retention By-law](#)

### **3.2 Responding to the Media**

The media is an effective way to enhance communication with the community but, employees must also manage media inquiries to ensure consistency and protect the City's reputation. The City's Media Relations section is responsible for the coordination of all communications with the media on behalf of the City. Only those with the proper authority may communicate with media on the City's behalf. Refer all media inquiries to Strategic Communications.

### **3.3 Using Social Media Responsibly**

Social media facilitates collaboration, sharing of information, and dynamic discussions. It provides opportunities to enhance outreach and inclusion to engage people. Bear in mind, comments made on social media are permanent and for public consumption.

- The City expects employees to realize that social media is not an appropriate avenue to express personal concerns about the City, colleagues or City business.
- Refrain from sharing information on social media platforms that is not already available to the public, or content that reflects poorly on colleagues or the City.
- Consult with a leader or Human Resources if you have concerns or need to report an issue.

#### **Official Use**

To ensure that the City's corporate social media use is appropriate and consistent with the City's communication strategy, only media spokespeople have the authority to manage or participate in the City's social media outreach activities.

#### **Personal Use**

Share, comment and repost City news in ways that honour the Code and reflect the City's Values. Always consider the potential impact of personal posts to the City, colleagues, and the community.

#### **Consider this when using social media:**

- Safeguard personal and professional reputations
- Be respectful—words are public and permanent
- Confidential, non-public information relating to the City, customers, employees or other persons or business must never be a part of our social media conversations
- Personal opinions are not the position or view of the City of Brampton
- Be clear and purposeful in communication
- Share the City's great news, stories and events

**Find more information in:**

[Official Use of Social Media Administrative Directive](#)  
[Personal use of social media by City of Brampton Employees](#)  
[Media Calls service card](#)  
[Media Releases service card](#)

### 3.4 Acting Responsibly

The City's reputation and business depends largely upon the behaviour of its employees. Whether an employee is 'on or off the clock', their behaviour and actions may reflect on the City. If employees fail to exercise sound judgment and engage in unethical or immoral conduct, it may reflect negatively on the City. Be mindful and responsible—act in a way that reflects positively on the City and fosters public confidence.

## 4. Foster a Safe and Healthy Workplace

### 4.1 Valuing Everyone's Health and Safety at Work

The City is committed to providing a physically and mentally safe work environment through a culture of responsibility and accountability at all levels—employees, leaders and senior leadership. All employees share the responsibility to make health and safety a daily priority. Each employee must adhere to health and safety rules and practices that apply to their jobs, and for taking the necessary precautions to protect colleagues, visitors, and themselves.

Employees foster an active health and safety culture by:

- Making responsible choices—not accepting or directing unnecessary or unsafe acts.
- Knowing and complying with applicable occupational health and safety laws and City policies.
- Watching out for each other and helping others avoid unsafe conditions.
- Promptly reporting any unhealthy or unsafe conditions or behaviours.

#### **Set an example for a safe and healthy workplace:**

- Ask questions when unsure about something
- Volunteer to become a worker member of a Joint Health and Safety Committee
- Help your health and safety representative or Joint Health and Safety Committee with health and safety inspections by pointing out possible hazards in work areas
- Take the health and safety training seriously and put it into practice on the job

*(adapted from the Ontario Ministry of Labour)*

#### **Find more information in:**

[Occupational Health and Safety Policy](#)

### 4.2 Be Fit for Work

To ensure a safe workplace and prevent potentially dangerous situations, employees perform work safely, and at an acceptable standard, without limitations due to injury, illness, fatigue, or the use of (or after effects of) a substance, or other condition (physically or mentally) that may impair performance. Employees must report to their jobs, fit to work (and remain as such) while conducting City of Brampton business.

- Employees will attend to job responsibilities free of any influence from alcohol, cannabis, illegal drugs. Employees taking prescription drugs or over-the-counter drugs with strong side effects should inform their leaders that a medical accommodation maybe necessary.
- Illegal drugs or other controlled substances are not permitted and cannot be brought onto City property or work sites.
- Immediately report any abuse (or suspicion of abuse) of alcohol, cannabis, drugs, or an illegal substance to a leader and / or Human Resources.

**EFAP can help:**

Any employee who may be experiencing addiction or dependency, or has significant interactions with someone who is experiencing addiction or dependency is encouraged to seek help. The City has resources to support health-related concerns through the Employee and Family Assistance Plan (EFAP).

[Find more information in:  
EFAP service card](#)

**4.3 Preventing Workplace Violence**

The City has a proactive approach to violence prevention in the workplace that clearly outlines the expectations of employees (at all levels) when reporting and responding to violent incidents.

- Employees are all responsible for maintaining a workplace free from violence and commit to supporting employees who are victims of violence.
- The City has zero tolerance for violence in the workplace and expects everyone to act appropriately in all dealings with others.
- Immediately report instances of violence or attempted violence to a leader and / or Human Resources.

**Help create a healthy workplace:**

- Address conflict in a constructive and positive way
- Support colleagues who are dealing with challenges
- Speak up when witness to disrespectful behaviour

[Find more information in:  
Workplace Violence Policy  
Preventing Workplace Violence SOP](#)

## 5. Treat People with Care

**5.1 Maintaining a Respectful Workplace**

All employees have the right to work in an environment that is respectful and professional, and everyone is responsible for behaving in a way that contributes to a healthy and productive workplace.

- Employees will foster an atmosphere of congeniality and support. Employees will be honest, polite and courteous when dealing with people, including the public, Elected Officials, and colleagues.
- The City expects everyone to treat each other with mutual respect and dignity and to be conscientious of how others may perceive or misunderstand actions and comments.
- Employees (and the City) have zero tolerance for harassment, sexual harassment, bullying, discrimination, disrespect, and inappropriate behaviour under any circumstance.
- Immediately report any instances of harassment or discrimination to leaders and / or Human Resources.

**Be part of a respectful workplace:**

- Show professionalism, courtesy and consideration in everything—from action to presentation—personal choices of expression should not be demeaning or threatening
- Avoid gossip or sharing information that is not true or not to share
- Do not touch someone if it is unwelcome or uninvited

- Avoid jokes that are hurtful or belittling
- Refrain from posting or sending inappropriate messages to (or about) anyone
- Make decisions that promote a respectful and inclusive workplace

**Find more information in:**

[Respectful Workplace Policy](#)

[Preventing and Addressing Harassment and Discrimination SOP](#)

[Council Staff Relations Policy](#)

## **5.2 Strengthening Diversity, Equity and Inclusion**

The City wants employees to bring their whole selves to work, every day. Employees will conduct themselves at work with fairness and equity while fostering an inclusive culture that provides an accessible, safe and respectful work environment that is free from harassment, discrimination, violence or any unacceptable behaviour.

- Employees accept, respect and value individual differences within the workplace and commit to equitable opportunity for advancement and growth.
- Employees will combat unconscious biases to increase innovation, productivity, and creativity. By recognizing and mitigating biases, employees will enhance relationships, build community, and garner a greater appreciation for equity, diversity, and inclusivity.

**Be more diverse and inclusive:**

- Learn about unconscious bias and engage in self-reflection to uncover personal biases
- Tell stories...and listen to the stories of others
- Avoid stereotypes and over-generalizations
- Separate feelings from facts
- Have a diverse group of people around the decision-making table
- Develop safe and brave spaces and be an active ally
- Practice patience and empathy

**Find more information in:**

[Gender Identity and Expression Protocol](#)

[Inclusive Customer Service Policy](#)

[Multilingual Services Policy](#)

# **6. Conduct Business with Integrity**

## **6.1 Preventing Fraud**

The City takes fraud—and the threat of fraud—very seriously and commits to deter, detect, report, and correct fraud. The City expects everyone to be honest, without bias, without favour, and without outside/personal interests conflicting with work decisions. Recognize the signs and immediately report any unusual activity to a leader, the Internal Audit Division, or anonymously through the Fraud Prevention Hotline. There is no risk of reprimand, penalty or discipline for reporting suspect behaviour or fraud in good faith or for participation in a fraud investigation.

**Some examples of fraud include:**

- Providing a benefit or service to someone who does not qualify
- Failure to disclose an actual or potential conflict of interest
- Accepting bribes or kickbacks

- Carrying on personal business during City of Brampton work hours using City resources
- Forgery or alteration of a cheque, document, or account belonging to the City
- Unauthorized reductions in fees or fines

Find more information in:

[Corporate Fraud Prevention Policy GOV -110](#)

## 6.2 Avoiding Conflicts of Interest

A 'Conflict' or 'Conflict of Interest' is anything that interferes (or might be perceived to interfere) with an individual's or the City's ability to act impartially or in the best interests of the public.

Employees have a duty to set aside personal views and focus on what is best for the City and the public. For that reason, employees have an obligation to disclose any actual or potential conflicts of interests. A conflict of interest occurs when employee conduct involves, or appears to involve, a conflict between public duties and personal interests. The City expects that employees immediately disclose conflicts and manage them appropriately.

- The City expects that employees act objectively and discern obligations for their personal business, family and social relationships, from their roles at work for the City.
- Employees will think critically and perform transactions at an 'arm's length' and independent of personal relationships, outside interests, and affiliations.
- Employees will declare a conflict of interest when it exists and appropriately remove themselves from those situations.

### Outside Interests

Employees all have interests outside of the City (e.g. additional work, volunteer activities, etc.) Employees' interests must remain separate and distinct from job obligations and employees must never use their positions with the City to influence or further their private interests or those of friends, family, or anyone with whom they have a close personal relationship or business association. Employees will disclose any outside activities that present a conflict or potential conflict of interest.

### Personal Relationships

Employees must excuse themselves from work situations and decision-making that may involve friends, relatives, or anyone with whom they have a close personal relationship or business association. Employees will never use their positions with the City to seek personal benefit or further the interests of those whom they have personal relationships or business associations. Employees will disclose any relationships that present a conflict or potential conflict of interest.

### Political Activity and Support

If someone chooses to participate in political activity, it is a personal choice and it is not as a representative or on behalf of the City.

- Employees must never use their affiliation with the City to market or advance their personal political activities, and must ensure that personal activities and political associations will not influence, affect or compromise the obligations of their job with the City.
- Employees will be politically neutral in their work for the City, and be sensitive to maintaining a civic service that is non-partisan.
- The promotion of other causes and issues—including charitable initiatives—requires approval by the proper authority.

- Employees will disclose any political activity or affiliations that present a conflict of interest.

**Some examples of conflict may include:**

- A supervisory relationship with a family member or someone held in a close personal relationship
- Selecting a friend, family member, or outside business associate as the vendor to supply products or services to the City, outside of required City processes
- Giving favours to friends, family or outside business associates

**Find more information in:**

[Conflict of Interest SOP \(to be developed\)](#)

[Conflict of Interest Policy POA](#)

[Conflict of Interest Policy AMP](#)

[Recruiting and Retaining Top Talent Policy](#)

[Employment of Employee Relatives SOP](#)

### **6.3 Managing Gifts and Entertainment**

In business, it is common to foster relationships through the exchange of courtesies such as meals, gifts and entertainment. Gifting may also relate to customary protocol, social obligation, and etiquette. Regardless of the circumstance, the gifts and entertainment employees accept must not have the intent or design to influence their business decisions or judgement on behalf of the City. Similarly, employees must never give gifts with the intent of influencing a business decision or outcome.

#### **Gifts**

Gifts are anything of value given or received in relation to City business. Employees may only give or accept gifts that are customary, modest and culturally sensitive.

- Employees may accept gifts from the City of Brampton through offer or award. Employees may also accept a token of appreciation for attending or speaking at an event, conference or meeting hosted by a professional or government organization. Employees may also receive gifts for promoting Brampton in an official capacity as an Outbound or Inbound Delegation (e.g. an invitation from a guest or dignitary to employees travelling outside or Brampton, or an invitation to a guest or dignitary from Brampton, respectively).
- Employees will disclose gifts with a value of \$50 or more on the City's Lobbyist and Gift Registry. Employees will graciously decline a gift(s) and return it to the giver or donate the item to a charity in need—do not use it in a fundraising draw or for lottery purposes, unless proceeds go to a registered charity.
- Employees will only accept discounts on goods or services when it is the general business practice of the City to provide discounts (e.g. on transit, theatre tickets, etc.)
- Employees will not enter draws, giveaways etc., at trade shows and professional organizations where the supplier of the prize or giveaway is a potential or existing supplier and / or customer of the City.
- Employees must never solicit gifts of any value at any time.

#### **Entertainment**

Entertainment includes any event that we host or attend for business related purposes.

Common examples may include meals, invitations to sporting events, theatrical performances



and educational events. Entertainment should always be in good taste and consistent with usual business practice. Entertainment must not seem excessive or inappropriate. If unsure, consult with a leader or Human Resources before accepting an invitation.

Gifts and entertainment must not create a sense of obligation for either party. Employees may not accept, offer or give—directly or indirectly for ourselves or anyone else—gifts, entertainment or other benefits of value that are not reasonable and appropriate under the circumstances.

**Think about this...**

If a gift, invitation, or other benefit is offered, with the expectation of influencing an employee in duties performed or decision made, then it is considered a bribe, not a gift.

[Find more information in:  
Gift Registry FAQs](#)

## 7. Safeguard Our Assets

### 7.1 Using City Property Responsibly

The things used at the City, or create for the City, belong to the City. Employees must ensure that the City's Property—physical, intellectual and technological—are used properly and reflect a balance between the obligations to the City and to employees.

- Employees are responsible to protect and secure any City Property from theft, fraud, harm, loss, misuse, especially those that are in an employee's custody or control, and are their responsibility.
- In general, employees should not use City Property, technology, employees or other resources for activities other than the business of the City.
- Where personal use of City Property occurs, it must never result in direct expenses being paid for by the City, or impede conducting business for the City.
- Employees must never use City Property for illegal activity or for any purpose that might be considered offensive.

**Defining 'City Property':**

**Physical property** – means vehicles, furniture, tools and equipment, etc.

**Intellectual property** – is a creation of the mind (literary works, design, plans etc.) of which the ownership or right to use may be owned by the City—it may be legally protected by a copyright, patent, trademark, etc. (e.g. logos, presentations, audios / videos, etc.)

**Technological property** – means computers, printers, mobile devices, software, network resources, etc.

[Find more information in:  
Care, Custody and Control of City Assets  
IT Use Administrative Directive](#)

### 7.2 Managing Expenses Responsibly

As stewards of City resources, employees manage the assets in their care responsibly and ethically to earn and maintain the public's trust. Employees are accountable to the public to ensure that the use of public money, property and resources is done with high regard for efficiency and effectiveness.

- Employees are required to comply with the requirements set out in the City's expense policies, including claiming only reasonable expenses actually incurred for City business.
- Employees are accountable to follow authorization limits when authorizing expense commitments, transactions, or employee claims for reimbursement.
- Employees must not use a corporate purchasing card for any purpose other than for proper City business expenses and must manage the card in accordance with applicable policies and procedures.

**Find more information in:**

[Employee Business Expenses Policy](#)

[Purchasing By-law](#)

### **7.3 Managing Risk**

Employees may encounter situations where they are expected to act or make difficult decisions under uncertain circumstances. To challenge this, employees will continuously strive to innovate and develop solutions to identify and mitigate risk more effectively—that is, limiting the impact of risk, so that if it does occur, the problem it creates is smaller and easier to fix.

- To help minimize actual risks—employees are responsible for identifying, assessing and presenting potential risks to leaders for recommended actions
- Employees will endeavour to make risk management part of the day-to-day management of their City duties.

**Find more information in:**

[Enterprise Risk Management Principles](#)

## **8. Administration of the Code**

### **8.1 Acknowledgments and Renewals**

As a condition of employment, and at the time of hiring, employees will sign an Acknowledgment certifying that they have read, understood and will comply with the Code.

Annually, employees will complete an online Acknowledgment certifying that they have read, understood and will continue to comply with the Code.

### **8.2 Code Interpretation**

If there is any need for interpretation under the Code of Conduct, the Human Resources Director is responsible for rendering a decision.

### **8.3 Review and Approval**

The Code is reviewed regularly at least every two (2) years and approved by senior leadership.



Category: Human Resources

**Title:** Respectful Workplace Policy HRM-150

Policy Number: HRM-150

Approved by: C082-2021

Administered by: Human Resources

Effective: March 24, 2021

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| 5. <a href="#"><u>Principles</u></a>            | 10. <a href="#"><u>References and Resources</u></a>  |

## 1. Background

The City is committed to promoting a vibrant, healthy, safe and compassionate work environment where everyone is treated fairly, with respect, Civility, and is free from Harassment or Discrimination.

This Policy is supported by the accompanying Preventing and Addressing Harassment and Discrimination Standard Operating Procedure and should be read in conjunction with the Occupational Health and Safety and Workplace Violence Prevention Policies and the Employee Code of Conduct – which is about our values, principles and standards of behaviour that govern our actions.

## 2. Purpose

The purpose of this Policy is to:

- a) Define the behaviours that are expected of all City Employees in support of a physically and psychologically safe and healthy work environment; and,
- b) Comply with the City's legislative responsibilities under the Ontario *Human Rights Code*, *Accessibility for Ontarians with Disabilities Act*, and the *Occupational Health and Safety Act* respecting Harassment and Discrimination.

### **3. Application and Scope**

This Policy applies to:

- Employees (including but not limited to service contractors, students and volunteers);
- Members of Council;
- Vendors and suppliers; and,
- Members of the public (including citizen members of committees).

#### **3.1 Exceptions**

Workplace Harassment should not be confused with Workplace interactions that are legitimate and reasonable in day-to-day work, including but not limited to:

- Actions to correct performance deficiencies;
- Imposing remedies for Workplace infractions, including discipline; or,
- Difference of opinion or difference in perspective on how the work may be organized, performed or improved and where there is no immediate risk of harm or injury.

### **4. Outcomes**

- 4.1 Establish and maintain a physically and psychologically safe and healthy work environment free from Harassment and Discrimination for all individuals.
- 4.2 Workplaces where all individuals are treated with respect, Civility and dignity, in an inclusive, diverse and safe work environment.
- 4.3 Workplaces which are marked by positive experiences championing customer service in a safe and respectful manner.
- 4.4 The City and Employees will comply with the Ontario *Human Rights Code*, *Accessibility for Ontarians with Disability Act*, and the *Occupational Health and Safety Act*, with respect to Harassment and Discrimination.

## **5. Principles**

### **5.1 Respect and Civility**

All individuals have the right to work or access services in a positive, healthy, safe and respectful environment. This means that differences in perspective are acknowledged and valued and communications and actions are civil. Respect and Civility are based on showing esteem, dignity, care and compassion for others.

### **5.2 Shared Responsibility**

It is a shared responsibility among all individuals to create a culture where everyone is treated fairly, and with compassion, where differences are acknowledged and valued and where communications and actions are civil.

### **5.3 Zero Tolerance**

Workplace Harassment or Discrimination in any form from any individual will not be tolerated, condoned, or ignored.

## **6. Policy Statements**

6.1 The City is committed to work in collaboration with its Workplace Parties and members of the public to create a Respectful Workplace. This is achieved by complying with Ontario *Human Rights Code*, *Accessibility for Ontarians with Disabilities Act*, and *Occupational Health and Safety Act*, and:

- 6.1.1 Establishing and communicating expectations and behaviours in Policy and Statement of Commitment considered appropriate and inappropriate in City Workplaces and in the delivery of / or access to City services;
- 6.1.2 Preventing Harassment and Discrimination by actively recognizing and valuing diversity and inclusion, learning conflict resolution and providing essential training for Employees; and,
- 6.1.3 Addressing inappropriate behaviour wherever the City business is being conducted including early identification and taking corrective actions, as necessary.

6.2 Employees will report incidents or complaints of Workplace Harassment and Discrimination to their Supervisor, Human Resources, or any member of management promptly. Where the incident or complaint involves the Employee's Supervisor, the matter may be reported to the next level of management, Human

Resources, or any member of management in accordance with their responsibilities.

- 6.3 When a complaint is made to anyone other than Human Resources, the supervisor or the member of management will promptly advise Human Resources of the complaint.
- 6.4 Supervisors, Human Resources, or any member of management will promptly address, investigate and deal with incidents or complaints to ensure measures and procedures are taken to protect Employees from Harassment and Discrimination in accordance with their responsibilities.
- 6.5 Confidentiality will be maintained wherever possible. Out of respect for Workplace Parties involved, it is essential that the Workplace Parties involved in a complaint or investigation, maintain confidentiality throughout the process. Information may need to be disclosed to protect employees, to investigate the incident or complaint, to take corrective action, or otherwise required by law.
- 6.6 All individuals have the right to report or act as a witness, in good faith, incidents or complaints of Harassment or Discrimination without fear of Reprisal. Where it is confirmed that an incident of substantiated Harassment or Discrimination behaviour has occurred, corrective action taken will not be considered a Reprisal.
- 6.7 The City recognizes that involvement in Harassment or Discrimination incidents or complaints may be stressful and emotionally upsetting. All affected individuals are encouraged to seek counselling or rehabilitation from the following support systems:
  - 6.7.1 Employee and Family Assistance Program; and,
  - 6.7.2 Peer Support Network, where available.

## **7. Roles and Responsibilities**

### **7.1 Senior Leaders**

- a) Ensure a Respectful Workplace Policy is in place and reviewed at least once, annually, and a program is in place to implement this Policy; and,
- b) Comply with section 7.2 Roles and Responsibilities for Supervisors if incidents were reported by direct reports.

## 7.2 Supervisors

- a) Lead by creating and maintaining a positive and Respectful Workplace while being a role model for others;
- b) Be aware of what constitutes Harassment and Discrimination and the procedures in place for dealing with incidents or complaints;
- c) Post this Policy in a visible location in the Workplace and ensure Employees are able to locate this Policy in the workplace and digital location;
- d) Post the Statement of Commitment in areas that are accessible to members of the public;
- e) Ensure Employee awareness of, training, and monitor and enforce compliance with this Policy and accompanying program;
- f) Require Employees to review this Policy at least once annually;
- g) In collaboration with Human Resources, support all Workplace Parties involved in resolving incidents or complaints;
- h) In collaboration with Human Resources, facilitate informal resolutions and mediations, as required;
- i) Act immediately on observations or allegations of Harassment or Discrimination;
- j) Document incidents or complaints reported by the Complainant, or are known or witnessed;
- k) Report all incidents or complaints to Human Resources promptly, who will provide support for the intake, tracking, and processing of inquiries, complaints, and investigations;
- l) Address incidents or complaints, collaborate with Human Resources to determine who will investigate further;
- j) In collaboration with Human Resources, determine appropriate corrective action to address the incident or complaint;
- k) Inform the Complainant and Respondent of investigation findings and appropriate action taken, as required;
- l) Not disclose information provided about the incident or complaint except as necessary to protect the Complainant, to participate in the investigation (as required), to take corrective action, or otherwise required by law;
- m) Take no reprisal against a person as a result of reporting an incident or complaint or for providing information; and,
- n) Monitor situations where Harassment or Discrimination has occurred to ensure that it has stopped.

## 7.3 Employees

- a) Create and maintain a positive and Respectful Workplace while being a role model for others;

- b) Ensure behaviour is respectful and appropriate at all times;
- c) Accept responsibility for any actions, reactions, behaviours and impact on others;
- d) Understand, participate in training, comply with this Policy and the accompanying program;
- e) Review this Policy at least once annually;
- f) Report experienced or witnessed incidents or complaints to their Supervisor, Human Resources or any member of management;
- g) Where the incident or complaint involves their Supervisor, report the matter to the next level of management, Human Resources, or any member of management;
- h) Document details of Harassment or Discrimination that are experienced or witnessed; and,
- i) Cooperate with investigations of incidents or complaints.

#### 7.4 Human Resources

- a) Prepare, maintain and facilitate the review of this Policy at least once, annually;
- b) Develop and maintain a program to implement this Policy in consultation with Workplace Parties, and review the program as often as necessary;
- c) Receive all incidents or complaints of Harassment and Discrimination, and support the appropriate party to address and / or investigate, if required;
- d) Facilitate informal resolutions, mediations, and investigations, as required;
- e) Engage the Harassment / Discrimination Response Team to identify corrective actions for the consistent resolution of incidents or complaints;
- f) Inform the Complainant and Respondent, in writing, of the outcome of the investigation and the corrective action, if any, that has been / will be taken as a result of the investigation; and,
- g) Offer Respectful Workplace Program training and other requisite training programs (e.g. Workplace investigations), as prescribed by the Ontario *Human Rights Act* and *Occupational Health and Safety Act*.

#### 7.5 Joint Health and Safety Committee

- a) Assist in developing and maintaining the program to implement the Respectful Workplace Policy.

### 8. Monitoring and Compliance

- a) Supervisors must monitor their Employees' compliance with this Policy on an ongoing basis.

- b) Operating departments must keep Records to verify compliance with this Policy in case of periodic reviews by Human Resources.
- c) The Policy and the accompanying program must be reviewed at least once, annually by Senior Leaders to ensure its effectiveness and to comply with legislation.

## 8.1 Consequences of non-compliance

8.1.1 Any Employee, who violates this Policy, or is found to have launched a complaint that is false, frivolous, or made in bad faith may be subject to corrective action which may include:

- i. termination of employment;
- ii. prohibition from the City property;
- iii. having the incident reported to the Police; and / or,
- iv. other action as appropriate.

8.1.2 Members of the public, visitors to the City facilities or individuals conducting business with the City, are expected to adhere to this Policy. This includes refraining from inappropriate behaviour towards Employees, Members of Council, and persons acting on behalf of the City. If inappropriate behaviour occurs, the City will take appropriate action to ensure a Respectful Workplace. This could include barring the person from the City property, reporting the incident to Police or other actions with vendors or suppliers.

## 8.2 Alternate Approach

Circumstances may exist where the provisions of this Policy may not apply or may require an alternate course of action. In these circumstances, written approval from the Chief Administrative Officer and Director, Human Resources is required prior to any alternate action.

## 9. Definitions

- 9.1 'Civility' means the act of showing regard for others, being considerate in your interactions, and recognizing the inherent value of each individual in the Workplace.
- 9.2 'Complainant' means the individual who is alleging that Harassment or Discrimination has occurred.
- 9.3 'Discrimination' means any form of unequal treatment based on the Ontario *Human Rights Code* protected ground that results in disadvantage, whether imposing extra burdens or denying benefits. It may be intentional or unintentional.

It may involve direct actions that are discriminatory on the surface, or it may involve rules, practices or procedures that appear neutral, but have the effect of disadvantaging certain groups of people. Examples include but not limited to:

- a workplace adopts a rule of not hiring women who wish to start a family
- a workplace instructs staff not to take applications from job seekers from a certain ethnic background
- an Employee is not promoted because of their race.

See [Ontario Human Rights Code Protected Grounds](#) definition for full listing of protected grounds and the City's Respectful Workplace Policy.

9.4 'Employee' means any of the following:

- a) a person who performs work or supplies services for monetary compensation;
- b) a secondary school student who performs work or supplies services for no monetary compensation under a work experience program authorized by the school board that operates the school in which the student is enrolled;
- c) a person who performs work or supplies services for no monetary compensation under a program approved by a college, university, private career college or other post-secondary institution; or,
- d) such other persons as may be prescribed who perform work or supply services to an employer for no monetary compensation.

9.5 'Harassment' means engaging in a course of vexatious comments or conduct that are known or ought reasonably to be known, to be unwelcome. It can involve words or actions that are known or should be known to be offensive, embarrassing, humiliating or demeaning. It can also involve Sexual Harassment (see definition below). Harassment does not include reasonable action taken by an employer or Supervisor relating to the management and direction of Employees or the Workplace. Examples include but not limited to:

- Sexual harassment;
- Persistent following / stalking;
- Persistent verbal abuse or threats;
- Persistently disrupting an individual's work, work space, equipment or interfering with their personal property;
- Jokes, derogatory or dismissive comments;
- Gestures that are insulting or belittling;
- Circulating, displaying written or pictorial material that is offensive or belittling;
- Acts or verbal comments that could psychologically hurt or isolate a person in the workplace, such as: spreading malicious rumours, isolating someone socially or undermining or deliberately impeding a person's work (i.e. bullying);
- Pornography, pin-ups, offensive cartoons; and,



- Taunts or threats directed toward any member of a protected group.

**Note:** Please consult the Workplace Violence Prevention Policy for any incidents which involve the exercise of, or threat of physical force.

- 9.6 'Harassment / Discrimination Response Team' is comprised of but not limited to relevant Supervisor, relevant operating Department Head if required, Human Resources Business Partner, Labour Relations Advisor, Human Resources Director if required, and Chief Administrative Officer if required, to determine the appropriate corrective action.
- 9.7 'Joint Health and Safety Committee' means a committee of Employee and supervisory representatives who are mutually committed to improving health and safety conditions in the workplace. Committees meet on a regular basis to identify potential health and safety issues and bring them to the employer's attention, and conduct workplace inspections monthly.
- 9.8 "Member of Council" refers to any elected or appointed official on Council, including the Mayor.
- 9.9 'Ontario *Human Rights Code protected grounds*' as amended means the prohibition of actions that discriminate or harass people based on one or more of the following:
- Age
  - Ancestry
  - Colour
  - Race
  - Citizenship
  - Ethnic origin
  - Place of origin
  - Creed
  - Disability
  - Family status
  - Marital status (including single status)
  - Gender identity, gender expression
  - Record of offences (in employment only)
  - Sex (including pregnancy and breastfeeding)
  - Sexual Orientation
- 9.10 'Record' includes documented business transactions, decisions, and activities, such as notes, memos, agendas, minutes, training records, etc.
- 9.11 'Reprisal' means any act of retaliation, either direct or indirect. Retaliation can include creating a hostile work environment, harassment, demotion, or dismissal

- 9.12 'Respondent' means the person who is alleged to be responsible for the harassment or discrimination.
- 9.13 'Respectful Workplace' means a positive, safe, and healthy Workplace in which every person is treated with dignity and respect.
- 9.14 'Senior Leader' means the Chief Administrative Officer, Commissioners and Department Heads.
- 9.15 'Sexual Harrassment' means engaging in a course of vexatious comment or conduct against a worker in a Workplace because of sex, sexual orientation, gender identity or gender expression where the course of comment or conduct is known or ought reasonably to be know to be unwelcome. Making sexual solicitation or advance where the person making the solcitation or advance is in a position to confer, grant, or deny benefit or advancement to the worker and the person knows or ought reasonably to know that the solicitation or advance is unwelcome.
- 9.16 'Statement of Commitment' means by which the City of Brampton communicates to the members of the public of the Respectful Workplace Policy and the City's commitment to maintaining a positive, healthy and safe workplace environment where every person is treated with respect and dignity, is able to contribute fully, has equal opportunities, and is free from discrimination, harassment and violence.
- 9.17 'Supervisor' means a person who has charge of a Workplace or authority over an Employee and can include, but is not limited to, Members of Council, Senior Leaders, Directors, Managers, Supervisors or Forepersons.
- 9.18 'Workplace' means any land, premises, location or thing at, upon, in or near which an employee works and may include but is not limited to:
- physical, telephone, social media, e-mail and any other electronic and virtual City work environments;
  - working remotely;
  - locations visited by Employees while travelling on City related business; or,
  - locations of work-based social gatherings, training, and conference or travel.
- 9.19 'Workplace Parties' means Supervisors, Employees, Joint Health and Safety Committees, unions and associations, service contractors, students and volunteers.

## 10. References and Resources

This Policy should be read and applied in conjunction with the following references and resources as updated from time to time. Please note that some of the following documents may not be publicly available.

### External references

- [Occupational Health and Safety Act](#)
- [Ontario Human Rights Code](#)
- [Accessibility for Ontarians with Disability Act \(AODA\)](#)

### References to related bylaws, Council policies, and administrative directives

- [Code of Conduct for Members of Council](#)
- [Council Handbook](#)
- [Council-Staff Relations Policy](#)
- [Employee Code of Conduct](#)
- [Gender Identity and Expression Protocol](#)
- Occupational Health and Safety Policy
- Workplace Violence Prevention Policy
- [Non-Statutory Religious Observances](#)

### References to related corporate-wide procedures, forms, and resources

- Preventing and Addressing Harassment and Discrimination Standard Operating Procedure
- [Multi-Workplace Joint Health and Safety Committee Terms of Reference](#)

## Revision History

Date	Description
2017/05/17	Amended by Council Resolution No. CW174-2017, C124-2017
2019/11/20	Scheduled Review. Replaces Respectful Workplace Policy 1.3.0. Revisions made to standardize content of policy, make the policy easier to understand and emphasize joint responsibility in the workplace and align with Workplace Violence Policy. Amendments approved by Council Resolution No. CW470-2019, C424-2019
2021/03/24	Scheduled Review. Administrative amendments made to the policy. Amendments approved by Council Resolution No. C082-2021
2022/03/24	Next Scheduled Review

**Date:** 2021-03-30

**Subject:** HR Employee Benefits Audit (Phase 2)

**Contact:** Richard Gervais, Acting Director, Internal Audit, 905 874 3836,  
[richard.gervais@brampton.ca](mailto:richard.gervais@brampton.ca)

**Report Number:** CAO's Office-2021-502

**Improvement Required****Executive Summary:**

Internal Audit undertook a review of the Human Resources (HR) Employee Benefits Plan, which was conducted in two parts. This engagement was the second part of the audit and assessed prescription drug, dental, and vision care benefits. Phase 1 of the HR Employee Benefits Plan audit was presented at the November 19, 2019 meeting of the Audit Committee and assessed medical services and supplies, paramedical services, Short Term disability (STD), and Long Term Disability (LTD).

The objective of this engagement was to assess and determine whether the processes, procedures, and controls for drugs, dental, and vision care benefits are operating effectively.

The background, objective, and the audit scope are explained in **Appendix 1**.

During our review, we observed the following strengths within the HR division relating to group benefits:

- The HR division prioritizes the privacy and confidentiality of all employee information;
- The HR Benefits team has a strong experience and understanding of the different plans;
- Strong compliance to Corporate procurement policies;
- HR has been proactive and worked closely with the City's other divisions in rolling out the revised benefits plans for internal staff; and
- HR staff was very forthcoming during the entire audit process and accommodated the audit in meeting deadlines.




## Other Matters

In the “Other Matters” section of Appendix 1 we note opportunities and other issues observed in the audit, posing no or low future risk, but which should still be considered by Management.

- Potential Savings - Pooling Charge Premiums
- Blank Service Provider ID
- Potential Savings - Review impact of internal service standards

These issues are explained in more detail in **Appendix 1**.

## Internal Audit discussed the following improvement opportunities with HR Management:

Process	Finding	Rating
1. Benefits plan changes	Controls in place were not effective in ensuring cost saving plan changes were applied as scheduled and that the changes worked as intended. The issue was detected and correction by the serviced provider.	 P2
2. Monthly ASO billing	Controls in place did not detect that the City was being charged a higher monthly rate than agreed for a period of 10 months. The issue was detected and correction by the serviced provider.	 P2
3. Service performance reviews	The City's contract with the Plan Provider specifies that the parties will review the service levels and make adjustments to them at least twice a year. Management confirmed that performance reports are sent to the City once a year.	 P3

These issues and associated management action plans are explained in more detail in **Appendix 1**. These issues are rated as per criteria explained in **Appendix 2**.

## Conclusion:

Improvement is Required by management to strengthen oversight of its service providers.

The overall report rating is determined as per the criteria for audit report rating explained in **Appendix 3**.

Authored by:

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Brad Cecile, Sr. Internal Auditor  
Internal Audit

Reviewed by:

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Gurpreet Singh, Manager  
Internal Audit

Approved by:

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Richard Gervais, Acting Director  
Internal Audit

Submitted by:

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David Barrick  
Chief Administrative Officer

**Attachments:**

Appendix 1: HR Benefits Audit Phase 2  
Appendix 2: Criteria for Evaluating Audit Findings  
Appendix 3: Criteria for Audit Report Rating

**City of Brampton HR Benefits Audit – Audit Report**  
**Private & Confidential**

<b>Audit Name</b>	City of Brampton, HR Benefits Audit (Phase 2)		
<b>Sponsor</b>	Sandeep Aujla, Director, Human Resources		
<b>Business Unit</b>	Human Resources	<b>Date Issued:</b>	April 7, 2021

**1.0 Executive Summary**

Audit rating: Improvement required by management to strengthen oversight of its providers. See **Appendix 3** for the criteria for audit report rating.

The inherent risk was evaluated as high due to the significant cost associated with extended health benefits (drug, dental and vision care).

During our review, we observed the following strengths within the Human Resources (HR) division relating to group benefits:

- The HR division prioritizes the privacy and confidentiality of all employee information;
- The HR Benefits team has a strong experience and understanding of the different plans;
- Strong compliance to corporate procurement policies;
- HR has been proactive and worked closely with the City's other divisions in rolling out the revised benefits plans for internal staff; and
- HR staff has been very forthcoming during the entire audit process and accommodated the audit in meeting deadlines.

Internal Audit discussed the following improvement opportunities with HR Management:

- Strengthen oversight over plan changes implemented by the Benefit Plan Provider;
- Strengthen controls over the review of Administrative Services Only (ASO) benefit invoices to ensure accuracy and compliance; and,
- Ensure stronger clauses for City of Brampton audit rights for ASO benefits.

In the "Other Matters" section of this report we note an opportunity for cost savings and other issues observed in the audit, posing no or low future risk, but which should still be considered by Management.

## 2.0 Background, Objectives, and Scope

### Background

The City of Brampton ("City") provides a wide range of benefits to employees, retirees, their spouses, and eligible dependents as part of employees' compensation plans. Employee benefits include Group Health (extended health, dental, vision), Disability (short and long term), Life Insurance, and Accidental Death and Dismemberment (AD&D). Benefit coverage varies by employee group.

The Compensation and Benefits group in the Human Resources Division is responsible for the day-to-day management, administration, and oversight of the employee benefits program.

Group health benefits are delivered through an Administrative Services Only (ASO) agreement between the City and the Benefits Plan Provider ("Plan Provider"). In this type of arrangement, the City funds its benefits plan, but hires an outside firm, the Plan Provider, to perform specific administrative services. The Plan Provider is responsible for the administration, review, processing, adjudication, and payment of benefit claims to eligible plan members on behalf of the City. The Plan Provider then charges the City for the cost of all paid claims plus pre-determined administration fees.

The City also has a contract with a Benefits Consultant. Some of the services provided by the Benefits Consultant include benchmarking, day-to-day support, review, and analysis of claims data. The Benefits Consultant also provides assistance in negotiating contracts and provides bargaining support with the Plan Provider.

Total claims paid in the current audit period (Jan 1, 2018- June 30, 2020) for drugs, dental and vision care were \$32M (drugs - \$16.2M, dental - \$13M, vision care - \$2.6M).

### Scope Limitation

We were not able to independently validate the completeness and accuracy of pharmaceuticals claims. We conducted a detailed analysis of the claim data from our review period to identify potential outliers/ exceptions to the policy and requested the Plan Provider provide supporting documents (such as redacted invoices and prescriptions) for a selected sample of claims. As per the Plan Provider, they outsource to a pharmacy benefit manager (PBM) and their arrangement does not allow the Plan Provider to request and obtain any claim information due to privacy agreements. Consequently, we could not comment on whether there are any missing supporting documents or irregularities on invoices, and observations were made solely based on data analysis and additional clarifications provided by the Plan Provider.



## Objectives

The objective of this engagement was to assess and determine whether the processes, procedures, and controls for drugs, dental, and vision care benefits are operating effectively and to ensure that:

1. Benefit Plans are administered and managed in a cost-effective, efficient, and timely manner;
2. Plan costs and payments to the Plan Provider are accounted for accurately, are timely and in accordance with the terms of the plan and contract;
3. Current practices are in compliance with the contract, plan provisions, City of Brampton and HR Division policies, procedures, applicable regulations, and statutory requirements;
4. Practices are in place to manage the contract, monitor and assess vendor performance, and take appropriate timely actions where requirements are not being met; and
5. Information and data is complete, accurate, secure, confidential, and access is limited.

## Scope

Our audit covered activities related to specific employee benefits (drugs, dental, vision care and AD&D) during the period from January 1, 2018 to June 30, 2020.

The following areas were **not** included in the scope of this audit:

- Benefit plan design, including the nature and extent of Plan coverage;
- Detailed review of the Benefits Plan Provider internal processing and control activities related to claim review, claim adjudication, and fraud investigations;
- Compliance with the WSIB Act, the Occupational Health and Safety Act, the Labour Relations Act, or the Employment Standards Act;
- Retirement benefit provided through OMERS;
- Employee and Family Assistance Program (EFAP);
- Benefits relating to the Mayor and City Councillors; and
- Detailed technology review of the PeopleSoft application.

**City of Brampton HR Benefits Audit – Audit Report**  
**Private & Confidential**
**3.0 Detailed Audit Findings and Proposed Management Actions**

Ref #	Audit Findings	Finding Rating	Audit Recommendations	Management Response and Due Date	Responsible Party
1	<p><b><u>Management oversight of plan changes</u></b></p> <p>In June 2020, the Plan Provider identified drug benefits plan changes that had not taken effect as scheduled. The Plan Provider took appropriate action by notifying the City, performed an investigation and then provided a credit for \$2.4M in October 2020.</p> <p>Both the Plan Provider and management have controls to manage plan changes, however, the controls in place failed to detect that the plan changes had not taken effect as scheduled during the audit period.</p> <p>Our review also noted the credit issued by the Plan Provider did not include a refund of pooling premiums paid during that time.</p> <p><b><u>Potential Exposure</u></b></p> <p>There is a potential for financial loss. The controls in place failed to detect that the plan changes had not taken effect.</p>	P2	<ol style="list-style-type: none"> <li>1. Management should work with the Plan Provider to obtain a credit for the overpayment of pooling premiums.</li> <li>2. Management, working with the Plan Provider and the City's Benefit Consultant, should develop post-implementation validation procedures to ensure that plan changes work as intended.</li> </ol>	<ol style="list-style-type: none"> <li>1. Agreed. A meeting with the Plan Provider will be set up once the audit review is finalized.</li> <li>2. Management has an established practice to verify all benefit program changes are implemented accurately by the Benefits Provider. Additionally, the Benefits Consultant performs a thorough 'book to plan' audit (at renewal), along with fulsome verifications of plan changes. All changes were communicated and reflected accurately in all benefit booklets and contracts. The error occurred in the backend of the Benefit Provider's system updates.</li> </ol> <p>Management has already briefed the new Benefits Consultant on the Voluntary Generic details history along with the requirement to monitor voluntary drug program to ensure compliance. The Consultant will also work to identify any further outstanding payments. Benefit Consultant will complete an audit on the</p>	Sr. Mgr., Talent Acquisition & Total Compensation

Ref #	Audit Findings	Finding Rating	Audit Recommendations	Management Response and Due Date	Responsible Party
				<p>expected changes to the plan as well as the charges to ensure its reflective of the changes.</p> <p>Due Date: Early Q3</p>	
2	<p><b><u>Gaps in group benefit invoice review</u></b></p> <p>In November 2019, the Plan Provider identified that the City had been over-billed on the monthly ASO invoices starting in January 2019. A credit for the full amount of \$156K was provided on the November 2019 statement.</p> <p><u>Potential Exposure</u> There is a potential of financial loss. The invoicing controls did not detect that the City was being charged a higher rate than agreed.</p>	P2	<ol style="list-style-type: none"> <li>1. Management should review City processes intended to ensure that correct billing rates are applied and to detect over-billing. <ul style="list-style-type: none"> <li>• The review should include the “fee per cheque breakdown” report from the Plan Provider to ensure health and dental transaction fees are as per the contract.</li> </ul> </li> <li>2. Management should maintain auditable records that demonstrate the invoices were assessed for completeness and accuracy. The record should include reviewer and manager signatures.</li> </ol>	<ol style="list-style-type: none"> <li>1. Management has an established practice to review the monthly invoices, using the applicable rates to calculate the costs. This ensures costs are reflected accurately. The ‘fee per cheque’ has been requested by benefit consultant to be added feature to the current process to ensure there are no unverified charges.</li> <li>2. Management will add ‘reviewer’ and ‘approver’ information, along with dates, to the existing monthly validation process to establish an auditable record.</li> </ol> <p>Due Date: Early Q2</p>	Sr. Mgr., Talent Acquisition & Total Compensation

Ref #	Audit Findings	Finding Rating	Audit Recommendations	Management Response and Due Date	Responsible Party
3	<p><b><u>Service performance reviews</u></b></p> <p>The City's ASO contract with the Plan Provider specifies that at least twice a year, the parties will review the service levels and make adjustments to them as appropriate. See section 4 of the ASO. Management confirmed that performance reports are sent to the City once a year.</p> <p><u>Potential Exposure</u> The City may not become aware of service issues in a timely manner.</p>	P3	Management should utilize the twice yearly option to review service levels.	<p>Agreed. Last review completed in Feb 2021.</p> <p>Due Date: Sept 2021 (semi-annually).</p>	Sr. Mgr., Talent Acquisition & Total Compensation

4.0 Other Matters	
Ref #	Observations and Comments
1	<p><b><u>Potential Savings - Pooling Charge Premiums</u></b></p> <p>The City is currently engaged in a pooling agreement with the Plan Provider. Management may be able to negotiate a more favourable rate or lower costs by reviewing the impact of lowering the current premiums by raising the stop loss limit, and, by benchmarking proposed rates with those paid by other comparable municipalities. A stop loss limit, also referred to as “pooling threshold” or “pooling limit”, is a form of excess risk coverage that provides protection for the employer against a high claim on any one individual. The renewal date for the pooling agreement is May 2021.</p>
2	<p><b><u>Blank Service Provider ID</u></b></p> <p>Our review of claims data for health claims (dental &amp; vision) noted that 2,315 vision claims did not show the provider ID. This limits the analysis that can be performed by Internal Audit on dental and vision claims based on service providers.</p> <p>The Plan Provider indicated the extended health provider ID control was introduced in 2017, and extended to vision claims in June 2019. Since the implementation of the control, there has been a declining trend in the number of claims processed without capturing the ID.</p>
3	<p><b><u>Potential Savings - Review impact of internal service standards</u></b></p> <p>Management may be able to identify savings by reviewing the Plan Provider's internal service standards and assessing the overall financial impact of those service standards.</p> <p>Our analysis identified drug and dental claim duplicates and payments that exceeded plan limit for vision care; however, the total of confirmed instances meet the Plan Provider's internal service standards and we did not report the exceptions as a finding. The details are available to management on request.</p>

Report Distribution List	
Barrick, David	Chief Administrative Officer
Davidson, Michael	Commissioner, Corporate Support Services
Aujla, Sandeep	Director, Human Resources
Mangat, Evaninderjit	Senior Manager, Talent Acquisition and Total Compensation
Ortiz, Stephanie	Senior Advisor, Total Compensation

Internal Audit Team	
Singh, Gurpreet	Manager, Internal Audit
Cecile, Brad	Senior Internal Auditor
Gervais, Richard	Acting Director, Internal Audit

**Date:** 2021-04-19

**Subject:** 2020 Audited Consolidated Financial Statements for the City of Brampton

**Contact:** Mark Medeiros, Interim Treasurer  
mark.mederiors@brampton.ca

**Report Number:** Corporate Support Services-2021-510

**Recommendations:**

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

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

**Overview:**

- The 2020 Audited Consolidated Financial Statements from the City Auditor KPMG LLP Chartered Accountants are being presented to the Audit Committee for approval.
- The consolidated financial statements have been prepared in accordance with the Public Sector Accounting Board (PSAB) reporting standards and fully comply with Generally Accepted Accounting Principles (GAAP).
- These consolidated financial statements reflect the financial position as at December 31, 2020 and the operating results for the year for the City, its Local Boards and Committees of Council including The Brampton Public Library Board and the Downtown Brampton Business Improvement Area.
- The financial reporting standards do not change the City's budgeting process, how the tax levy is calculated or how funding decisions are made by Council.

- **A reconciliation of the operating results for tax levy purposes and PSAB adjusted consolidated financial statements is provided in Schedule A of this report.**
- **As part of the annual audit, the City Auditor, KPMG<sub>LLP</sub> Chartered Accountants, conducted a review of Internal Controls and provides an Audit Findings Report to the Audit Committee.**
- **KPMG<sub>LLP</sub> did not identify any corrected or uncorrected misstatements**

### **Background:**

The audit of the 2020 Consolidated Financial Statements by the City Auditor, KPMG<sub>LLP</sub> Chartered Accountants is complete and the statements are attached to this report. The work KPMG<sub>LLP</sub> performed is conducted in accordance with Canadian Generally Accepted Auditing Standards (GAAP) and relevant ethical requirements, including those pertaining to independence. The work is also planned and performed to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error.

The 2020 Audited Consolidated Financial Statements for the City of Brampton reflect the financial position as at December 31, 2020 and the results of operations for the year for the City and its Local Boards and Committees of Council. The following Local Boards and Committees of Council which are included in these consolidated financial statements are accountable for the administration of their financial affairs and resources to the City and are owned or controlled by the City:

- The Brampton Public Library Board
- Downtown Brampton Business Improvement Area (DBBIA)

The consolidated financial statements for the 2020 fiscal year have been prepared in compliance with the requirements of the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada as required by the Province of Ontario. The consolidated financial statements are presented to the Audit Committee for review and approval, which are part of the key statutory functions of the Audit Committee.

### **Current Situation:**

There have been two significant changes in 2020 which impacted financial reporting and our audit:

- COVID-19 pandemic – KPMG<sub>LLP</sub> incorporated revisions to their audit plan arising from the impacts of the COVID-19 pandemic. They adapted their audit to respond to the changes in City's business, including the impacts on financial reporting, internal control, materiality and risk assessment.



- New CAS auditing standards – CAS 540, Auditing Accounting Estimates and Related Disclosures standard was applied on all estimates within the financial statements that had a risk of material misstatement due to estimation uncertainty and not just “key estimates”, “critical accounting estimates”, or “estimates with significant risk”. Based on audit procedures performed it was concluded by KPMG<sub>LLP</sub> that management’s estimates and judgements were reasonable.

## **Audit Results**

KPMG<sub>LLP</sub> audited the consolidated financial statements of the City for the fiscal year 2020. These consolidated financial statements are the responsibility of the City’s management. The audit resulted in KPMG<sub>LLP</sub> issuing an unqualified audit opinion, which means that the consolidated financial statements present fairly the financial position and comply with PSAB municipal financial reporting requirements.

## **Report Summary**

The consolidated financial statements presented in this report comprise the following statements:

- Consolidated Statement of Financial Position
- Consolidated Statement of Operations and Accumulated Surplus
- Consolidated Statement of Cash Flows, and
- Consolidated Statement of Change in Net Financial Assets

The consolidated financial statements provide information on the City’s financial position including the value of assets and liabilities, cost of delivering the City’s municipal services and investment in capital projects, financing sources and investing activities.

The City of Brampton’s consolidated financial statements are prepared in accordance with Canadian public sector accounting standards established by the PSAB of the Chartered Professional Accountants of Canada.

There have been no new standards issued by PSAB for fiscal year ending December 31, 2020.

PSAB requires full accrual basis of accounting and financial reporting. This provides for inclusion of certain items such as amortization of tangible capital assets and tangible capital assets contributed to the City through the subdivision assumption process.

The City uses a full accrual basis (PSAB) budgeting methodology. This methodology does not change how the tax levy is calculated, or how funding decisions are made by City Council. The 2020 Audited Consolidated Financial Statements reflects full accrual budget figures for comparison purposes.

Schedule “A” attached shows the 2020 fiscal year tax-based operating results versus that of the PSAB based financial reporting.

### **Highlights of 2020 Consolidated Financial Statements:**

#### **Consolidated Statement of Financial Position**

The Consolidated Statement of Financial Position (balance sheet) has two key components that make up accumulated surplus: net financial assets and non-financial assets (tangible capital assets, inventory and prepaid expenses).

- “Net Financial Assets” is the net of assets (cash, investments, receivables and other assets) minus liabilities (accounts payable, capital lease obligation, deferred revenues and employee benefits and other liabilities) generated from the City’s operations, activities of capital projects and Reserves and Reserve Funds. This value serves as a key indicator of the City’s ability to manage its cash resources to meet its financial obligations. The City’s 2020 net financial assets had a balance of \$420 million (2019 - \$442 million), a decrease of \$22 million from 2019. A decrease in Net Financial Assets is primarily attributable to an increase in deferred revenue as well as employee benefits and other liabilities.
- “Non-Financial Assets” primarily consists of the City’s investment in tangible capital assets of \$4 billion (2019 - \$3.9 billion). The increase in tangible capital assets is attributable to the combination of assets constructed by the City and brought into service and assets contributed to the City through the subdivision assumption process.

The accumulated surplus (retained earnings) as at December 31, 2020 is \$4.4 billion (2019 - \$4.3 billion), an increase of \$82.9 million.

#### **Key items to note:**

- **Increase in cash, short-term and long-term investment balances**
  - Cash and short-term investments increased from \$301 million in 2019 to \$311 million in 2020. Increase was mainly due to lower cash-outflow and the receipt of Safe Restart Provincial funding. City slightly decreased the allocation to longer-term investments to optimize the overall earnings while ensuring a prudent amount of liquidity was maintained to meet the cash flow requirements for operating and capital needs. As a result, long-term investments decreased from \$775 million in 2019 to \$768 million in 2020.

- **Increase in Taxes Receivable**
  - Taxes receivable increased from \$56 million in 2019 to \$77 million in 2020. Increase was mainly due to the introduction of the property tax assistance program in the form of waiver of penalty and interest on unpaid amounts. This program ensured residents that suffering economic hardship due to COVID-19 did not get penalized for not making their tax instalments.
- **City Hall West Tower Capital Lease Obligation**
  - In 2014, the City entered into a capital lease arrangement for City Hall West Tower. The lease value has been recorded in the City's consolidated financial statements as a tangible capital asset (TCA) with a corresponding capital lease obligation with remaining balance of \$83 million as at December 31, 2020.
- **Deferred Revenue - Obligatory Reserve Funds**
  - Any unspent development charges (DCs), gas tax funds and other obligatory reserves at the end of the fiscal year are recorded as deferred revenue. Deferred revenue increased by \$36 million from \$399 in 2019 to \$435 in 2020 caused by the timing of capital project spending.
- **Employee Benefits and Other Liabilities**
  - Employee benefits and other liabilities increased from \$95 million in 2019 to \$103 million in 2020 mainly due to increase in actuarial valuations for vested sick leave, WSIB liability and early retirement liability.
- **Long-term Liabilities**
  - In 2019 the City acquired long-term debt managed and issued by the Region of Peel. The City has the responsibility for the annual contribution towards sinking funds that would be used to extinguish the debt at maturity. As at December 31, 2020 unsecured debenture net of sinking fund deposits was \$25 million.
- **Net Book Value of Tangible Capital Assets**
  - An increase of \$96 million due to the infrastructure assets assumed from developers through subdivision agreements, property acquisitions, purchase of transit buses, road construction activities as well as facility construction, most notable being Gore Meadows Phase 2.

The Net Financial Assets position continues to be in a strong, positive position, which signifies that the City is fully able to meet its financial obligations.

### **Consolidated Statement of Operations and Accumulated Surplus**

The Consolidated Statement of Operations and Accumulated Surplus (income statement) presents the sources and uses of City's operating financial resources recognized in the reporting period.

Accumulated Surplus represents the City's equity (equivalent to retained earnings of a private business). 90% of the City's Accumulated Surplus represents the City's investment (net book value) in tangible capital assets required to deliver municipal services. The remainder of the Accumulated Surplus consists of funds committed for capital projects, reserves and reserve funds. Accumulated Surplus is therefore not available to be used to moderate the annual tax levy since it would require selling City assets that are used to deliver municipal services.

The 2020 Annual Surplus was \$28 million lower than in 2019. The impacts of COVID-19 revenue losses and additional COVID-19 emergency measure costs were in big part offset by operational savings, mitigating measures and funds received through Provincial Safe Restart Program.

### **Revenues:**

Total revenues in 2020 were \$51 million lower than 2019 decreasing from \$931 million to \$880 million. Major factors contributing to this decrease include:

- \$59 million decrease in User Charges primarily in Transit and Recreation divisions. Transit's revenue significantly lower compared to 2019 due to the suspension of fares between March 21<sup>st</sup> and July 1<sup>st</sup>, reduced capacity and lower ridership demand over the course of the year. Recreation revenue decrease was primarily driven by the City's decision to close recreation facilities, limit capacity and cancel programs and rentals to prevent the spread of the pandemic
- \$59 million increase in Government Transfers mainly due to funds received through Provincial Safe Restart Program Phases 1 and 2
- Lower number of subdivisions assumed from developers resulted in a \$41 million decrease in the Developer contributed tangible capital assets
- \$16 million decrease in Penalties, Fines and Interest was mainly a result of the City's decision to support residents through the suspension of penalty and interest on tax arrears until the end of the year

**Expenses:**

Total operating expenses in 2020 were \$23 million lower than 2019, decreasing from \$820 million to \$797 million.

Included in this is a \$4 million increase in amortization (depreciation) expense representing the value of tangible capital assets that were consumed during the year. The amortization expense increased due to the \$248 million in new tangible capital assets that were added during 2020. Amortization expenses are non-cash in nature, meaning that there was no outlay of cash resources related to the expense.

Following are key items driving the operating expense variance from 2019 to 2020:

- \$32.1 million is as a result of labour related savings, primarily driven by the temporary suspension of employment of part-time, temporary/casual, and seasonal staff members in non-essential and non-critical services with the highest impact in Transit, Recreation and Parks Maintenance and Forestry
- Operational savings in the areas of utility and fuel, preventative and demand maintenance, contracted services were seen throughout the City with the biggest impact in Transit and Recreation
- \$8 million increase in post-employment benefits and other liabilities

**Consolidated Statement of Cash Flows**

The Consolidated Statement of Cash Flows reports changes in cash and cash equivalents. It provides information on how the City uses its cash for operating, investing and financing activities. As at December 31, 2020 the City's cash and cash equivalents had a balance of \$311 million (2019 - \$301 million).

**Consolidated Statement of Change in Net Financial Assets**

This statement explains the change in the City's Accumulated Surplus during the year. It is intended to provide the reader of the consolidated financial statements with detailed information on non-financial assets including the acquisition of tangible capital assets and the use of the assets through the value of amortization. This statement also provides reporting of other non-financial asset items that impact the change in annual surplus and the change in net financial assets.

**Audit Findings Report**

Each year as part of the annual audit, the City Auditor, KPMG<sub>LLP</sub> Chartered Accountants, conducts a review of Internal Controls and provides an Audit Findings Report to the Audit Committee with recommendations for improvement and accompanying management responses.

The 2020 Audit Findings Report from KPMG<sub>LLP</sub> Chartered Accountants is attached to this report. KPMG<sub>LLP</sub> did not identify any corrected or uncorrected misstatements or internal control improvements.

### **Publication**

The 2020 Consolidated Financial Statements will be made public and posted on the City's website.

### **Corporate Implications:**

There are no corporate implications resulting from this report.

### **Term of Council Priorities:**

This report fulfils the Council Priority of a Well-Run City through strict adherence to effective financial management policies and supports Brampton's 2040 Vision by ensuring sustainable financial operations.

### **Conclusion:**

KPMG<sub>LLP</sub> audited the consolidated financial statements of the City for the fiscal year 2020. These consolidated financial statements are the responsibility of the City's management. The audit resulted in KPMG<sub>LLP</sub> issuing an unqualified audit opinion, which means that the consolidated financial statements present fairly the financial position and comply with PSAB municipal financial reporting requirements.

KPMG<sub>LLP</sub> Chartered Accountants also conducted a review of Internal Controls and provides an Audit Findings Report to the Audit Committee with recommendations for improvement. KPMG<sub>LLP</sub> did not identify any corrected or uncorrected misstatements.

Authored by:

Reviewed by:

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Maja Kuzmanov  
Manager of Accounting

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Mark Medeiros  
Interim Treasurer

Approved by:

Submitted by:

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Michael Davidson, Commissioner,  
Corporate Support Services

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David Barrick  
Chief Administrative Officer

**Attachments:**

- 2020 Audited Financial Statements – The Corporation of the City of Brampton
- 2020 Audited Financial Statements – Trust Funds
- Audit Findings Report (for the year ended December 31, 2020)
- Schedule A - 2020 Municipal Surplus Reconciliations, Tax Levy Purpose vs Financial Statements

Consolidated Financial Statements of

**THE CORPORATION OF  
THE CITY OF BRAMPTON**

And Independent Auditors' Report thereon

Year ended December 31, 2020



## INDEPENDENT AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of  
The Corporation of the City of Brampton

### ***Opinion***

We have audited the consolidated financial statements of The Corporation of the City of Brampton (the Entity), which comprise:

- the consolidated statement of financial position as at December 31, 2020
- the consolidated statement of operations and accumulated surplus for the year then ended
- the consolidated statement of change in net financial assets for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2020, and its consolidated results of operations, its consolidated change in net financial assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### ***Basis for Opinion***

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the **"Auditors' Responsibilities for the Audit of the Financial Statements"** section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### ***Responsibilities of Management and Those Charged with Governance for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Entity to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

***DRAFT***

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

May 4, 2021

# THE CORPORATION OF THE CITY OF BRAMPTON

## **DRAFT** Consolidated Statement of Financial Position (Expressed in thousands of dollars)

December 31, 2020, with comparative information for 2019

	2020	2019
<b>Financial Assets</b>		
Cash and short-term investments (note 3)	\$ 311,400	\$ 301,486
Taxes receivable	77,499	55,695
User charges receivable	1,306	2,638
Accounts receivable	50,711	49,214
Long-term investments (note 3)	767,608	774,674
Other assets (note 4)	8,243	8,635
	<u>1,216,767</u>	<u>1,192,342</u>
<b>Financial Liabilities</b>		
Accounts payable and accrued liabilities	138,389	141,249
Capital lease obligation (note 5)	83,113	85,081
Deferred revenue - general (note 7(a))	12,282	4,929
Deferred revenue - obligatory reserve funds (note 7(b))	435,355	398,976
Employee benefits and other liabilities (note 8)	102,626	95,068
Long term liabilities (note 6)	24,554	25,291
	<u>796,319</u>	<u>750,594</u>
Net financial assets	420,448	441,748
<b>Non-Financial Assets</b>		
Tangible capital assets (note 14)	3,971,096	3,875,192
Inventory and prepaids	18,841	10,548
	<u>3,989,937</u>	<u>3,885,740</u>
Guarantee (note 4)		
Commitments and contingencies (note 15)		
Contractual rights (note 18)		
Accumulated surplus (note 10)	<u>\$ 4,410,385</u>	<u>\$ 4,327,488</u>

See accompanying notes to consolidated financial statements.

# THE CORPORATION OF THE CITY OF BRAMPTON

## **DRAFT** Consolidated Statement of Operations and Accumulated Surplus (Expressed in thousands of dollars)

Year ended December 31, 2020, with comparative information for 2019

	Budget 2020 (notes 1(q) and 16)	2020	2019
Revenue:			
Property taxation	\$ 492,449	\$ 488,783	\$ 482,955
Taxation from other governments	3,587	4,572	4,047
User charges	181,099	98,428	157,360
Government transfers (note 19)	1,490	79,738	21,141
Development levies earned and other restricted capital contributions	125,000	88,110	88,023
Investment income	5,807	3,785	6,064
Interest earned on reserves	17,460	22,866	21,133
Penalties, fines and interest	29,422	13,345	29,245
Developer contributed tangible capital assets (note 14(b))	58,700	72,790	114,149
Other	4,227	7,564	6,914
	919,241	879,981	931,031
Expenses:			
General government	77,799	94,694	82,359
Protection to persons and property	138,775	133,264	129,576
Transportation services	363,795	339,373	360,537
Environmental services	28,206	29,114	25,304
Health services (cemeteries)	824	781	768
Social and family services	3,607	2,496	3,379
Recreation and cultural services	201,104	168,517	192,613
Planning and development services	29,989	28,845	25,151
	844,099	797,084	819,687
Annual surplus	<u>\$ 75,142</u>	82,897	111,344
Accumulated surplus, beginning of year		4,327,488	4,216,144
Accumulated surplus, end of year (note 10)		\$ 4,410,385	\$ 4,327,488

See accompanying notes to consolidated financial statements.

# THE CORPORATION OF THE CITY OF BRAMPTON

## **DRAFT** Consolidated Statement of Change in Net Financial Assets (Expressed in thousands of dollars)

Year ended December 31, 2020, with comparative information for 2019

	Budget 2020 (notes 1(q) and 16)	2020	2019
Annual surplus	\$ 75,142	\$ 82,897	\$ 111,344
Acquisition of tangible capital assets	—	(175,275)	(114,382)
Developer contributed tangible capital assets	(58,700)	(72,790)	(114,149)
Amortization of tangible capital assets	143,504	152,148	147,691
Loss on disposal of tangible capital assets	—	13	865
Acquisition of inventory and prepaids	—	(21,746)	(14,187)
Use of inventory and prepaids	—	13,453	13,493
Change in net financial assets	159,946	(21,300)	30,675
Net financial assets, beginning of year	441,748	441,748	411,073
Net financial assets, end of year	\$ 601,694	\$ 420,448	\$ 441,748

See accompanying notes to consolidated financial statements.

# THE CORPORATION OF THE CITY OF BRAMPTON

## **DRAFT** Consolidated Statement of Cash Flows (Expressed in thousands of dollars)

Year ended December 31, 2020, with comparative information for 2019

	2020	2019
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 82,897	\$ 111,344
Items not involving cash:		
Amortization of tangible capital assets	152,148	147,691
Loss on disposal of tangible capital assets	13	865
Developer contributed tangible capital assets	(72,790)	(114,149)
Change in non-cash assets and liabilities:		
Taxes receivable	(21,804)	1,167
User charges receivable	1,332	(490)
Accounts receivable and other assets	(1,105)	(13,726)
Accounts payable and accrued liabilities	(2,860)	(1,793)
Deferred revenue - general	7,353	468
Deferred revenue - obligatory reserve funds	36,379	98,498
Employee benefits and other liabilities	7,558	9,361
Inventory and prepaids	(8,293)	(694)
	180,828	238,542
Capital activities:		
Acquisition of tangible capital assets	(175,275)	(114,382)
Financing activities:		
Repayment of capital lease obligation	(1,968)	(1,824)
Receipt of funds through sinking fund debentures	—	26,002
Sinking fund deposits made	(737)	(711)
	(2,705)	23,467
Investing activities:		
Net decrease (increase) in long-term investments	7,066	(115,069)
Increase in cash and short-term investments	9,914	32,558
Cash and short-term investments, beginning of year	301,486	268,928
Cash and short-term investments, end of year	\$ 311,400	\$ 301,486

See accompanying notes to consolidated financial statements.

# THE CORPORATION OF THE CITY OF BRAMPTON

**DRAFT** Notes to Consolidated Financial Statements  
(Expressed in thousands of dollars)

Year ended December 31, 2020

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The Corporation of the City of Brampton (the "City") is a municipality in the Province of Ontario, Canada. It conducts its operations guided by the provisions of provincial statutes such as the Municipal Act, 2001, Municipal Affairs Act, Development Charges Act and related legislation.

On March 11, 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. Since the first quarter of 2020, COVID-19 pandemic has impacted the global economic environment due to government-imposed lockdowns and social distancing requirements. The economic conditions and City's response to the COVID-19 pandemic had an operational and financial impact on the City. The full extent of the financial impact is currently indeterminable due to the evolving nature of the COVID-19 pandemic.

## 1. Significant accounting policies:

The consolidated financial statements of the City are prepared by management in accordance with generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada ("CPA Canada"). Significant aspects of the accounting policies adopted by the City are as follows:

### (a) Reporting entity:

The consolidated financial statements reflect the assets, liabilities, revenue, expenses and accumulated surplus of the reporting entity. The reporting entity is comprising of all organizations, committees and local boards accountable for the administration of their financial affairs and resources to the City and which are owned or controlled by the City. These consolidated financial statements include:

- Brampton Public Library Board (the "Library"); and
- Downtown Brampton Business Improvement Area (the "BIA").

Interdepartmental and inter-organizational transactions and balances between these organizations are eliminated.



# THE CORPORATION OF THE CITY OF BRAMPTON

**DRAFT** Notes to Consolidated Financial Statements (continued)  
(Expressed in thousands of dollars)

Year ended December 31, 2020

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## 1. Significant accounting policies (continued):

### (b) Non-consolidated entities:

The following regional municipality and local boards are not consolidated and should be contacted directly if examination of their annual audited financial statements is desired:

- The Regional Municipality of Peel ("Region of Peel");
- The Peel District School Board;
- The Dufferin-Peel Catholic District School Board;
- Conseil Scolaire de District du Centre-Sud Ouest; and
- Conseil Scolaire de District Catholique Centre-Sud.

Trust funds and their related operations administered by the City are not included in these consolidated financial statements but are reported separately on the trust funds' financial statements.

### (c) Accounting for region and school board transactions:

The taxation, other revenue, expenses, assets and liabilities with respect to the operations of The Region of Peel and the school boards are not reflected in the consolidated financial statements.

### (d) Basis of accounting:

The City follows the accrual method of accounting. Under the accrual method of accounting, revenue are recognized in the period in which the transactions or events that gave rise to the revenue occurred.

Expenses are the cost of goods or services acquired in the period whether or not payment has been made or invoices received.

### (e) Cash and short-term investments:

Cash and short-term investments include short-term highly liquid investments with terms to maturity of 90 days or less. Cash and short-term investments are recorded at cost with write down to market when there is a decrease in value.

# THE CORPORATION OF THE CITY OF BRAMPTON

**DRAFT** Notes to Consolidated Financial Statements (continued)  
(Expressed in thousands of dollars)

Year ended December 31, 2020

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## 1. Significant accounting policies (continued):

### (f) Long-term investments:

Long-term investments consist of bonds and debentures and are recorded at amortized cost. Discounts and premiums arising on the purchase of these investments are amortized over the term of the investments. When there has been a loss of value that is other than a temporary decline in value, the respective investment is written down to market value to recognize the loss in the consolidated statement of operations.

### (g) Other assets:

Other assets are valued at cost and include long-term receivables. Recoverability is assessed annually, and a valuation allowance is recorded when recoverability has been impaired. Other assets including long-term receivables are written off when they are no longer recoverable. Recoveries of other assets including long-term receivables that have been previously written off are recognized in the year received. Other assets including long-term receivables with significant concessionary terms are reported as an expense on the consolidated statement of operations and accumulated surplus.

### (h) Contaminated sites:

Contaminated sites are defined as the result of contamination being introduced that exceeds an environmental standard. A liability for remediation of contaminated sites is recognized, net of any expected recoveries, when all of the following criteria are met:

- (i) an environmental standard exists;
- (ii) contamination exceeds the environmental standard;
- (iii) the organization is directly responsible or accepts responsibility for the liability;
- (iv) future economic benefits will be given up; and
- (v) a reasonable estimate of the liability can be made.

The liability is estimated based upon information that is available when the financial statements are prepared. It is based upon the costs directly attributable to the remediation activities required using a present value measurement technique.

# THE CORPORATION OF THE CITY OF BRAMPTON

**DRAFT** Notes to Consolidated Financial Statements (continued)  
(Expressed in thousands of dollars)

Year ended December 31, 2020

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## 1. Significant accounting policies (continued):

### (i) Non-financial assets:

Non-financial assets include tangible capital assets, inventory and prepaids. They are not available to discharge existing liabilities and are held for use in the provision of services.

Inventory and prepaid expenses held for consumption are recorded at the lower of cost and replacement cost.

### (j) Tangible capital assets:

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets, are amortized on a straight-line basis over their estimated useful lives as follows:

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Land	Unlimited
Buildings and building improvements	10 - 40
Furniture, computer and office equipment	2 - 20
Infrastructure	10 - 40
Land improvements	10 - 30
Vehicles and machinery	7 - 15
Assets under capital lease	Lesser of useful life and lease term

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Annual amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

### (i) Contributions of tangible capital assets:

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and also are recorded as revenue.

# THE CORPORATION OF THE CITY OF BRAMPTON

**DRAFT** Notes to Consolidated Financial Statements (continued)  
(Expressed in thousands of dollars)

Year ended December 31, 2020

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## 1. Significant accounting policies (continued):

### (ii) Works of art and cultural and historic assets:

Works of art and cultural and historic assets are not recorded as assets in these consolidated financial statements. The City owns both works of art and historical treasures at various City-owned facilities. These assets are deemed worthy of preservation because of the social rather than financial benefits they provide to the community.

### (iii) Interest capitalization:

The City does not capitalize interest costs associated with the acquisition or construction of a tangible capital asset.

### (iv) Leased tangible capital assets:

Leases which transfer substantially all of the benefits and risks incidental to ownership of property are accounted for as leased tangible capital assets. All other leases are accounted for as operating leases and the related payments are charged to expenses as incurred.

### (v) Tangible capital assets disclosed at nominal values:

Where an estimate of fair value could not be made, the tangible capital asset was recognized at a nominal value. Land is the only category where nominal values were assigned.

### (k) Government transfers:

Government transfers are recognized in the consolidated financial statements as revenue in the year in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

# THE CORPORATION OF THE CITY OF BRAMPTON

**DRAFT** Notes to Consolidated Financial Statements (continued)  
(Expressed in thousands of dollars)

Year ended December 31, 2020

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## 1. Significant accounting policies (continued):

### (l) Deferred revenue - general:

Deferred revenue represents user charges and fees which have been collected but for which the related services have yet to be performed. These amounts will be recognized as revenue in the fiscal year the services are performed.

### (m) Deferred revenue - obligatory reserve funds:

The City receives gas taxes and transfer payments from other levels of government and development charges under the authority of Provincial Legislation and City By-Laws. These funds by their nature are restricted in their use and until applied to applicable capital works are recorded as deferred revenue. Amounts applied to qualifying capital projects are recorded as revenue in the fiscal year they are expended.

### (n) Taxation and user charges revenue:

Tax receivable and tax revenue are recognized when they meet the definition of an asset, the tax is authorized and the taxable event has occurred. User charges are recognized when measurable and earned.

### (o) Investment income:

Investment income earned on available surplus funds is reported as revenue in the year earned. Investment income earned on obligatory reserve funds is added to the fund balance and forms part of respective deferred revenue balances.

# THE CORPORATION OF THE CITY OF BRAMPTON

**DRAFT** Notes to Consolidated Financial Statements (continued)  
(Expressed in thousands of dollars)

Year ended December 31, 2020

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## 1. Significant accounting policies (continued):

### (p) Pensions and employee benefits:

- (i) The City provides certain employee benefits which will require funding in future periods. These benefits include sick leave, benefits under the Workplace Safety and Insurance Board Act ("WSIB"), and life insurance, extended health and dental benefits for early retirees. The costs of sick leave, benefits under WSIB and life insurance, extended health and dental benefits are actuarially determined using management's best estimate of salary escalation, accumulated sick days at retirement, insurance and health care cost trends, long-term inflation rates and discounted rates. For self-insured retirement and other employee future benefits that vest or accumulate over the periods of service provided by employees, such as compensated absences and health, dental and life insurance benefits for retirees, the cost is actuarially determined using the projected benefits method prorated on service. Under this method, the benefit costs are recognized over the expected average service life of the employee group. Any actuarial gains and losses related to the past service of employees are amortized over the expected average remaining service life of the employee group. For those self-insured benefit obligations that arise from specific events that occur from time to time, such as obligations for workers' compensation and life insurance and health care benefits for those on disability leave, the cost is recognized immediately in the period when the events occur. Any actuarial gains or losses that are related to these benefits are recognized immediately in the year they arise.
- (ii) The costs of a multi-employer defined benefit pension plan, such as the Ontario Municipal Employees Retirement System ("OMERS") pensions which is accounted for as a defined contribution plan, are the employer's defined contributions to the plan in the year.

Unamortized actuarial gains or losses are amortized on a straight-line basis over the expected average remaining service life of the related employee groups. Unamortized actuarial gains/losses for event-triggered liabilities, such as those determined as claims related to WSIB are amortized over the average expected year during which the benefits will be paid.

Costs related to prior period employee services arising out of plan amendments are recognized in the year in which the plan is amended.

# THE CORPORATION OF THE CITY OF BRAMPTON

**DRAFT** Notes to Consolidated Financial Statements (continued)  
(Expressed in thousands of dollars)

Year ended December 31, 2020

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## 1. Significant accounting policies (continued):

### (q) Budget figures:

The City budgets for the following items on the consolidated statement of operations: interest earned on reserves, developer contributed tangible capital assets and amortization expense.

The City Council completes separate budget reviews for its operating and capital project budgets each year. Both budgets are reflected in the consolidated statement of operations.

The operating budget is based on projected operating expenses to be incurred during the current year. Budgets established for capital projects are set on a project-oriented basis, the costs of which may be carried out over one or more fiscal years.

### (r) Use of estimates:

The preparation of these consolidated financial statements requires management to make estimates and assumptions. This affects the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the year. Significant estimates and assumptions include allowance for doubtful accounts for certain accounts receivable, carrying value of tangible capital assets, provisions accrued liabilities and obligations related to employee future benefits. The full extent of the impact that COVID-19 pandemic, including government and regulatory responses to the pandemic, will have on the Canadian economy and the City's operations remains uncertain at this time. Actual results could differ from these estimates.

### (s) Related parties disclosure:

A related party exists when one party has the ability to exercise control or shared control over the other. Related parties include key management personnel, their close family members and the entities they control or have shared control over. Related party transactions are disclosed if they occurred at a value different from that which would have been arrived at if parties were unrelated and the transaction has material effect on the consolidated financial statements. As at December 31, 2020, there are no such related party transactions to disclose.

# THE CORPORATION OF THE CITY OF BRAMPTON

**DRAFT** Notes to Consolidated Financial Statements (continued)  
(Expressed in thousands of dollars)

Year ended December 31, 2020

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## 1. Significant accounting policies (continued):

### (t) Contingent assets:

Contingent assets are possible assets arising from existing conditions or situations involving uncertainty which will be ultimately resolved when one of more future events occur that are not within the government's control. Disclosure of a contingent asset is required under this standard when the occurrence of a confirming future event is likely. As at December 31, 2020, there are no such contingent assets to disclose.

### (u) Contractual rights:

Contractual rights require the disclosure of information in regards to future rights to economic resources arising from contracts or agreements that will result in a future economic benefit. Such disclosure includes the nature, extent and timing of contractual rights. The City is involved with various contracts and agreements arising in the ordinary course of business. This results in contractual rights to economic resources. Contractual rights are reported in note 18.

### (v) Assets:

The assets standard provides additional guidance on the definition of assets and what is meant by economic resources, control, past transactions and events and from which future economic benefits are to be obtained. For the year ended December 31, 2020, all material assets have been disclosed and reported within this definition.

### (w) Newly adopted accounting standards:

There are no newly adopted accounting standards for the year ended December 31, 2020.

## 2. Future accounting pronouncements:

These standards and amendments were not effective for the year ended December 31, 2020, and have therefore not been applied in preparing these consolidated financial statements. Management is currently assessing the impact of the following accounting standards updates on the future consolidated financial statements.



# THE CORPORATION OF THE CITY OF BRAMPTON

**DRAFT** Notes to Consolidated Financial Statements (continued)  
(Expressed in thousands of dollars)

Year ended December 31, 2020

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## 2. Future accounting pronouncements (continued):

- (a) PS 1201, Financial Statement Presentation, was issued in June, 2011. This standard requires entities to present a new statement of remeasurement gains and losses separate from the consolidated statement of operations and accumulated surplus. This new statement includes unrealized gains and losses arising from remeasurement of financial instruments and items denominated in foreign currencies and any other comprehensive income that arises when a government includes the results of government business enterprises and partnerships. This section is effective for fiscal years beginning on or after April 1, 2022 (the City's December 31, 2023 year-end) and applies when PS 3450, Financial Instruments, and PS 2601, Foreign Currency Translation, are adopted.
- (b) PS 3450, Financial Instruments, establishes the standards on accounting for and reporting all types of financial instruments including derivatives. This standard is effective for fiscal periods beginning on or after April 1, 2022 (the City's December 31, 2023 year-end).
- (c) PS 2601, Foreign Currency Translation, establishes the standards on accounting for and reporting transactions that are denominated in a foreign currency. This standard is effective for fiscal periods beginning on or after April 1, 2022 (the City's December 31, 2023 year-end). Earlier adoption is permitted. A public sector entity adopting this standard must also adopt the new financial instruments standard.
- (d) PS 3400, Revenue, establishes a single framework to categorize revenue to enhance the consistency of revenue recognition and its measurement. This section is effective for fiscal years beginning on or after April 1, 2023 (the City's December 31, 2024 year-end).
- (e) PS 3280, Asset Retirement Obligation, addresses the recognition, measurement, presentation and disclosure of legal obligations associated with retirement of tangible capital assets in productive use. This section is effective for fiscal years beginning on or after April 1, 2022 (the City's December 31, 2023 year-end).
- (f) Public Sector Guideline 8, Purchased Intangibles, allows public sector entities to recognize intangibles purchased through an exchange transaction. This guideline is effective for fiscal years beginning on or after April 1, 2023 (the City's December 31, 2024 year-end).

# THE CORPORATION OF THE CITY OF BRAMPTON

**DRAFT** Notes to Consolidated Financial Statements (continued)  
(Expressed in thousands of dollars)

Year ended December 31, 2020

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## **3. Cash and investments:**

Cash and short-term investments of \$311,400 (2019 - \$301,486) includes short-term investments of \$234 (2019 - \$24,267) with a market value \$234 (2019 - \$24,266) at the end of the year.

Long-term investments of \$767,608 (2019 - \$774,674) have a market value of \$825,771 (2019 - \$783,827) at the end of the year.

## **4. Other assets:**

Included in other assets in the consolidated statement of financial position is \$7,984 (2019 - \$7,984) consisting of a long-term loan receivable of \$6,000 advanced by the City towards the construction of the CAA Centre (formerly the "Powerade Centre") with a due date of August 31, 2034 and a further \$1,984 representing advances under the Loan and Priorities Agreement established in 1998 and bearing interest at the rate of 6.08% per annum.

The City is also the guarantor for the Powerade Centre Term Loan ("Term Loan", previously a mortgage) held by the Royal Bank of Canada. In 2017, the Term Loan, which has an amortization period ending in August 2034, was renegotiated with a 5-year term ending on March 21, 2022. The Term Loan has an outstanding balance of \$7,274 on December 31, 2020 (2019 - \$7,466).

## **5. Capital lease obligation:**

In 2014, the City entered into a capital lease arrangement (the "agreement") for a City Hall West Tower.

The agreement requires equal monthly lease payments over a period of 25 years until 2039. At the expiry of the agreement, the legal title of the building will be transferred to the City.

# THE CORPORATION OF THE CITY OF BRAMPTON

**DRAFT** Notes to Consolidated Financial Statements (continued)  
(Expressed in thousands of dollars)

Year ended December 31, 2020

## 5. Capital lease obligation (continued):

Annual lease payments under the agreement are as follows:

2021	\$ 8,354
2022	8,354
2023	8,354
2024	8,354
2025	8,354
2026 and thereafter	113,590
Total minimum lease payments	155,360
Less amount representing implicit interest at 7.59%	72,247
Capital lease obligation	\$ 83,113

Included in interest expense reported in the consolidated statement of operations is \$6,386 (2019 - \$6,529) for interest expense related to the capital lease obligation.

## 6. Long-term liabilities:

The City has long-term debt managed and issued by the Region of Peel. The City has the responsibility for the annual contribution towards sinking funds that would be used to extinguish the debt at maturity. The total long-term liabilities reported on the consolidated statement of financial position include the following:

	2020	2019
Unsecured debenture issued in 2019 by the Regional Municipality of Peel on behalf of the City, bearing interest at 3.85% maturing on 2042	\$ 25,291	\$ 26,002
Less sinking fund deposits bearing interest at 2.5%	737	711
Unsecured debenture, net of sinking fund deposits	\$ 24,554	\$ 25,291

# THE CORPORATION OF THE CITY OF BRAMPTON

**DRAFT** Notes to Consolidated Financial Statements (continued)  
(Expressed in thousands of dollars)

Year ended December 31, 2020

## 6. Long-term liabilities (continued):

Actuarially determined funding contribution requirements for the next five years are as follows:

2021	\$ 746
2022	766
2023	785
2024	804
2025	825
2026 and thereafter	17,634
Interest to be earned on sinking fund debt	2,994
Unsecured debenture, net of sinking fund deposits	\$ 24,554

Interest expense in the amount of \$886 (2019 - \$886) has been recognized on the consolidated statement of operations and accumulated surplus. The annual sinking fund deposits and interest payments required to service the long-term liabilities of the municipality are within the annual debt repayment limit prescribed by the Ministry of Municipal Affairs and Housing.

## 7. Deferred revenue:

### (a) Deferred revenue - general:

Deferred revenue - general is comprised of user charges for parks and recreation programs, transit advertising revenue applicable for the following year and unspent provincial funding for capital projects. As at December 31, 2020, the deferred revenue - general amounted to \$12,282 (2019 - \$4,929).

### (b) Deferred revenue - obligatory reserve funds:

Obligatory reserve funds are to be reported as deferred revenue. This requirement is in place as Federal and Provincial legislation and other City by-laws and agreements may restrict how these funds may be used and under certain circumstances these funds may possibly be refunded.

As at December 31, 2020, obligatory reserve funds amounted to \$435,355 (2019 - \$398,976). This balance includes unspent development charges, unspent gas tax receipts as well as unspent funding for specific infrastructure projects received from federal and provincial governments.

# THE CORPORATION OF THE CITY OF BRAMPTON

**DRAFT** Notes to Consolidated Financial Statements (continued)  
(Expressed in thousands of dollars)

Year ended December 31, 2020

## 7. Deferred revenue (continued):

Details of these deferred revenue are as follows:

	Opening	Amount received	Amount recognized as revenue	Closing
Developers	\$ 160,568	\$ 66,351	\$ 38,630	\$ 188,289
Federal gas tax	56,289	32,956	19,891	69,354
Provincial gas tax	6,519	17,108	19,663	3,964
Other	175,600	8,077	9,929	173,748
Total	\$ 398,976	\$ 124,492	\$ 88,113	\$ 435,355

Other deferred revenue includes other obligatory reserves such as developer deposits for subdivision maintenance and future construction.

## 8. Employee benefits and other liabilities:

The City provides certain employee benefits, which will require funding in future periods. Under the sick-leave benefit plan, unused sick leave can accumulate and employees may become entitled to cash payment when they leave the City's employment. With respect to responsibilities under provisions of the WSIB, the City has elected to be treated as a Schedule 2 employer and remits payments to the WSIB as required to fund disability payments. An actuarial estimate of future liabilities has been completed and forms the basis for the estimated liability reported in these consolidated financial statements.

Employee benefits and other liabilities included in the consolidated financial statements are summarized below:

	2020	2019
WSIB	\$ 19,853	\$ 16,886
Vested sick leave benefits	25,300	23,328
Vacation pay	15,656	13,690
Non-pension post employment benefits	33,619	31,075
Self insurance liability	7,998	9,665
Other	200	424
Total	\$ 102,626	\$ 95,068

# THE CORPORATION OF THE CITY OF BRAMPTON

**DRAFT** Notes to Consolidated Financial Statements (continued)  
(Expressed in thousands of dollars)

Year ended December 31, 2020

## 8. Employee benefits and other liabilities (continued):

As at December 31, 2020, the City has allocated reserves and reserve funds of \$16,250 (2019 - \$15,350) to fund some of these obligations. Any additional requirements to fund these obligations will be covered by General Rate Stabilization Reserve.

The most recent full actuarial valuation for WSIB, vested sick leave benefits and non-pension post employment benefits was performed in the current year as at December 31, 2019.

The following table sets out the actuarial results for each of the plans as at December 31:

				2020	2019
Item	WSIB	Vested sick leave benefits	Non-pension post employment benefits	Total	Total
Accrued benefit obligation ("ABO"), beginning of year	\$ 23,195	\$ 28,635	\$ 40,046	\$ 91,876	\$ 87,696
Add:					
Actuarial loss	3,655	3,949	4,372	11,976	—
Current benefit costs	3,679	3,034	2,260	8,973	7,457
Interest cost	956	1,215	1,667	3,838	3,467
	31,485	36,833	48,345	116,663	98,620
Less current benefit payments	2,753	3,379	2,213	8,345	6,744
ABO, end of year	28,732	33,454	46,132	108,318	91,876
Unamortized actuarial loss	(8,879)	(8,155)	(12,513)	(29,547)	(20,588)
Liability for benefits, end of year	\$ 19,853	\$ 25,299	\$ 33,619	\$ 78,771	\$ 71,288

The amortization of actuarial gains and losses for the current year is in the amount of \$3,016 (2019 - \$2,925).

# THE CORPORATION OF THE CITY OF BRAMPTON

**DRAFT** Notes to Consolidated Financial Statements (continued)  
(Expressed in thousands of dollars)

Year ended December 31, 2020

## 8. Employee benefits and other liabilities (continued):

The actuarial valuations of the plans were based upon a number of assumptions about future events, which reflect management's best estimates. The following represents the more significant assumptions made:

	Non-pension	Sick leave	WSIB
Expected inflation rate	1.75%	1.75%	1.75%
Expected level of salary increases	2.75%	2.75%	n/a
Interest discount rate	3.75%	3.75%	3.50%
Dental premium rates increase	3.75%	n/a	n/a
Health care premium rates increase	6.75%	n/a	6.75%
Expected average remaining service life	15 years	14 years	11 years

## 9. Pension agreements:

The City makes contributions to OMERS, which is a multi-employer plan, on behalf of all permanent, full-time members of its staff. The plan is a defined benefit plan, which specifies the amount of the retirement benefit to be received by the employees, based on the length of service and rates of pay. The City accounts for its participation in OMERS, as a defined contribution plan.

The amount contributed to OMERS for 2020 was \$32,084 (2019 - \$29,678) for current service and is included as an expense on the consolidated statement of operations and accumulated surplus. Employee contributions totaled \$32,084 (2019 - \$29,678).

The City is current with all payments to OMERS, therefore, there is neither a surplus nor deficit with the pension plan contributions. However, the OMERS pension plan had a deficit at December 31, 2020 of \$3.2 billion based on actuarial valuation of plan assets.

# THE CORPORATION OF THE CITY OF BRAMPTON

**DRAFT** Notes to Consolidated Financial Statements (continued)  
(Expressed in thousands of dollars)

Year ended December 31, 2020

## 10. Accumulated surplus:

Accumulated surplus consists of individual fund surplus, including funds committed for capital projects, and reserves and reserve funds as follows:

	2020	2019
Tangible capital assets	\$ 3,971,096	\$ 3,875,192
Deficit funds from committed capital projects and other	(30,741)	(4,098)
	3,940,355	3,871,094
Reserves	99,376	90,329
Reserve funds	370,654	366,065
Total	\$ 4,410,385	\$ 4,327,488

## 11. Expenses by object:

The following is a summary of the expenses reported on the consolidated statement of operations and accumulated surplus by object:

	Budget 2020	2020	2019
Salaries, wages and fringe benefits	\$ 459,995	\$ 428,824	\$ 437,459
Materials and supplies	87,046	79,359	86,819
Contracted services	132,193	118,113	127,664
Rents and financial expenses	20,830	17,009	18,219
Government transfers	531	1,619	971
Amortization of tangible capital assets	143,504	152,147	147,691
Other	—	13	864
Total expenses	\$ 844,099	\$ 797,084	\$ 819,687



# THE CORPORATION OF THE CITY OF BRAMPTON

**DRAFT** Notes to Consolidated Financial Statements (continued)  
(Expressed in thousands of dollars)

Year ended December 31, 2020

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## 12. Trust funds:

Trust funds administered by the City amounted to \$32,818 (2019 - \$31,812) are presented in the separate financial statements of trust funds balances and operations. As such balances are held in trust by the City for the benefit of others, they are not presented as part of the City's consolidated financial position or operations.

The City administers the following trust funds:

- Cemeteries Care and Maintenance Trust;
- Developers' Performance Deposits Trust;
- Developer Front End Financing Trust;
- Brampton Marketing Board, Greater Toronto Area and Greater Toronto Marketing Alliance;
- and
- Brampton Sports Hall of Fame.

## 13. Public liability insurance:

The City is self-insured for all lines of coverage including public liability, errors and omissions and Brampton Transit claims up to \$500. This is for any number of claims arising out of a single occurrence. Outside coverage is in place for claims in excess of these limits.

Claims settled during the year amounting to \$3,963 (2019 - \$4,321) have been provided for from the General Rate Stabilization Reserve, and are accordingly reported as expenses on the consolidated statement of operations.

In the normal course of its operations, the City is subject to various litigation and claims. Where management has assessed the likelihood of the success of the claim as more likely than not and where a reasonable estimate as to the exposure can be made, an accrual has been recorded in these consolidated financial statements. In some instances, the ultimate outcome of these claims cannot be determined at this time. However, the City's management believes that the ultimate disposition of these matters will not have a material adverse effect on its consolidated financial position.

# THE CORPORATION OF THE CITY OF BRAMPTON

## **DRAFT** Notes to Consolidated Financial Statements (continued)

(Expressed in thousands of dollars)

Year ended December 31, 2020

### 14. Tangible capital assets:

The City has identified following major asset categories: land; asset under capital lease; buildings and building improvements; furniture, computer and office equipment; infrastructure; land improvements; vehicles and machinery.

	2019	Additions	Disposals	Transfers	2020
<b>Cost</b>					
Land	\$ 1,681,440	\$ 29,582	\$ —	\$ —	\$ 1,711,022
Asset under capital lease	93,500	—	—	—	93,500
Buildings and building improvements	786,987	60,814	—	—	847,801
Furniture, computer and office equipment	86,117	13,513	(6,756)	—	92,874
Infrastructure	2,316,024	116,309	—	—	2,432,333
Land improvements	113,022	5,167	(1,194)	—	116,995
Vehicles and machinery	384,189	38,088	(2,210)	—	420,067
Assets under construction	170,679	176,646	—	(192,054)	155,271
<b>Total</b>	<b>\$ 5,631,958</b>	<b>\$ 440,119</b>	<b>\$ (10,160)</b>	<b>\$ (192,054)</b>	<b>\$ 5,869,863</b>

	2019	Disposals	Amortization expense	2020
<b>Accumulated amortization</b>				
Land	\$ —	\$ —	\$ —	\$ —
Asset under capital lease	20,258	—	3,740	23,998
Buildings and building improvements	346,442	—	35,503	381,945
Furniture, computer and office equipment	44,634	(6,750)	13,235	51,119
Infrastructure	1,069,701	—	66,224	1,135,925
Land improvements	50,922	(1,194)	5,926	55,654
Vehicles and machinery	224,809	(2,203)	27,520	250,126
<b>Total</b>	<b>\$ 1,756,766</b>	<b>\$ (10,147)</b>	<b>\$ 152,148</b>	<b>\$ 1,898,767</b>

# THE CORPORATION OF THE CITY OF BRAMPTON

**DRAFT** Notes to Consolidated Financial Statements (continued)  
(Expressed in thousands of dollars)

Year ended December 31, 2020

## 14. Tangible capital assets (continued):

	2019	2020
<b>Net book value</b>		
Land	\$ 1,681,440	\$ 1,711,022
Asset under capital lease	73,242	69,502
Buildings and building improvements	440,545	465,856
Furniture, computer and office equipment	41,483	41,755
Infrastructure	1,246,323	1,296,408
Land improvements	62,100	61,341
Vehicles and machinery	159,380	169,941
Assets under construction	170,679	155,271
<b>Total</b>	<b>\$ 3,875,192</b>	<b>\$ 3,971,096</b>

### (a) Assets under construction:

Assets under construction having a value of \$155,271 (2019 - \$170,679) have not been amortized. Amortization of these assets will commence when the assets are put into service.

### (b) Contributed tangible capital assets:

Contributed capital assets have been recognized at fair market value at the date of contribution. Contributed capital assets are comprised of infrastructure assets acquired through subdivision assumptions. The value of contributed assets received during the year is \$72,790 (2019 - \$114,249).

# THE CORPORATION OF THE CITY OF BRAMPTON

**DRAFT** Notes to Consolidated Financial Statements (continued)  
(Expressed in thousands of dollars)

Year ended December 31, 2020

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## 15. Commitments and contingencies:

### (a) Commitment for operating leases:

The City leases facilities and equipment under operating leases expiring beyond 2026. The minimum amounts payable under these arrangements are as follows:

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2021	\$ 3,604
2022	3,435
2023	2,267
2024	1,547
2025	890
2026 and thereafter	11,523
	<hr/>
	\$ 23,266

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Excluded from these amounts is the capital lease obligation reported in note 5.

### (b) Contingent legal liabilities:

As at December 31, 2020, there were various legal claims pending against the City arising in the ordinary course of its operations. The City has recorded a liability for certain uninsured claims, but has made no specific provision for those where the outcome is presently indeterminable. See notes 8 and 13.

## 16. Budget data:

Budget data presented in these consolidated financial statements are based upon the 2020 operating and capital budgets as approved by Council and adopted by the City at the February 26, 2020 meeting. Adjustments to budgeted values were required to provide comparative budget values based on the components of full accrual basis of accounting. The chart below reconciles the approved operating budget with the budget figures presented in these consolidated financial statements.

# THE CORPORATION OF THE CITY OF BRAMPTON

**DRAFT** Notes to Consolidated Financial Statements (continued)  
(Expressed in thousands of dollars)

Year ended December 31, 2020

## 16. Budget data (continued):

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### Revenue

Approved operating budget	\$ 753,548
Less:	
Contributions from reserve funds	34,673
Other	794
	<u>35,467</u>
Add:	
Development levies earned and other restricted capital contributions	125,000
Interest earned on reserves	17,460
Developer contributed assets	58,700
	<u>201,160</u>
Total reported on consolidated financial statements	\$ 919,241

### Expenses

Approved operating budget	\$ 753,548
Less contributions to reserve funds	119,407
Add:	
Other	6,658
Operating projects budget	59,800
Amortization	143,500
	<u>209,958</u>
Total reported on consolidated financial statements	\$ 844,099

# THE CORPORATION OF THE CITY OF BRAMPTON

**DRAFT** Notes to Consolidated Financial Statements (continued)  
(Expressed in thousands of dollars)

Year ended December 31, 2020

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## 17. Segmented information:

The City is a multifaceted municipal government that delivers a wide range of services that enhance quality of life to its citizens. For additional information see the consolidated schedule of segment disclosure.

Certain allocation methodologies are employed in the preparation of segmented financial information. Services are funded primarily by taxation and user fees. Taxation revenue is allocated to the general government segment. Certain government grants, user charges and other revenue have been allocated based upon the same allocation as the related expenses. User fees are allocated based upon the segment that generated the fee.

City services are provided by various divisions whose activities are organized in the following segments for management reporting purposes:

### (a) General government:

General government is comprised of Mayor and Councilor's as well as Corporate Management and Support sections.

The departments within Corporate Management and Support sections are responsible for adopting bylaws and administrative policies; risk management; providing effective financial reporting, planning and controls; developing and maintaining flexible computer networks and resources to deliver information and telecommunications to City employees and the citizens of Brampton; acquiring, managing and disposing City assets; levying and collecting taxes.

### (b) Protection to persons and property:

Protection services delivers Fire Emergency Services, By-law and Enforcement and POA administration. The mandate of the Fire department is to provide fire protection and emergency response but also superior level of Fire Prevention and Public Education. By-law and Enforcement assist in maintaining Brampton as a safe, healthy and attractive City by responding to public concerns, patrolling City property and enforcing the City's by-laws.

# THE CORPORATION OF THE CITY OF BRAMPTON

**DRAFT** Notes to Consolidated Financial Statements (continued)  
(Expressed in thousands of dollars)

Year ended December 31, 2020

---

## 17. Segmented information (continued):

POA's mandate encompass the administration and prosecution of provincial offences, including those committed under the Highway Traffic Act, Compulsory Automobile Insurance Act, Trespass to Property Act, Liquor Licence Act, Municipal By-laws and minor federal offences.

### (c) Transportation services:

The Works department manages various infrastructure projects as part of a 10-year capital program to expand and improve the City's road network and transportation infrastructure. In addition, major functions also include maintenance of road system (road resurfacing and snow clearing) and all associated infrastructure such as sidewalks, bridges and curbs.

Brampton Transit is responsible for providing efficient and effective local public transportation service.

### (d) Environmental services:

Environmental services are delivered by staff in the Works department. Primary responsibility of this section is catch basin and storm sewer maintenance. In addition, the department performs watercourse maintenance in order to ensure public safety and environmental controls are in place. Watercourse maintenance activities include controlling erosion, the removal of garbage and debris and responding to spills and illegal dumping to ensure water quality and proper cleanup.

### (e) Health, social and family services:

Health, social and family services comprised cemetery operations and assistance to aged persons. Assistance to aged persons includes senior's education tax rebate, senior snow clearing subsidy as well as maintenance of seniors centre.

# THE CORPORATION OF THE CITY OF BRAMPTON

**DRAFT** Notes to Consolidated Financial Statements (continued)  
(Expressed in thousands of dollars)

Year ended December 31, 2020

---

## 17. Segmented information (continued):

### (f) Recreation and cultural services:

The community services department is responsible for the delivery of Parks, Recreation and Cultural services. The Parks Operations division maintains all parks, boulevards, sports fields, trees, horticultural displays, pathways and open space. This division provides the residents of Brampton with safe, attractive, outdoor facilities delivered through a highly skilled and versatile workforce.

The Recreation and Culture division is responsible for the delivery of all culture and recreation programs offered by the City and the day-to-day operation of all theatres and recreation buildings. This division provides the City's front-line contact with the citizens of Brampton in Culture, Recreation Facilities and Programs providing many activities that enhance the richness and quality of life for residents.

This section also contributes towards the information needs of the City's citizens through the provision of library services by the Brampton Public Library Board.

### (g) Planning and development services:

The Planning and Development Department responsibilities encompass planning, design and development approvals, management of building permit processes, long-range Brampton official plan and growth management. This department is also responsible for providing advice to City Council, the public, and the development/building industry with respect to a broad range of land use planning, development applications, urban design, public buildings and open space/facility development issues, development engineering, and transportation planning.



# THE CORPORATION OF THE CITY OF BRAMPTON

**DRAFT** Notes to Consolidated Financial Statements (continued)  
(Expressed in thousands of dollars)

Year ended December 31, 2020

## 17. Segmented information (continued):

Consolidated schedule of segment disclosure:

	2020						2019					
	General government	Protection to persons and property	Transportation services	Environmental services	Health, social and family services	Recreation and cultural services	Planning and development services	Total	Total	Total	Total	Total
<b>Revenue:</b>												
Property taxation and taxation from other governments	\$ 493,001	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 354	\$ 493,355	\$ 487,002	\$ 487,002	\$ 487,002	\$ 487,002
User charges	22,568	17,370	46,946	-	275	7,842	3,427	98,428	157,360	157,360	157,360	157,360
Government grants	30,432	8	46,432	1,864	102	711	189	79,738	21,141	21,141	21,141	21,141
Development levies earned and other restricted capital contributions	-	-	81,061	-	-	6,168	881	88,110	88,023	88,023	88,023	88,023
Investment income (including - reserves and reserve funds)	26,599	-	-	-	-	49	3	26,651	27,197	27,197	27,197	27,197
Penalties, fines and interest	1,808	11,257	-	-	-	280	-	13,345	29,245	29,245	29,245	29,245
Developer contributed tangible capital assets	-	-	72,790	-	-	-	-	72,790	114,149	114,149	114,149	114,149
Other	477	183	4,849	-	10	1,166	879	7,564	6,914	6,914	6,914	6,914
	574,885	28,818	252,078	1,864	387	16,216	5,733	879,981	931,031	931,031	931,031	931,031
<b>Expenses (income):</b>												
Salaries, wages and fringe benefits	88,547	106,277	152,897	2,012	1,421	64,540	13,130	428,824	437,459	437,459	437,459	437,459
Materials and supplies	20,948	3,122	41,646	881	218	10,667	1,877	79,359	86,819	86,819	86,819	86,819
Contracted services	34,716	4,039	38,559	7,699	382	24,803	7,915	118,113	127,664	127,664	127,664	127,664
Rents and financial expenses	13,760	81	2,708	-	4	408	48	17,009	18,219	18,219	18,219	18,219
Allocation of corporate expenses to segments	(75,681)	13,138	23,625	1,544	203	34,351	2,820	-	-	-	-	-
Government transfers	78	-	-	-	541	-	1,000	1,619	971	971	971	971
Amortization	12,326	6,607	79,937	16,978	508	33,736	2,055	152,147	147,691	147,691	147,691	147,691
Other	-	-	1	-	-	12	-	13	864	864	864	864
	94,694	133,264	339,373	29,114	3,277	168,517	28,845	797,084	819,687	819,687	819,687	819,687
<b>Annual surplus (deficit)</b>	\$ 480,191	\$ (104,446)	\$ (87,295)	\$ (27,250)	\$ (2,890)	\$ (152,301)	\$ (23,112)	\$ 82,897	\$ 111,344	\$ 111,344	\$ 111,344	\$ 111,344

# THE CORPORATION OF THE CITY OF BRAMPTON

**DRAFT** Notes to Consolidated Financial Statements (continued)  
(Expressed in thousands of dollars)

Year ended December 31, 2020

## 18. Contractual rights:

The City is involved in various contracts and agreements arising in the ordinary course of business. This results in contractual rights to economic resources, leading to both assets and revenue in the future.

Future revenue from incoming lease agreements for City-owned properties are approximately \$7,600 (2019 - \$7,300). The City also has a number of material Federal and Provincial funding agreements with estimated future funding of approximately \$179,161 (2019 - \$168,708).

The timing of these funding agreements is as follows:

2021	\$ 108,755
2022	34,454
2023	35,952
	<u>\$ 179,161</u>

## 19. Government transfers:

Transfers from other governments recognized in the current year:

	2020	2019
General government	\$ 30,432	\$ 607
Protection to persons and property	8	—
Transportation services	46,432	19,728
Environmental services	1,864	—
Health, social and family services	102	68
Recreation and cultural services	711	578
Planning and development services	189	160
Total funding	<u>\$ 79,738</u>	<u>\$ 21,141</u>

During the current year, the City received total funding of \$62,400 from the provincial government as part of the Safe Restart Agreement. The Safe Restart Agreement is a federal investment to help provinces and territories safely restart their economies. City recognized \$54,208 as government transfers reported for the current year, as per the funding allocation from the Province of Ontario. The remainder \$8,192 pertains to fiscal 2021 and has been reported in deferred revenue as at year-end December 31, 2020.

Financial Statements of

**THE CORPORATION OF  
THE CITY OF BRAMPTON  
TRUST FUNDS**

And Independent Auditors' Report thereon

Year ended December 31, 2020

## INDEPENDENT AUDITORS' REPORT

To the Members of Council, Inhabitants and Ratepayers of  
The Corporation of the City of Brampton

### ***Opinion***

We have audited the financial statements of the trust funds of The Corporation of the City of Brampton (the Entity), which comprise:

- the statement of financial position as at December 31, 2020
- the statement of financial activities and changes in fund balances for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the trust funds of the Entity as at December 31, 2020, and its results of operations and fund balances for the year then ended in accordance with Canadian public sector accounting standards.

### ***Basis for Opinion***

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the **"Auditors' Responsibilities for the Audit of the Financial Statements"** section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### ***Responsibilities of Management and Those Charged with Governance for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

### ***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

***DRAFT***

Chartered Professional Accountants, Licensed Public Accountants

Vaughan, Canada

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**DRAFT** Statement of Financial Position

December 31, 2020, with comparative information for 2019

See accompanying notes to financial statements.

**DRAFT** Statement of Financial Activities and Changes in Fund Balances

Year ended December 31, 2020, with comparative information for 2019

See accompanying notes to financial statements.



# THE CORPORATION OF THE CITY OF BRAMPTON TRUST FUNDS

## ***DRAFT*** Notes to Financial Statements

Year ended December 31, 2020

---

### **1. Significant accounting policies:**

The financial statements of The Corporation of the City of Brampton Trust Funds (the "Trust Funds") are prepared by management in accordance with generally accepted accounting principles for local governments as recommended by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada ("CPA Canada").

#### **(a) Basis of accounting:**

- (i) Receipts, other than interest and letters of credit receipts, are reported on receipt. Interest income and letters of credit receipts are recorded on the accrual basis of accounting.
- (ii) Returns of performance deposits are reported in the periods in which they are payable either directly by the Trust Funds or through the City funds. All other expenses are reported on the accrual basis of accounting.

The accrual basis of accounting recognizes expenses as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

- (iii) Investments, including any term deposits not available on demand, are reported at the lower of amortized cost and market value.

### **2. Due from the City:**

The amount due from the City is non-interest bearing with no fixed repayment terms.

# THE CORPORATION OF THE CITY OF BRAMPTON

## TRUST FUNDS

***DRAFT*** Notes to Financial Statements (continued)

Year ended December 31, 2020

---

### **3. Cemeteries Care and Maintenance Trust Funds:**

The City maintains several cemeteries, including the following which have Care and Maintenance Trust Funds which the City administers: Brampton, Page, Hilltop Gore, Shiloh, Alloo, Grahamsville, Zion, Mt. Olivet, St. John - Castlemore, St. John - Snelgrove, St. Mary - Tullamore and Eventide. Interest income attributable to each of the individual Trust Funds that is received during any particular year is transferred to the City Revenue Fund in that year to partially offset the maintenance cost for each cemetery to which the individual Trust Funds relate. The operations and investments of the fund are undertaken by the City in accordance with the regulation of the "Cemeteries Act (Revised)".

### **4. Developers' Performance Deposits Trust:**

The Developers' Performance Deposits Trust was established for the following purposes:

- (a) To hold performance deposits made by individual parties to the City as assurance that specific obligations agreed upon are fulfilled. Once fulfilled, the deposit held is returned to the respective party.
- (b) When a party develops a property in the City, generally a letter of credit is obtained from the party's bank, which provides a guarantee to the City that the contract will be completed as specified. Otherwise, the City is able to draw upon the letter of credit and to deposit the funds in the Trust to be later used to pay a third party to complete the contract.

### **5. Developer Front End Financing Trust Fund:**

The Front End Financing Trust Fund was established in 1993 to receive contributions from developers for studies and construction of services which not only benefit their particular development, but will also ultimately benefit other future development. The Front End Developers provide the initial financing in lieu of the City for the required studies and capital works and enter into agreements with the City to recover the costs associated with other benefiting landowners on a best effort basis.

# THE CORPORATION OF THE CITY OF BRAMPTON TRUST FUNDS

***DRAFT*** Notes to Financial Statements (continued)

Year ended December 31, 2020

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**6. Brampton Sports Hall of Fame:**

The Brampton Sports Hall of Fame (the "BSHF") is a non-profit organization that was founded to recognize and honour the history of sport in the City of Brampton and in particular those persons who have made outstanding contributions and achievements in the development of sport within the community. The BSHF will collect, preserve, research, exhibit and promote all those objects, images and histories which are determined to be significant to the development of sport in the City.

**7. Brampton Marketing Board, Greater Toronto Area and Greater Toronto Marketing Alliance Trust Funds:**

The Brampton Marketing Board (the "BMB"), the Greater Toronto Area (the "GTA") and the Greater Toronto Marketing Alliance (the "GTMA") Trust Funds were established to hold contributions made from the development and business community. The Trust Funds were formed as partnerships between the BMB, the GTA and the GTMA. Their mandate is to attain corporate and municipal sponsorship of marketing initiatives for the City, the GTA and the GTMA.

# The Corporation of The City of Brampton

Audit Findings Report  
for the year ended December 31, 2020

*KPMG LLP*

Licensed Public Accountants

March 26, 2021

[kpmg.ca/audit](http://kpmg.ca/audit)



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# KPMG contacts

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## Our refreshed Values

### What we believe



# How do we deliver audit quality?

Transparency report



**Quality** essentially means doing the right thing and remains our highest priority. Our **Global Quality Framework** outlines how we deliver quality and how every partner and staff member contributes to its delivery.

**‘Perform quality engagements’** sits at the core along with our commitment to continually monitor and remediate to fulfil on our quality drivers.

Our **quality value drivers** are the cornerstones to our approach underpinned by the **supporting drivers** and give clear direction to encourage the right behaviours in delivering audit quality.

We define **‘audit quality’** as being the outcome when:

- audits are **executed consistently**, in line with the requirements and intent of **applicable professional standards** within a strong **system of quality controls**; and
- all of our related activities are undertaken in an environment of the utmost level of **objectivity, independence, ethics, and integrity**.



**Doing the right thing. Always.**



# Executive summary

## Purpose of this report<sup>1</sup>

The purpose of this Audit Findings Report is to assist you, as a member of the Audit Committee, in your review of the results of our audit of the consolidated financial statements (the “financial statements”) of the Corporation of the City of Brampton (the “City”) as at and for the year ended December 31, 2020.

### What’s new in 2020

There have been significant changes in 2020 which impacted financial reporting and our audit:

- COVID-19 pandemic – See page 6
- New CAS auditing standards – See page 9

### Finalizing the audit

As of the date of this report, we have completed the audit of the financial statements, with the exception of certain remaining procedures, which include amongst others:

- Completion of audit quality control procedures;
- Signed Management Representation letter;
- Completing our discussions with the Audit Committee and Council;
- Obtaining evidence of the Council’s approval of the financial statements.

We will update the Audit Committee, and not solely the Chair, on significant matters, if any, arising from the completion of the audit, including the completion of the above procedures.

Our auditors’ report, a draft of which is attached to the draft financial statements, will be dated upon the completion of any remaining procedures.

### Change from Audit Planning Report

We updated our audit materiality calculation from what was reported to you in our Audit Planning Report. This update was based on actual total revenue for the year ended December 31, 2020 which came in higher than the estimated balances during planning stage. Final materiality used for the audit is \$20.18 million. (2019 - \$21.83 million). Audit Misstatement Posting Threshold for the audit is \$1,009,000 (2019 - \$1,092,000).

### Adjustments and differences

We did not identify differences that remain uncorrected.

We did not identify differences that were required to be corrected by management.

See page 13.

### Significant accounting policies and practices

There have been no initial selections of, or changes to, significant accounting policies and practices to bring to your attention.

<sup>1</sup> This Audit Findings Report is intended solely for the information and use of Management, the Audit Committee, and the Council and should not be used for any other purpose or any other party. KPMG shall have no responsibility or liability for loss or damages or claims, if any, to or by any third party as this Audit Findings Report has not been prepared for, and is not intended for, and should not be used by, any third party or for any other purpose.



# Executive summary (continued)

## Control deficiencies

We did not identify any control deficiencies that we determined to be significant deficiencies in internal control over financial reporting.

## Financial statement presentation and disclosure

The presentation and disclosure of the financial statements are, in all material respects, in accordance with the City's relevant financial reporting framework of Public Sector Accounting Standards (PSAS).

## Independence

We confirm our independence to the City. We confirm that we are independent of the City in accordance with ethical requirements that are relevant to our audit of the financial statements.

# What's new in 2020

## COVID-19 pandemic

We incorporated revisions to our audit plan arising from the impacts of the COVID-19 pandemic. We adapted our audit to respond to the continued changes in your business, including the impacts on financial reporting and internal control over financial reporting.

Area of Impact	Key Observations
<b>Company's financial reporting impacts</b>	<ul style="list-style-type: none"> <li>— We considered impacts to financial reporting due to COVID 19 pandemic and the increased disclosures needed in the financial statements as a result of the significant judgements.</li> <li>— In areas of the financial statements where estimates involved significant judgements, we evaluated whether the method, assumptions and data used by management to derive the accounting estimates, and their related financial statement disclosures were still appropriate per the relevant financial reporting framework given the changed economic conditions and increased estimation uncertainty.</li> <li>— The areas of the financial statements most affected included:               <ul style="list-style-type: none"> <li>○ Government transfers (i.e., the Safe Restart Agreement) – See page 11 under Audit Risk and Results</li> <li>○ Impairment of Tangible Capital Assets – No triggers for impairment were identified; assets continue to provide economic benefit to the City.</li> <li>○ Disclosures – Management's disclosures were reviewed in the context of the pandemic and determined to be adequately described. The City has included disclosure on the impact of the COVID-19 pandemic as relevant in the notes to the financial statements.</li> </ul> </li> </ul>
<b>Company's internal control over financial reporting</b>	<ul style="list-style-type: none"> <li>— Along with the City's remote working environment, the financial reporting impacts above necessitated certain changes to the City's internal control over financial reporting.</li> <li>— As a result of the changes to internal control over financial reporting due to the COVID-19 pandemic, we:               <ul style="list-style-type: none"> <li>○ Evaluated the design of the new relevant controls implemented in the control environment, the entity's risk assessment process, information and communication, and monitoring components of internal control over financial reporting.</li> <li>○ We found that changes to internal controls due to the COVID-19 pandemic were not significant. This included the change from manual to digital approval for review and approval of different processes and transactions. We were able to review approvals and authorizations completed in a digital manner using digital authentication tools.</li> </ul> </li> </ul>

## COVID-19 pandemic

We incorporated revisions to our audit plan arising from the impacts of the COVID-19 pandemic. We adapted our audit to respond to the continued changes in your business, including the impacts on financial reporting and internal control over financial reporting.

Area of Impact	Key Observations
<b>Materiality</b>	<ul style="list-style-type: none"><li>— We considered impacts to financial reporting on both the determination and the re-assessment of materiality for the audit of the financial statements.</li><li>— Materiality has been increased from the amount calculated at planning stage as a result of actual results being higher than budget and expectation. Planning materiality was set at a lower amount to be conservative and to address uncertainty related to expected total revenue due to the pandemic. We updated our audit response to the risks of material misstatement as a result of this change.</li><li>— Final Materiality of \$20.18 million was used compared to the planning materiality of \$16.47 million communicated in our Audit Planning Report.</li></ul>
<b>Risk Assessment</b>	<ul style="list-style-type: none"><li>— We performed a more thorough risk assessment specifically targeted at the impacts of the COVID 19 pandemic, including an assessment of fraud risk factors (i.e., conditions or events that may be indicative of an incentive/pressure to commit fraud, opportunities to commit fraud, rationalizations of committing fraud).</li><li>— We did not identify additional risks of material misstatement as a result of impacts of the COVID-19 pandemic to financial reporting.</li></ul>
<b>Working remotely</b>	<ul style="list-style-type: none"><li>— We used virtual work rooms, video conferencing, and internally shared team sites to collaborate in real-time, both amongst the audit team as well as with management.</li><li>— We used secure and innovative technologies to conduct walkthroughs and perform tests of controls.</li><li>— We increased our professional skepticism when evaluating electronic evidence received and performed additional procedures to validate the authenticity and reliability of electronic information used as audit evidence.</li></ul>
<b>Direction and Supervision of the audit</b>	<ul style="list-style-type: none"><li>— The manager and partner were actively involved in determining the impact that the COVID-19 pandemic had on the audit (as discussed above), including the impact on the City's financial reporting and changes in the City's control environment.</li><li>— Manager and partner implemented new supervision processes to deal with working in a remote environment, and our audit approach allowed us to manage the audit using meaningful milestones and frequent touch points.</li></ul>

## COVID-19 pandemic

We incorporated revisions to our audit plan arising from the impacts of the COVID-19 pandemic. We adapted our audit to respond to the continued changes in your business, including the impacts on financial reporting and internal control over financial reporting.

### Area of Impact

### Key Observations

#### Substantive Testing - Response

- As a result of the significant changes to the entity's business during the year and the difficulties to use prior period trends to predict current period results, we changed our approach for the audit of Payroll costs from performing substantive analytical procedure to performing substantive test of details.

## New auditing standards

The following new auditing standards that are effective for the current year had an impact on our audit.

Standard	Key observations
<b>CAS 540, Auditing Accounting Estimates and Related Disclosures</b>	<ul style="list-style-type: none"><li>— The new standard was applied on all estimates within the financial statements that had a risk of material misstatement due to estimation uncertainty and not just “key estimates”, “critical accounting estimates”, or “estimates with significant risk”.</li><li>— The granularity and complexity of the new standard along with our interpretation of the application of that standard necessitated more planning and discussion and increased involvement of more senior members of the engagement team.</li><li>— We performed more granular risk assessments based on the elements making up <u>each</u> accounting estimate such as the method, the assumptions used, the data used and the application of the method.</li><li>— We considered the potential for management bias.</li><li>— We assessed the degree of uncertainty, complexity, and subjectivity involved in making each accounting estimate to determine the level of audit response; the higher the level of response, the more persuasive the audit evidence was needed.</li><li>— Based on our audit procedures performed we concluded that management’s estimates and judgements were reasonable.</li></ul>

# Audit risks and results

Employee Benefits	New or changed?	Estimate?
<p>During the current year, the City engaged an external actuarial consultant, (the “Actuary”) to undertake a valuation of the City’s non-pension retirement benefits and accumulated sick leave liability as at December 31, 2019. A valuation update was performed to determine the liability as reported in the City’s 2020 financial statements. The employee benefit liabilities as at December 31, 2020 are outlined in Note 8 to the financial statements.</p> <p>A discount rate of 3.5% (2019 – 4%) was used for the determination of the liability.</p>	<p>Same as prior year, new valuation was completed during the current year.</p>	<p>Yes, there is estimation uncertainty due to assumptions used by the actuary to calculate the liability for the Employee Benefits.</p>
Our response		
<ul style="list-style-type: none"> <li>– We performed attribute testing over the participant data supplied by management to the Actuary to ensure the completeness and accuracy of this data.</li> <li>– We obtained the actuarial valuation report and audited the data, method and assumptions applied in the valuation and performed trend analysis on the liability.</li> <li>– We evaluated the discount rate in comparison with rates issued by the Canadian Institute of Actuaries (“CIA”) and KPMG LLP.</li> <li>– We assessed the qualifications, competence and objectivity of the actuary as required by the Canadian auditing standards.</li> <li>– We assessed the disclosures in the financial statements against the requirements of the public sector accounting standards.</li> </ul>		
Significant findings		
<ul style="list-style-type: none"> <li>– We did not note any issues in attribute testing of participant data that was used by the Actuary to develop this estimate.</li> <li>– Based on our review of the memo prepared by the Actuary, we noted that method applied for the estimate is acceptable per CIA and PSAB 3250 <i>Retirement Benefits</i>.</li> <li>– We assessed the key assumptions used by the Actuary in light of the City’s financial results. We noted that the significant assumptions stayed consistent compared to the previous valuation report. We also performed a sideways glance to compare the assumptions used by the Actuary for the City with other Ontario municipalities and did not note any significant differences.</li> <li>– We noted that the discount rate used by the Actuary is a key assumption. We evaluated the discount rate used by the actuary against the discount rate curve issued by different reliable sources including CIA, FIERA and KPMG LLP. Based on this evaluation, we concluded that the discount rate used is reasonable.</li> <li>– The disclosures included in the financial statements are in accordance with the requirements of the public sector accounting standards.</li> <li>– Based on the audit work performed, we did not note any issues related to the calculation of the City’s non-pension retirement benefits and accumulated sick leave liability as at December 31, 2020.</li> </ul>		

# Audit risks and results

Revenues	New or changed?	Estimate?
City recognizes revenue from the different streams including property taxation, taxation from other governments, user charges, government grants, development levies earned on restricted capital contributions, investment income, interest earned on reserves, penalties, fines and interest, developer contributed tangible capital assets and other. Management follows the revenue recognition policies reported in the financial statements note 1 to recognize revenue in accordance with PSAS.	Same as prior year	No significant estimates noted.

## Our response

- To address the risk of fraudulent revenue recognition reported in the audit planning report, we evaluated the design and implementation of selected relevant controls.
- We tested journal entries that met specific criteria designed as part of our audit plan.
- We performed journal entry testing focussed on manual journal entries for revenue and deferred revenue transactions. This criterion is based on areas and accounts that are susceptible to manipulation through management override due to their manual nature.
- We used computer assisted audit techniques to identify any unusual journal entries.
- As part of our audit approach to address the inherent risk of error in revenue recognition, KPMG substantively tested revenues (both recognized and amounts held as deferred at year end) via samples.
- We obtained and reviewed the continuity for deferred revenue prepared by management. We also recalculated management's calculation of deferred revenue – obligatory reserve funds as at year-end.
- We selected a sample of the increases (cash receipts) and decreases (revenue recognition) for deferred revenue during the current year to ensure appropriate revenue recognition
- We obtained and vouched to the funding agreements from the federal government for the amounts received as part of the Safe Restart Program.

## Significant findings

- We noted that the City received funding as part of the Safe Restart Program from federal government in the amount of \$62,400,201 for 2020 and \$8,192,000 for 2021. The amount for 2020 was appropriately recognized as revenue and the amount for 2021 was appropriately reported as a deferred revenue as at year end.
- Based on the audit work performed, we did not note any issues related to revenue recognized and related disclosures for the City.

# Audit risks and results

Contingent liabilities	New or changed?	Estimate?
<p>PSAS 3300 <i>Contingent Liabilities</i> requires that the City recognize a liability when “it is likely that a future event will confirm that a liability has been incurred at the date of the financial statements; and the amount can be reasonably estimated.”</p> <p>At any point in time, the City is subject to a number of matters which could potentially result in the determination of a contingent liability as defined above, including, but not limited to matters such as legal claims, etc.</p> <p>The City has disclosed the self insurance and legal liability in note 8 of the financial statements.</p>	Same as prior year	<p>Estimation uncertainty exists related to the likelihood and measurement of contingent liability.</p> <p>However, this estimation uncertainty does not result in a risk of material misstatement.</p>
Our response		
<ul style="list-style-type: none"> <li>– We held discussions with the Risk and Insurance division of the City to understand the process employed to determine the estimates for the liabilities related to self insurance and legal matters.</li> <li>– We obtained an understanding of the methodologies applied to compute the estimate, data involved, and assumptions applied.</li> <li>– We obtained and evaluated the City’s assessments and claims listing that are used to develop and record these estimated liabilities.</li> <li>– We obtained a legal confirmation from the internal legal counsel and evaluated the assessments made by internal legal counsel on the pending legal matters in terms of determination of likelihood and measurability.</li> </ul>		
Significant findings		
<ul style="list-style-type: none"> <li>– Based on the audit work performed, we are satisfied that the method, data, and assumptions used by the City’s Risk and Insurance division are reasonable and consistent with the industry norms. The approach is also consistent with prior years.</li> <li>– As these items are resolved, it is possible that the final amounts recorded for these liabilities may change, however the amounts currently recorded represent management’s best estimates of exposure given the information presently available.</li> <li>– Based on the work performed, the contingent liabilities reported by the City are reasonable.</li> </ul>		



# Uncorrected differences and corrected adjustments

Differences and adjustments include disclosure and presentation differences and adjustments.

Professional standards require that we request of management and the Audit Committee and Council that all identified differences be corrected.

## Uncorrected differences

We did not identify differences that remain uncorrected.

## Corrected adjustments

We did not identify any adjustments that were communicated to management and subsequently corrected in the financial statements.

# Appendices

## Content

**Appendix 1: Other Required communications**

**Appendix 2: Current Developments**

**Appendix 3: Technology in the Audit**

**Appendix 4: Audit and Assurance Insights**



# Appendix 1: Other Required Communications

Report	Engagement terms
The conclusion of our audit is set out in our draft auditors' report attached to the draft financial statements.	The objectives of the audit, our responsibilities in carrying out our audit, as well as management's responsibilities, are set out in the engagement letter dated October 30, 2020 as provided by management.
Report to the Audit Committee and Council	Representations of management
This report.	We will obtain from management certain representations at the completion of the audit.
Audit Quality in Canada	Control deficiencies
<p>The reports available through the following links were published by the Canadian Public Accountability Board to inform Audit Committee, Council, and other stakeholders about the results of quality inspections conducted over the past year:</p> <ul style="list-style-type: none"><li>• <a href="#">CPAB Audit Quality Insights Report: 2020 Interim Inspection Results</a></li><li>• <a href="#">CPAB Audit Quality Insights Report: 2019 Annual Inspections Results</a></li></ul> <p>Visit our <a href="#">Audit Quality Resources page</a> for more information including access to our <a href="#">Transparency report</a></p>	None noted.

# Appendix 2: Current Developments

## Public Sector Accounting Standards

Standard	Summary and implications
Impact of COVID-19	<ul style="list-style-type: none"> <li>– In response to the impact of COVID-19 on public sector entities, PSAB has approved deferral of all upcoming accounting standards by one year and will issue non-authoritative guidance on the effects of COVID-19. The dates noted below reflect the new revised dates.</li> </ul>
Asset Retirement Obligations	<ul style="list-style-type: none"> <li>– The new standard is effective for fiscal years beginning on or after April 1, 2022. The effective date was deferred by one year due to COVID-19. This would be applicable to the City's fiscal year starting on January 1, 2023.</li> <li>– The new standard addresses the recognition, measurement, presentation and disclosure of legal obligations associated with retirement of tangible capital assets in productive use. Retirement costs will be recognized as an integral cost of owning and operating tangible capital assets. PSAB currently contains no specific guidance in this area.</li> <li>– The ARO standard will require the public sector entity to record a liability related to future costs of any legal obligations to be incurred upon retirement of any controlled tangible capital assets ("TCA"). The amount of the initial liability will be added to the historical cost of the asset and amortized over its useful life.</li> <li>– As a result of the new standard, the public sector entity will have to:               <ul style="list-style-type: none"> <li>• Consider how the additional liability will impact net debt, as a new liability will be recognized with no corresponding increase in a financial asset;</li> <li>• Carefully review legal agreements, senior government directives and legislation in relation to all controlled TCA to determine if any legal obligations exist with respect to asset retirements;</li> <li>• Begin considering the potential effects on the organization as soon as possible to coordinate with resources outside the finance department to identify AROs and obtain information to estimate the value of potential AROs to avoid unexpected issues.</li> </ul> </li> </ul>
Revenue	<ul style="list-style-type: none"> <li>– The new standard is effective for fiscal years beginning on or after April 1, 2023. The effective date was deferred by one year due to COVID-19. This would be applicable to the City's fiscal year starting on January 1, 2024.</li> <li>– The new standard establishes a single framework to categorize revenues to enhance the consistency of revenue recognition and its measurement.</li> <li>– The standard notes that in the case of revenues arising from an exchange transaction, a public sector entity must ensure the recognition of revenue aligns with the satisfaction of related performance obligations.</li> <li>– The standard notes that unilateral revenues arise when no performance obligations are present, and recognition occurs when there is authority to record the revenue and an event has happened that gives the public sector entity the right to the revenue.</li> </ul>

Standard	Summary and implications
Financial Instruments and Foreign Currency Translation	<ul style="list-style-type: none"> <li>– The accounting standards, PS3450 <i>Financial Instruments</i>, PS2601 <i>Foreign Currency Translation</i>, PS1201 <i>Financial Statement Presentation</i> and PS3041 <i>Portfolio Investments</i> are effective for fiscal years commencing on or after April 1, 2022. The effective date was deferred by one year due to COVID-19. This would be applicable to the City's fiscal year starting on January 1, 2023.</li> <li>– Equity instruments quoted in an active market and free-standing derivatives are to be carried at fair value. All other financial instruments, including bonds, can be carried at cost or fair value depending on the public sector entity's choice and this choice must be made on initial recognition of the financial instrument and is irrevocable.</li> <li>– Hedge accounting is not permitted.</li> <li>– A new statement, the Statement of Remeasurement Gains and Losses, will be included in the financial statements. Unrealized gains and losses incurred on fair value accounted financial instruments will be presented in this statement. Realized gains and losses will continue to be presented in the statement of operations.</li> <li>– In July 2020, PSAB approved federal government narrow-scope amendments to PS3450 <i>Financial Instruments</i> which will be included in the Handbook in the fall of 2020. Based on stakeholder feedback, PSAB is considering other narrow-scope amendments related to the presentation and foreign currency requirements in PS3450 <i>Financial Instruments</i>. The exposure drafts were released in summer 2020 with a 90-day comment period.</li> </ul>
Employee Future Benefit Obligations	<ul style="list-style-type: none"> <li>– PSAB has initiated a review of sections PS3250 <i>Retirement Benefits</i> and PS3255 <i>Post-Employment Benefits, Compensated Absences and Termination Benefits</i>. In July 2020, PSAB approved a revised project plan.</li> <li>– PSAB intends to use principles from International Public Sector Accounting Standard 39 <i>Employee Benefits</i> as a starting point to develop the Canadian standard.</li> <li>– Given the complexity of issues involved and potential implications of any changes that may arise from the review of the existing guidance, PSAB will implement a multi-release strategy for the new standards. The first standard will provide foundational guidance. Subsequent standards will provide additional guidance on current and emerging issues.</li> </ul>

Standard	Summary and implications
Public Private Partnerships (“P3”)	<ul style="list-style-type: none"> <li>PSAB has proposed new requirements for the recognition, measurement and classification of infrastructure procured through a public private partnership. PSAB in the process of reviewing feedback provided by stakeholders on the exposure draft.</li> <li>The exposure draft proposes that recognition of infrastructure by the public sector entity would occur when it controls the purpose and use of the infrastructure, when it controls access and the price, if any, charged for use, and it controls any significant interest accumulated in the infrastructure when the P3 ends.</li> <li>The exposure draft proposes that the public sector entity recognize a liability when it needs to pay cash or non-cash consideration to the private sector partner for the infrastructure.</li> <li>The infrastructure would be valued at cost, which represents fair value at the date of recognition with a liability of the same amount if one exists. Cost would be measured in reference to the public private partnership process and agreement, or by discounting the expected cash flows by a discount rate that reflects the time value of money and risks specific to the project.</li> <li>The final standard was approved in December 2020 with an issuance date of April 1, 2021 and an effective date of April 1, 2023 or the City’s year ending December 31, 2024.</li> </ul>
Concepts Underlying Financial Performance	<ul style="list-style-type: none"> <li>PSAB is in the process of reviewing the conceptual framework that provides the core concepts and objectives underlying Canadian public sector accounting standards.</li> <li>PSAB has released four exposure drafts for the proposed conceptual framework and proposed revised reporting model, and their related consequential amendments. Comments on the exposure drafts are due in May 2021.</li> <li>PSAB is proposing a revised, ten-chapter conceptual framework intended to replace PS 1000 <i>Financial Statement Concepts</i> and PS 1100 <i>Financial Statement Objectives</i>. The revised conceptual framework would be defined and elaborate on the characteristics of public sector entities and their financial reporting objectives. Additional information would be provided about financial statement objectives, qualitative characteristics and elements. General recognition and measurement criteria, and presentation concepts would be introduced.</li> <li>In addition, PSAB is proposing: <ul style="list-style-type: none"> <li>Relocation of the net debt indicator to its own statement and the statement of net financial assets/liabilities, with the calculation of net debt refined to ensure its original meaning is retained.</li> <li>Separating liabilities into financial liabilities and non-financial liabilities.</li> <li>Restructuring the statement of financial position to present non-financial assets before liabilities.</li> <li>Changes to common terminology used in the financial statements, including re-naming accumulated surplus (deficit) to net assets (liabilities).</li> <li>Removal of the statement of remeasurement gains (losses) with the information instead included on a new statement called the statement of changes in net assets (liabilities). This new statement would present the changes in each component of net assets (liabilities), including a new component called “accumulated other”.</li> <li>A new provision whereby an entity can use an amended budget in certain circumstances.</li> <li>Inclusion of disclosures related to risks and uncertainties that could affect the entity’s financial position.</li> </ul> </li> </ul>



Standard	Summary and implications
International Strategy	<ul style="list-style-type: none"> <li>– PSAB has reviewed all proposed options for its international strategy, and in accordance with its due process, approved the option to adapt International Public Sector Accounting Standards when developing future standards. PSAB noted that the decision will apply to all projects beginning on or after April 1, 2021.</li> <li>– An exposure draft to modify the GAAP hierarchy was issued and public comments were accepted up to February 15, 2021.</li> </ul>
Purchased Intangibles	<ul style="list-style-type: none"> <li>– In October 2019, PSAB approved a proposal to allow public sector entities to recognize intangibles purchased through an exchange transaction. Practitioners are expected to use the definition of an asset, the general recognition criteria and the GAAP hierarchy to account for purchased intangibles.</li> <li>– PSAB has approved Public Sector Guideline 8 which allows recognition of intangibles purchased through an exchange transaction. Narrow-scope amendments were made to Section PS 1000 Financial statement concepts to remove prohibition on recognition of intangibles purchased through exchange transactions and PS 1201 Financial statement presentation to remove the requirement to disclose that purchased intangibles are not recognized.</li> <li>– The effective date is April 1, 2023 (City's year ending December 31, 2024) with early adoption permitted. Application may be retroactive or prospective.</li> </ul>

# Appendix 3: Technology in the audit

We have utilized technology to enhance the quality and effectiveness of the audit as noted below.



## Areas of the audit where Technology and D&A routines were used

Tool	Our results and insights
<b>KPMG Clara Client Collaboration</b>	We have a new tool available for requesting and receiving all the audit requests. This tool is web-based and would allow the finance team to upload responses to our specific requests via link on the web portal. This technology is currently being used for a number of our other clients with great success and improvement in the amount of time spent dealing with audit requests. KPMG used this tool for the audit of the City and its components for the current year. We have received positive feedback from management on their use of the site for the current year and have also gathered feedback on how to make this tool better suited for use for the City's audit next year.
<b>KPMG Clara Advanced Capabilities</b>	KPMG will be working with the City to obtain data in a way that can be used for our new and advanced Clara audit tool. We held discussions with the Finance team this year and will be working with the City over the next few months to set things up over the future years.
<b>Journal Entry Analysis</b>	We utilized Computer Assisted Audit Techniques ("CAATs") to analyze journal entries and apply certain criteria to identify potential high-risk journal entries for further testing.
<b>Data &amp; Analytics Routines</b>	We utilized computer assisted audit techniques to perform testing on amortization expense recorded for the fiscal year based on each individual asset in the asset sub-ledger. This consists of recalculating the expected amortization expense for each asset based on its useful life and number of days in use during the year, and comparing to the total amortization expense recorded in the G/L.
<b>Data Extraction &amp; Analytics Tools</b>	We utilized data and analytics in the audit to evaluate the completeness of the journal entry population through a roll-forward of selected accounts including cash, accounts receivable, tangible capital assets, and revenue and reserve GL accounts. This consists of a summation of all automated and manual journal entries posted in the selected GL accounts during the fiscal year and comparison of the calculated final balances to the account balances as at and for the year ended December 31, 2020 as reported by management.



# Appendix 4: Audit and Assurance Insights

Our latest thinking on the issues that matter most to audit committees, Boards and Management.

Featured insight	Summary	Reference
<b>Audit &amp; Assurance Insights</b>	Curated thought leadership, research and insights from subject matter experts across KPMG in Canada.	<a href="#"><u>Learn more</u></a>
<b>The business implications of coronavirus (COVID 19)</b>	Resources to help you understand your exposure to COVID-19, and more importantly, position your business to be resilient in the face of this and the next global threat.	<a href="#"><u>Learn more</u></a>
	Financial reporting and audit considerations: The impact of COVID-19 on financial reporting and audit processes.	<a href="#"><u>Learn more</u></a>
	KPMG Global IFRS Institute - COVID-19 financial reporting resource center.	<a href="#"><u>Learn more</u></a>
<b>Accelerate 2020</b>	Perspective on the key issues driving the audit committee agenda.	<a href="#"><u>Learn more</u></a>
<b>Momentum</b>	A quarterly Canadian newsletter which provides a snapshot of KPMG's latest thought leadership, audit and assurance insights and information on upcoming and past audit events – keeping management and board members abreast on current issues and emerging challenges within audit.	<a href="#"><u>Sign-up now</u></a>
<b>PSAB resources</b>	KPMG resources for the new developments and trends in the public sector.	<a href="#"><u>Learn more</u></a>
<b>Current Developments</b>	Series of quarterly publications for Canadian businesses including Spotlight on IFRS, Canadian Securities & Auditing Matters and US.	<a href="#"><u>Learn more</u></a>
<b>Board Leadership Centre</b>	Leading insights to help board members maximize boardroom opportunities.	<a href="#"><u>Learn more</u></a>



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KPMG member firms around the world have 227,000 professionals, in 146 countries.



## Schedule A

### The Corporation of the City of Brampton 2020 Municipal Surplus Reconciliation, Tax Levy purposes vs Consolidated Financial Statements ('000)

	2020	2019
<b>Surplus per CityWide Operating Summary, December 31 ( for tax levy purposes)</b>	<b>\$ -</b>	<b>\$ -</b>
<b>Add:</b> Net interfund transfer eliminated in consolidation	86,748	74,381
<b>Add:</b> Grants/subsidies and other revenue received directly by Capital projects	27,430	22,232
<b>Add:</b> Interest earned on reserves and reserve funds not included in the City's operating budget for tax levy purposes	22,866	21,133
<b>Add:</b> Obligatory reserve fund revenues recognized during the year for project funding	88,110	88,023
<b>Add:</b> Developers contributed assets recognized as municipal equity	72,790	114,149
<b>Less:</b> PSAB adjustments re employee post retirement benefits and other legal liabilities	7,558	9,361
<b>Less:</b> Expenses charged to Capital projects are reclassified as operating in nature	54,538	52,547
<b>Less:</b> Amortization expense	152,148	147,691
<b>Less:</b> Net cost of tangible capital assets disposed	13	865
Total municipal surplus before consolidation	83,687	109,454
Consolidated entities surplus ( net of consolidated eliminations, including the Library, BIA etc.):	(790)	1,890
<b>Total annual surplus per Consolidated Statement of Operations , December 31</b>	<b>\$ 82,897</b>	<b>\$ 111,344</b>

**Date:** 2021-04-28

**Subject:** Analysis of Adopting an Auditor General Model

**Contact:** Maciej Jurczyk, Sr. Manager, Business Improvement & Innovation ([maciej.jurczyk@brampton.ca](mailto:maciej.jurczyk@brampton.ca))

**Report Number:** CAO's Office-2021-321

**Recommendations:**

That the report titled: “**Analysis of Adopting an Auditor General Model**” to the Committee of Council on April 28, 2021, be received.

**Overview:**

- **The purpose of this report is to address Resolution C028-2021 from the Council meeting on January 27, 2021 related to an Auditor General:**
  - “That the City of Brampton Council request staff to investigate the formation of a City of Brampton’s Office of the Municipal Ombudsman and Auditor General, reporting directly to Council”; and
  - “That staff report back to Council on the policies, governance, reporting structure, budget, and independence of the Municipal Ombudsman and Auditor General, including a comparison with other similar municipalities, and the various options for provision of the Ombudsman service, for Council’s consideration.”
- **Report #2021-463 from Legislative Services addresses the portion of Council’s motion related to a Municipal Ombudsman.**
- **On Dec 13, 2017, Council previously received a report titled: “Analysis of Establishing a Permanent and Independent Auditor General”. Council adopted motion #C388-2017:**
  - That the report from CAO and Commissioner of Corporate Services dated November 5, 2017 to the Audit Committee meeting of November 20, 2017, re: Analysis of Establishing a Permanent and Independent Auditor General, be received;
  - “That the current audit structure be maintained given the increased independence, transparency and collaboration.”

**Background:**

On January 27, 2021 Council requested staff to prepare a report to “*investigate the formation of a City of Brampton’s Office of the Municipal Ombudsman and Auditor General, reporting directly to Council*” and “*that staff report back to Council on the policies, governance, reporting structure, budget, and independence of the Municipal Ombudsman and Auditor General, including a comparison with other similar municipalities, and the various options for provision of the Ombudsman service, for Council’s consideration*”. The purpose of this report is to analyze and report back to Council regarding an Auditor General model for Brampton. A separate report from Legislative Services addresses the portion of Council’s motion related to a Municipal Ombudsman.

The City of Brampton has employed an Internal Audit function since 1987 that reports administratively to the Chief Administrative Officer (CAO) and all audit reports (open and in camera) will be presented to the Audit Committee for their review quarterly. This function’s objective is to provide “independent, objective assurance, and consulting services designed to add value to and improve the City of Brampton’s operations.” The Internal Audit Charter and Audit Committee Terms of Reference were most recently reviewed and approved by the Audit Committee on [September 8, 2020](#) and approved by Council on [Sept 16, 2020](#).

The formation of an Auditor General within Brampton was previously considered by Council in [2017](#) with the following motion under-taken: “*That the current audit structure be maintained given the increased independence, transparency and collaboration*”. Previously to this in December 2014, through Resolution C327-2014, Council appointed Mr. Jim McCarter, as an Interim Auditor-General, for the purpose of reviewing the City’s fiscal state.

**Current Situation:**

Staff has undertaken the following research in preparing this report:

- Reviewing the Municipal Act, section [223](#) titled: “Accountability & Transparency”;
- Review of the [Ontario Ombudsman’s Report](#), dated March 6, 2017;
- Review of Internal Audit functions and Auditor General models in other Ontario municipalities.

The following facts were ascertained from research into the Municipal Act:

- All municipalities are required to receive an external audit of their financial statements (see section [296](#));
- A specific internal audit model is not prescribed in the legislation;
- Municipalities are permitted to appoint an independent Auditor General (see section [223.19](#)).

The following facts were ascertained from research of other Ontario municipalities:

- Two municipalities have an office of the Auditor General (City of Ottawa and City of Sudbury);

- City of Toronto has both an internal audit function and an Auditor General. Legislatively through the City of Toronto Act, Section 177; Toronto is required to have the Auditor General.
- City of Hamilton has a hybrid model whereby the Director of Internal Audit is also the Auditor General.
- City of Markham and City of Windsor have an outsourced model whereby third-party consultants (MNP LLP & PWC, respectively) perform their Auditor General services.

As of 2021, the following municipalities have internal audit functions:

City of Mississauga	City of Kitchener	City of Toronto	Region of Halton
City of Vaughan	City of Thunder Bay	City of Hamilton	Region of Peel
City of Barrie	City of Guelph	City of Pickering	Region of York
City of Oakville	City of London (outsourced)	City of Oshawa (outsourced)	Region of Durham
City of Burlington	City of Windsor (outsourced)	Region of Waterloo	Region of Niagara (outsourced)

The following information about Ontario Auditor Generals was identified for comparative purposes:

City Name	Single/Lower/ Upper Tier	2020 Total Budget	2020 Total Budget as % of operating budget	2020 Labour	2019 vs. 2020 YOY change	Total FTE	# of completed audits in 2020	Reports to	Other responsibilities
City of Toronto	Single	\$6,700,800	0.050%	\$6,184,300	0.9%	32	7 (normally 13-14; lower in 2020 due to pandemic)	Council	'Fraud & Waste Hotline'
City of Greater Sudbury	Single	\$394,713	0.064%	\$351,455	3.1%	2	3	Council	'Wrongdoing Hotline'
City of Ottawa	Single	\$2,096,000	0.056%	\$1,402,000	6.2%	9	5	Council	'Fraud & Waste Hotline'
City of Hamilton	Single	\$1,138,750	0.062%	N/A	0.8%	7	10	City Manager and Audit Committee	'Fraud, Waste, and Whistleblower Hotline'
City of Markham	Lower	\$152,640	0.063%	0	0.0%	0	1	General Committee	
City of Windsor	Single	\$300,000	0.035%	0	0.0%	0	2	Council & Corporate Services Cmte	
City of Brampton (for comparison only)	Lower	\$1,223,000	0.162%	1,067,142	9.1%	8	13	CAO & Audit Committee	Corporate Fraud Hotline

Other Canadian municipalities that have an Auditor General include: Halifax, Montreal and Vancouver most recently as of [Nov 4, 2020](#) (in this case, Vancouver's Council opted to retain their Internal Audit staff of five to compliment the work of the new Auditor General). Other Canadian municipalities that have an internal audit function include: Calgary, Edmonton, Saskatoon, Winnipeg and Moncton.

Other transparency and accountability mechanisms currently in place at the City of Brampton include the:

- External Auditor (currently KPMG LLP) who performs an annual audit of the City's financial statement, which is required under the Municipal Act.
- City's Integrity Commissioner who investigate complaints relating to compliance by any member of the City of Brampton Council with respect to their alleged unethical behaviour, or violations of the Code of Conduct, in accordance with the City of Brampton By-Law 200-2014.

- Provincial Ombudsman whose role promotes fairness, accountability and transparency in the public sector by investigating public complaints and systemic issues within their jurisdiction.

### **Analysis – Policy:**

From a policy perspective, a City by-law is recommended to establish an Auditor General model; this by-law should outline the following:

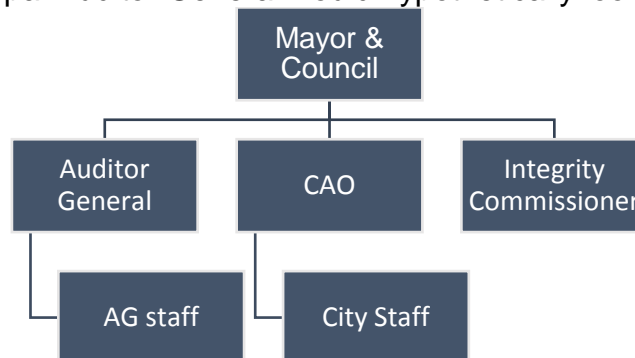
- Reporting & independence
- Powers and duties
- Mandate (i.e. whether the City's boards and agencies are included within the Auditor General's mandate such as Brampton Public Library);

### **Analysis – Governance & Reporting Structure:**

The governance over an Auditor General is enshrined in the Municipal Act (see 239.19-1.1):

“The Auditor General shall perform his or her responsibilities under this Part in an independent manner.”

Auditor Generals at the municipal level typically report directly to Council and have a mandate to set their own work plan. This freedom allows the Auditor General to review any business process or program under the City's mandate at their own discretion, completely independent from the City's management and staff. Council may also request from time to time, that their Auditor General perform specific reviews or audits serving the public interest of the City. For illustrative purposes, the reporting structure of a municipal Auditor General would hypothetically look as follows:

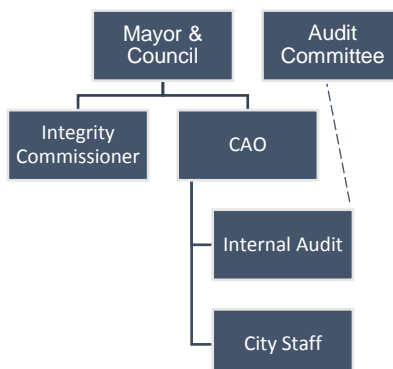


Council would have the sole authority to hire or terminate the Auditor General which should be documented in the Auditor General's by-law. Council would also have the authority to set the appropriate annual operating and capital budget. Staff reporting to the Auditor General would be hired or terminated solely by the Auditor General.

In contrast, Internal Audit teams typically report functionally to the City's Audit Committee and administratively to the CAO, Commissioner of Corporate Services or Director of Finance. The independence of an Internal Audit function is defined in the



Internal Audit Charter which is approved by Audit Committee. The typical internal audit reporting structure appears as follows:



Governance options:

1. Status quo – retaining existing Internal Audit function
2. Adding an Auditor General model without Internal Audit (same as cities of Ottawa and Greater Sudbury)
3. Adding Auditor General on a full-time basis reporting directly to Council to compliment the Internal Audit function (same as Toronto, Vancouver)
4. Adding Auditor General on a contract/part-time (as needed basis) consistent with Council's requirements (same as cities of Markham, Windsor).
5. Hybrid model whereby the Director of Internal Audit is appointed by Council as the Auditor General with additional powers (same as Hamilton)

### **Analysis – Auditor General Budget:**

The operating and capital budget of an Auditor General is set annually by the Council through the standard corporate budget process. The size of the budget effectively drives the number of audit projects able to be completed per year. Cities like Markham, Windsor and Sudbury have allocated modest budgets and therefore receive only 1-3 audit reports annually. Toronto and Hamilton receive 10+ audit reports annually for their larger investment and also operate a fraud/waste hotline as a value-added service. The most significant expense is expected to be labour (approximately 85% or higher).

### **Analysis – Auditor General vs. Internal Audit:**

The Auditor General model is similar to the Internal Audit function with the following differences:

- The Auditor General's role is focused on "*quality of stewardship over public funds and for achievement of value for money in municipal operations*" (see [Section 223.19](#) of Municipal Act); whereas the role of an Internal Audit functions have a broader focus including operational, compliance and regulatory audits as well as risk/internal control consulting.



- Auditor Generals are appointed directly by Council; whereas Internal Audit leaders are hired by the CAO (and typically in collaboration with the Chair of the Audit Committee).
  - Note: In the case of the City of Vancouver, their Council formed a special purpose sub-committee of Council (called Auditor General Recruiting Committee) responsible for “*directing the search for and appointment of an Auditor General*”. The composition of this committee was five City Councillors with a dedicated budget of \$50,000 allocated by Council.
- Auditor Generals have the power to subpoena (section 223.21 of Municipal Act);
- The Auditor General is not required to be an employee (i.e. in the City of Toronto’s case, they are appointed to seven year terms);
- Auditor Generals have legal protection in the case of civil proceedings (see section 223.23 of Municipal Act);
- In regard to workplan, Auditor Generals determine their own respective workplan; whereas Internal Audit workplans and schedules are typically reviewed by and approved by Management and Audit Committee – who can therefore have influence on which areas get audited and when.

## **Corporate Implications:**

### Financial Implications:

Should Brampton City Council opt for an Auditor General model to complement its existing Internal Audit division, the financial implications would be driven by the size of the team, given that labour costs account for a significant majority of the annual operating budget. If Brampton City Council elect to convert its existing Internal Audit division to an Auditor General model, it is likely that the on-going operating costs would be comparable to today (\$1.223M in 2020 budget). In either case, one-time setup/conversion costs in the range of \$200K-\$1M would be required which include IT devices/licenses, facilities re-location, recruiting costs etc. These amounts are not identified in the 2021 operating budget.

### Other Implications:

Should Brampton City Council elect to create an Auditor General, a dedicated City Bylaw would be required as well as updating the Internal Audit Charter and Audit Committee Terms of Reference.

## **Term of Council Priorities:**

This report fulfils the Council Priority of a Well-Run City through providing information on an Auditor General model which falls within the realm of municipal accountability and transparency mechanisms.

**Conclusion:**

Establishing an independent Auditor General is permissible under section 223.19 of the Municipal Act and would further compliment the City's accountability and transparency functions including its: Integrity Commissioner, Internal Audit division, External Auditor (KPMG) and Ontario Ombudsman. Internal Audit functions are more common in Canadian municipalities; however many large urban single-tier cities operate Auditor General models or operate both.

Authored by:

Reviewed by:

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Maciej Jurczyk, Sr. Manager Business Improvement & Innovation

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Mikkel Marr, Director, Organizational Performance & Strategy

Approved by:

Submitted by:

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David Barrick, Chief Administrative Officer

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David Barrick, Chief Administrative Officer

**Attachments:**

1. Appendix 1 - Analysis of Establishing a Permanent and Independent Auditor General, November 20, 2017
2. Appendix 2 - City of Brampton Council Minutes - Dec 13, 2017

## Report Approval Details

Document Title:	Analysis of Adopting an Auditor General Model.docx
Attachments:	- Analysis of Establishing a Permanent and Independent Auditor General.pdf - City of Brampton Council Minutes - Dec 13, 2017.pdf
Final Approval Date:	Apr 23, 2021

This report and all of its attachments were approved and signed as outlined below:

### No Signature found

**Richard Gervais - Apr 23, 2021 - 10:46 AM**

**Mikkel Marr - Apr 23, 2021 - 3:00 PM**

**David Barrick - Apr 23, 2021 - 3:44 PM**

**Date:** 2017-11-05

**Subject:** **Analysis of Establishing a Permanent and Independent Auditor General**

**Contact:** Harry Schlange, CAO, 905-874-2625 and  
 Joe Pittari, Commissioner of Corporate Services, 905-874-5922

**Recommendations:**

1. THAT the report from Harry Schlange, CAO, and Joe Pittari, Commissioner of Corporate Services dated November 5, 2017 to the Audit Committee meeting of November 20, 2017, re: Analysis of Establishing a Permanent and Independent Auditor General, be received; and
2. THAT the current audit structure be maintained given the increased independence, transparency and collaboration.

**Overview:**

- In March 2017 Council directed staff to further review and report back on the justification, role, function and cost implications of establishing a permanent and independent Auditor General for the City of Brampton.
- Based on review of relevant legislation, reports, discussions with other Canadian municipalities (including those with experience with Auditor General offices), and review of the City's current Internal Audit, staff have provided the key findings and analysis contained within this report.

**Background:**

At the March 8, 2017 Council meeting, in discussion of the Ontario Ombudsman's report, "Procuring Progress," Council directed staff to report on the justification, role, functions and cost implications of establishing a permanent, independent Auditor General, including an analysis of benefits and consequences.

The City of Brampton has employed an Internal Audit function since 1987 that reported directly to the CAO. In 2016, in cooperation with City Council, the independence of this function was strengthened through a direct reporting line to

Council, through Audit Committee, with administrative support from the CAO's office. In addition, changes were made to the Internal Audit Charter and the Audit Committee Terms of Reference in September 2017 which further enhanced the independence of the function.

On March 1, 2017 Ontario Ombudsman, Paul Dubé, released his report into the City's non-competitive procurement practices, titled "Procuring Progress." The report commended the proactive initiatives that have been implemented to strengthen municipal practices. Mr. Dubé also concluded that this investigation did not identify anything that would warrant a formal report with recommendations. He did however offer fifteen (15) "suggestions" of which one was to consider appointing a permanent, independent Auditor General to provide external oversight.

### **Current Auditor General Situation in Ontario:**

Staff has undertaken the following research in preparing analysis between the Auditor General and Internal Audit models:

- Review of the Municipal Act
- Review of the Ombudsman's March 1, 2017 report
- Review of audit models that operate across Ontario
- Outreach to Canadian municipalities (CAOs and Chief Audit Executives) with experience in Auditor General and/or Internal Audit functions

The following key facts resulted from this research:

- While all Ontario municipalities are subject to external audits (Municipal Act section 296), a specific audit model is not prescribed by legislation (except for the City of Toronto).
- In 2017, of Ontario's 444 municipalities, two municipalities have an office of the Auditor General (Ottawa and Sudbury). Toronto is legislatively mandated to have an Auditor General;
- Hamilton has a hybrid model whereby the Director of Internal Audit is also the Auditor General;
- Markham has an outsourced model whereby a third party firm has been contracted to provide Auditor General services; and
- Since 2010, fewer municipalities have established an office of the Auditor General, in comparison to 2017.

For the most part, the role, functions and cost implications of each model (i.e. Auditor General versus Internal Audit) are the same with few notable differences:

1. Auditor Generals are appointed directly by Council for a fixed term (i.e. they are not considered employees of the corporation);
2. Auditor Generals have the power to subpoena (section 223.21 of the Municipal Act);
3. Auditor Generals have the protection with respect to confidentiality (section 223.22 of the Municipal Act);

## 7.1-3

4. Auditor Generals have the protection with respect to a civil proceeding (section 223.23 of the Municipal Act), that is, Auditor Generals can issue press releases on its audit findings;
5. Auditor Generals have the guarantee of no waiver of solicitor-client privilege, litigation privilege or settlement privilege when disclosure is made (section 223.30 of the Municipal Act);
6. In terms of audit work plans, an Auditor General determines their respective work plan, whereas Internal Audit's work plan and schedule is reviewed and approved by Council – who can therefore have a say in which specific areas it would like to assess and when; and
7. A significant role for an Auditor General is to conduct audits related to outcomes from policies and the value received on those outcomes. Their recommendations are limited to those outcomes and not on policy as government is the policy setting body. Auditor Generals are precluded from reporting on policy.

Internal Auditors (as in Brampton's model) report directly to Council through an Audit Committee and add value in their ability to collaborate with management on not just identifying, but also being a partner in remediating any issues that arise in the municipality (i.e. a proactive, collaborative and consultative partnership whereby recommendations can be made to policies for its relevance, success (on outcomes) and cost-effectiveness).

### **Current Auditor General Situation in Canada**

In order to respond to the referred matter from Committee of Council in early March 2017, staff researched legislation and where possible also contacted other Canadian jurisdictions to compare Ontario audit models to a national context (specifically Halifax, Winnipeg, Calgary, Edmonton and the province of British Columbia).

In Alberta, through the province's Municipal Government Act (generalized), the cities of Calgary and Edmonton (noted above) chose to have City Auditors. These positions are established through a bylaw and appointed by Council to provide Internal Audit services. Upon review of the delegated powers established within this by-law, the Alberta model seems to operate similarly to the Ontario Auditor General model (i.e., full independence with no consultation and limited collaboration).

British Columbia operates an Auditor General for Local Government which completes value for money/performance audits. However, local governments can leverage the generalized legislation to appoint an Auditor General through their general corporate powers (i.e. by-laws). The province's largest city, Vancouver, for example maintains an Internal Audit section that reports through the City Manager's office and does not complete value for money audits.

Similar to Ontario, there are specific provisions in the Manitoba provincial legislation that requires the City of Winnipeg to have a City Auditor which operates as an Auditor General (e.g. City of Toronto Act 2006). Nova Scotia also operates similarly with specific legislation that mandates the existence of an Auditor General for the City of Halifax via the Halifax Municipal Charter.

### **Current Situation in Brampton**

Two key overarching principles have been identified as critical and important by this Council: accountability and transparency. These principles are shared by the administrative leadership of the corporation. The City's commitment to open, transparent government administration and the Internal Audit function plays a critical role in helping the organization strengthen this commitment.

In September 2016, collaboratively with Council the independence of the Internal Audit function was strengthened through a direct reporting line to Council, through Audit Committee, with administrative support from the CAO's office. Changes to the Internal Audit Charter and the Audit Committee Terms of Reference in September 2017 have further enhanced this independence. A new Director of Internal Audit was hired in December 2016 and the updated Internal Audit methodology was implemented by January 2017.

### **Analysis:**

The competitive advantage associated with Brampton's audit model is that it enables a cooperative approach between audit and management whereby the Office of Internal Audit not only identifies issues of concern, but works alongside staff in a consulting capacity to advise on how best to address the issues. In the short time since Brampton's new model has been implemented, there have already been preliminary successes in this regard, including:

- Working alongside Service Innovation and Corporate Performance on new continuous improvement framework (in progress and ongoing);
- Worked collaboratively with IT to complete an IT risk assessment;
- Provided a comprehensive assessment of policy enhancement, efficiencies and cost effectiveness strategies for mobile phones;
- Reviewed and advised staff on enhancements to employee expense policies and SOP's; and
- Worked in collaboration with Brampton Libraries and the City's Corporate Services Divisions and Facilities Division to identify service enhancements and shared services opportunities to receive the best value for dollar.

As noted, this type of Internal Audit service delivery model and framework is a significant variation from that of an Auditor General, given that they are precluded from reporting on government policy and providing consulting services. Such advice and expertise offered by the Office of Internal Audit over the past 10 months as in the examples noted above has been invaluable, and the consulting provided by the Office of Internal Audit is helping to entrench a culture of openness and transparency across the corporation. This was further confirmed recently by Standard & Poor's in its report for the City of Brampton where they stated "restructuring within the last two years resulted in the strengthening of Brampton's budgeting practices, improvement in control measures and transformation of its senior management". Given that an

Auditor General model does not foster such a framework of collaboration, it inhibits justification for such a model for Brampton.

While an Auditor General has some specific powers that Internal Audit does not have, municipalities of similar size with experiences with Auditor Generals have not had to use these additional powers. Given the extremely limited opportunities, the likelihood use of these additional powers, and that Internal Auditors are able to conduct most, if not all, of the same work as an Auditor General under then general powers of the Municipal Act 2001; again, it inhibits justification for such a model for Brampton.

While staff appreciates and respects the Ombudsman's suggestion to appoint an independent Auditor General, we also acknowledge that this recommendation was developed prior to the onboarding of the City's current Director of Internal Audit, changes to the Internal Audit Charter, Audit Committee Terms of Reference, and the updated Internal Audit methodology. Given the preliminary successes identified above, the consulting role performed by our Internal Audit function is becoming increasingly valued by the corporation and is a key enabler of changing the culture and maintaining two critical overarching principles important to Council: accountability and transparency.

### **Corporate Implications**

#### Financial Implications:

Based on discussions with other municipalities who have experience with an Auditor General, staff anticipate that ongoing operating costs associated with an Auditor General are comparable to resources currently allocated to Brampton's Internal Audit function. However, there would be a one-time transition cost ranging from \$150k to \$200k. Auditor Generals (and its staff) are not City employees and therefore may require annual operating funding for their administrative functions (similar to Brampton Public Library).

#### **Strategic Plan:**

This report achieves the Strategic Plan priority of good government through its three goals:

- Educate and engage citizens in open and accountable ways that show value and enhance the image of the city by responding to Council request to assess the justification and merit of establishing an independent Auditor General.
- Invest in a collaborative environment with supportive organizational and governance practices and policies by demonstrating the role and enhanced value provided by the current Internal Audit function at the City.
- Practice proactive, effective and responsible management of municipal assets and services by demonstrating that in either model (Auditor General or Internal Audit) exist to demonstrate accountability and transparency.



### **Conclusion:**

The City of Brampton has undergone a significant and deliberate cultural change in the past 15 months. Key pillars to this cultural paradigm shift are commitments to innovation, continuous improvement, collaboration and cooperation across the organization to be a future ready city. The Internal Audit and Management Teams have worked together and created the momentum to make Brampton a leader in transforming municipal government.

In cooperation with City Council, the independence of the audit function was strengthened through a direct reporting line to Council, through Audit Committee, with administrative support from the CAO's office. In addition, changes were made to the Internal Audit Charter and the Audit Committee Terms of Reference in September 2017.

While staff appreciates and respects the Ombudsman's suggestion to appoint an independent Auditor General, it was proposed prior to these changes being put in place and fully implemented.

Given the commonalities and limited differences between the merits and limitations between an Auditor General and Internal Audit, limited justification can be made to suggest deviation from the City's current Internal Audit direction given its successes and commitment to accountability and transparency.

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Harry Schlange  
CAO

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Joe Pittari  
Commissioner of Corporate Services

## **Wednesday, December 13, 2017**

**Members Present:** Mayor L. Jeffrey  
Regional Councillor G. Gibson – Wards 1 and 5  
Regional Councillor E. Moore – Wards 1 and 5  
Regional Councillor M. Palleschi – Wards 2 and 6  
Regional Councillor G. Miles – Wards 7 and 8  
Regional Councillor J. Sprovieri – Wards 9 and 10  
City Councillor D. Whillans – Wards 2 and 6  
City Councillor J. Bowman – Wards 3 and 4  
City Councillor P. Fortini – Wards 7 and 8  
City Councillor G. Dhillon – Wards 9 and 10 (arrived at 9:33 a.m.  
– personal)

**Members Absent:** Regional Councillor M. Medeiros – Wards 3 and 4 (other municipal business)

**Staff Present:** H. Schlange, Chief Administrative Officer  
R. Elliott, Commissioner of Planning and Development Services  
A. Meneses, Commissioner of Community Services  
J. Pittari, Commissioner of Corporate Services  
J. Pitushka, Commissioner of Public Works and Engineering  
D. Squires, City Solicitor, Corporate Services  
B. Darling, Director, Economic Development and Culture  
P. Fay, City Clerk  
C. Gravlev, Deputy City Clerk  
T. Brenton, Legislative Coordinator, City Clerk's Office

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The meeting was called to order at 9:30 a.m. and recessed at 9:47 a.m. Council moved into Closed Session at 9:51 a.m. to deal with Item 21.9 and recessed at 10:04 a.m. Council reconvened in Open Session at 10:09 a.m. and recessed at 12:01 p.m. Council reconvened in Open Session at 1:02 p.m. and recessed at 2:46 p.m. Council moved into Closed Session at 3:00 p.m. to deal with Items 21.1 to 21.8 and 21.10 and recessed at 5:06 p.m. Council reconvened in Open Session at 5:19 p.m. and adjourned at 5:30 p.m.

### 1. **Approval of Agenda**

Council discussion took place with respect to proposed additions to the agenda.

The following motion was considered.

C378-2017 Moved by Regional Councillor Moore  
Seconded by Regional Councillor Gibson

That the agenda for the Regular Council Meeting of December 13, 2017 be approved as amended, as follows:

#### **To add:**

- 6.4. Delegations re: **Item 8.5 – Riverstone Golf Club Capital Improvement Work and Associated Table and Valley Lands – Ward 8;**
- 12.4. Correspondence from Jenny Gerbasi, Deputy Mayor, City of Winnipeg, President, Federation of Canadian Municipalities (FCM), dated December 7, 2017, re: **FCM Submission on Proposed Excise Duty Framework for Cannabis Products;**
- 16.1. Discussion at the request of City Councillor Fortini, re: **Heritage Theatre Block;**
- 21.9. Litigation or potential litigation, including matters before administrative tribunals, affecting the municipality or local board – potential litigation matter; and,
- 21.10. Litigation or potential litigation, including matters before administrative tribunals, affecting the municipality or local board

Carried

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The following supplementary information was provided at the meeting.

Corrections to the Registered Plan numbers noted on the agenda for the following:

- By-law 275-2017 – 43M-1817
- By-law 278-2017 – 43M-2023

Re: Item 10.4 – Minutes – Planning and Development Committee – December 4, 2017:

- replacement page 10.4-10 to correct the minute record.

Item 3.3. – Minutes – City Council – Special Meeting – December 6, 2017

Item 18.1. – Briefing Report from the Office of the Chief Administrative Officer, re: Government Relations Matters:

- Presentation re:
  - Region of Peel News
  - Provincial News (includes Launch of the Age-Friendly Community Recognition Program and Statement on Transition from the OMB to the Local Planning Appeal Tribunal)

Closed Items:

21.2. Minutes – Closed Session – City Council – November 22, 2017

21.3. Minutes – Closed Session – City Council – Special Meeting – November 28, 2017

21.4. Minutes – Closed Session – Committee of Council – December 6, 2017

21.8. Litigation or potential litigation, including matters before administrative tribunals, affecting the municipality or local board and advice that is subject to solicitor-client privilege, including communications necessary for that purpose – litigation matter

## 2. **Declarations of Interest under the Municipal Conflict of Interest Act**

In response to a question from Council, Peter Fay, City Clerk, outlined the provisions of the *Municipal Conflict of Interest Act*, as they relate to declarations of interest regarding Council Minutes on the agenda for adoption, as compared to Committee minutes on the agenda for approval.

1. Regional Councillor Miles referenced the in-camera item on Committee of Council where she declared a conflict of interest in regards to Brampton Safe City as her husband was the past Executive Director. She confirmed that her conflict relates to Item 21.4 on the Council agenda (Minutes – Closed Session – Committee of Council – December 6, 2017).

**3. Adoption of the Minutes**

**3.1. Minutes – City Council – Regular Meeting – November 22, 2017**

Items 3.2 and 3.3 were brought forward and dealt with at this time.

The following motion was considered.

C379-2017 Moved by Regional Councillor Moore  
Seconded by Regional Councillor Gibson

1. That the **Minutes of the Regular City Council Meeting of November 22, 2017**, to the Council Meeting of December 13, 2017, be approved as printed and circulated;
2. That the **Minutes of the Special City Council Meeting of November 28, 2017**, to the Council Meeting of December 13, 2017, be approved as printed and circulated; and,
3. That the **Minutes of the Special City Council Meeting of December 6, 2017**, to the Council Meeting of December 13, 2017, be approved as printed and circulated.

Carried

**3.2. Minutes – City Council – Special Meeting – November 28, 2017**

**Dealt with under Item 3.1 – Resolution C379-2017**

**3.3. Minutes – City Council – Special Meeting – December 6, 2017**

The minutes were distributed at the meeting.

**Dealt with under Item 3.1 – Resolution C379-2017**

**4. Consent Motion**

The following motion was considered.

C380-2017 Moved by Regional Councillor Moore  
Seconded by Regional Councillor Gibson

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That Council hereby approves the following items and that the various Officials of the Corporation are hereby authorized and directed to take such action as may be necessary to give effect of the recommendations as contained therein:

- 8.3.     1.   That the report from L. Robinson, Business Coordinator, City Clerk's Office, dated November 21, 2017, to the Council Meeting of December 13, 2017, re: **Civil Marriage Officiant Designates – Update**, be received; and,
2.   That the additional persons listed in Appendix 1 to this report be appointed as civil marriage officiants for the City of Brampton, as designates of the City Clerk, and that the Ontario Registrar General (ORG) be notified of the specific designates listed in Appendix 1 to be removed as civil marriage officiants.
- 8.4.     That the report from L. Robinson, Business Coordinator, City Clerk's Office, dated November 20, 2017, to the Council Meeting of December 13, 2017, re: **Delegated Authority Exercised by the City Clerk – Special Occasion Permit Requests Requiring Municipal Significance Designation**, be received.
- 8.7.     1.   That the report from J. Edwin, Manager, Development Construction, Environment and Development Engineering, Public Works and Engineering, dated October 13, 2017, to the Council Meeting of December 13, 2017, re: **Subdivision Release and Assumption – Tanyaville Developments Inc. & Minto Brampton (Credit Ridge) Inc. – Registered Plan No. 43M-1856 – West of Creditview Road and South of Bovaird Drive – Ward 5** (File C04W08.002), be received;
2.   That all works constructed and installed in accordance with the subdivision agreement for **Registered Plan No. 43M-1856** (the "Subdivision") be accepted and assumed;
3.   That the Treasurer be authorized to release the securities held by the City; and
4.   That By-law 267-2017 be passed to assume the following streets and street widening blocks as shown on the Registered Plan No. 43M-1856 as part of the public highway system:

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Louisburg Crescent, Lorenvill Drive, Lampman Crescent, Lost Canyon Way, Lavallee Crescent, Deseronto Street, Elbern Markell Drive, Dillon Drive, Orangeblossom Trail, Brentwick Drive, Interlude Drive, Wasaga Road Deanston Court, Bear Run Road, Dalmeny Drive, and street widening Blocks 443, 471 and 479 to be part of Creditview Road

- 12.2. That the correspondence from Helena West, Legislative Specialist, Region of Peel, dated December 1, 2017, to the Council Meeting of December 13, 2017, re: **Region of Peel Resolution 2017-922 – Property Tax Exemption By-law for Land Used by Veterans for Eligible Purposes**, be received.
- 12.3. That the correspondence from Helena West, Legislative Specialist, Region of Peel, dated December 1, 2017, to the Council Meeting of December 13, 2017, re: **Region of Peel Resolution 2017-926 – Low-Income Seniors and Low-Income Persons with Disabilities Tax Rebate Review and By-law Update**, be received.

Carried

**5. Announcements**

**5.1. Announcement – New Year's Eve – Sunday, December 31, 2017**

Meagan Guerra, Senior Events Specialist, Economic Development and Culture, announced the New Year's Eve celebrations taking place on Sunday, December 31, 2017. Ms. Guerra provided a presentation outlining the activities planned for Garden Square, City Hall and Gage Park, event sponsors, and free Brampton Transit rides after 7:00 p.m.

City Councillor Bowman, announcement sponsor, highlighted the success of the annual New Year's Eve celebrations, and requested that staff promote the free transit rides on the City's webpage.

**6. Delegations**

- 6.1. Possible Delegations re: **Amendments to Procedure By-law 160-2004 to Implement Amendments to the Municipal Act, 2001**

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The Mayor announced that notice regarding this matter was published on the City's web portal on December 7, 2017. In response to an inquiry from the Mayor, no one expressed an interest in delegating Council on this matter.

See Item 8.1 – Resolution C384-2017 and By-law 264-2017.

6.2. Possible Delegations re: **Housekeeping Amendment to Adult Entertainment By-law 114-2017**

The Mayor announced that notice regarding this matter was published on the City's web portal on December 7, 2017. In response to an inquiry from the Mayor, no one expressed an interest in delegating Council on this matter.

See Item 8.2 – Resolution C386-2017 and By-law 265-2017.

6.3. Delegation from Tiernan Murphy, Owner, Making Waves Swim School, re: **Planning and Development Committee Recommendation PDC233-2017 – December 4, 2017 - Re-approval of the Building Improvement Program Application for 9 George Street North – Ward 1** (File BU17.002).

Council agreed to vary the order of business and considered the following motion after announcements.

C381-2017 Moved by Regional Councillor Moore  
Seconded by Regional Councillor Gibson

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

- 21.9. Litigation or potential litigation, including matters before administrative tribunals, affecting the municipality or local board – potential litigation matter

Carried

After Closed Session consideration of this matter, Council considered the following motion.

That Recommendation PDC233-2017 be struck out; and that the staff recommendation contained within Item 10.4, Minutes of the Planning and Development Committee Meeting of December 4, 2017, relating to Report 7.5, be approved.



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The motion was voted on and carried and outlined in Item 10.4 (Recommendation PDC233-2017).

Following Council's consideration of the motion, Tiernan Murphy, Owner, Making Waves Swim School, withdrew his delegation request.

6.4. Delegations re: **Item 8.5 – Riverstone Golf Club Capital Improvement Work and Associated Table and Valley Lands – Ward 8.**

Al Meneses, Commissioner of Community Services, provided an overview of the staff report on this matter (Item 8.5).

Mr. Meneses responded to questions from Council regarding the information in the staff report, and cautioned that responses to other questions raised would have to be given in Closed Session.

For the benefit of community members in attendance, Regional Councillor Miles outlined the process for Council's consideration of this matter in Closed Session. She requested that following the delegations, Council proceed into Closed Session to deal with related Item 21.7.

The Mayor invited interested residents to address Council.

Dayle Laing, Brampton resident, spoke in support of the City's acquisition of the subject property, and outlined environmental benefits from naturalization of the valleylands.

Myrna Adams, Brampton Seniors Council, outlined the need for additional recreational facilities for seniors in the City's east end. She indicated support for the City's purchase of the subject property, providing there is no undue burden on Brampton residents.

Dr. Sohan Singh, Calderstone Seniors Club, spoke in support of the City's purchase of the subject property and the need for recreational facilities for seniors in the City's east end.

Sukhdev Singh Gill, Gore Seniors Club, spoke in support of the City's purchase of the subject property, providing it is affordable, and highlighted the benefits of an active lifestyle for seniors.

Mr. Singh Brar, Brampton resident, expressed the need for a senior's facility in the subject area and spoke in support of a recreational facility for seniors on the subject property.

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After hearing from the delegations, Council discussion took place on this matter and included:

- varying opinions on the potential acquisition of the subject property
- need for additional recreational facilities in the City's east end for seniors and residents of all ages
- pros and cons of the subject property and other potential locations in the east end for recreational facilities
- suggestions for community-based or City-wide public consultations

Staff responded to some general questions on this matter, and again, cautioned that some of the topics raised require consideration in Closed Session.

The Mayor granted leave for a Point of Order from Regional Councillor Gibson, who inquired about Council discussion on this topic at this time, as it was his understanding that Council would hear from the delegations and then proceed into Closed Session for further consideration. The Mayor ruled that she would allow the remaining Members to speak on this topic.

The Mayor granted leave for a Point of Order from Regional Councillor Moore, who requested that Members speak on topic. The Mayor ruled that Members keep their comments to the topic at hand.

A procedural motion to Call the Question was introduced by City Councillor Whillans. In accordance with the Procedure By-law, Members who had not spoken on this topic were given the opportunity to do so.

Regional Councillor Miles withdrew her request to proceed into Closed Session to deal with related Item 21.7 at this time, since the delegations had left the meeting.

The following motions were considered.

C382-2017 Moved by Regional Councillor Miles  
Seconded by City Councillor Dhillon

That the following delegations, to the Council Meeting of December 13, 2017, re: **Item 8.5 – Riverstone Golf Club Capital Improvement Work and Associated Table and Valley Lands – Ward 8**, be received:

1. Dayle Laing, Brampton resident
2. Myrna Adams, Brampton Seniors Council
3. Dr. Sohan Singh, Calderstone Seniors Club
4. Sukhdev Singh Gill, Gore Seniors Club
5. Mr. Singh Brar, Brampton resident

Carried

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C383-2017 Moved by City Councillor Fortini  
Seconded by City Councillor Whillans

That the report from A. Meneses, Commissioner of Community Services, dated December 7, 2017, to the Council Meeting of December 13, 2017, re: **Riverstone Golf Club Capital Improvement Work and Associated Table and Valley Lands – Ward 8**, be received.

Carried

See also Item 21.7 – Resolutions C399-2017 and C400-2017.

**7. Reports from the Head of Council – nil**

**8. Reports of Corporate Officials**

**Office of the Chief Administrative Officer**

**8.1. Report from P. Fay, City Clerk, dated November 29, 2017, re: Implementation of Bill 68 (Modernizing Ontario's Municipal Act, 2017) – Consideration of Amendments to Procedure By-law 160-2004, as amended.**

During consideration of the subject report, Regional Councillor Gibson indicated his intention to introduce a motion to appoint City Councillor Bowman as Brampton's Alternate Member to Regional Council.

In response to a question from Council about appointing an Alternate Member at this time, Peter Fay, City Clerk, provided an overview of the process for this appointment outlined in the report. He suggested that any motion for this appointment, not be considered until the recommendations in the staff report are approved, as amended, to provide for the appointment of City Councillor Bowman.

A motion, moved by Regional Councillor Gibson and seconded by Regional Councillor Miles, was introduced to appoint Councillor Bowman as Alternate Member to Regional Council.

During Council's consideration of the motion, City Councillor Dhillon indicated his interest in being considered for Alternate Member as well.

A motion was introduced to approve the staff recommendations, as amended, to add the following additional clause:

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4. That the appointment process for this current term of Council take place at this meeting from amongst all those members present and qualified.

The motion was considered as follows.

C384-2017 Moved by City Councillor Whillans  
Seconded by City Councillor Fortini

1. That the report from P. Fay, City Clerk, dated November 29, 2017, to the Council Meeting of December 13, 2017, re: **Implementation of Bill 68 (Modernizing Ontario's Municipal Act, 2017) – Consideration of Amendments to Procedure By-law 160-2004, as amended**, be received;
2. The Procedure By-law 160-2004, as amended, be further amended, substantially in a form as set out in Appendix 1 to this report, to address new provisions of the *Municipal Act, 2001*, coming into effect as of January 1, 2018, specifically regarding:
  - New Definition of a “Meeting”;
  - Clarity on Authority of Member acting in the Absence of the Head of Council;
  - Implementation of Closed Meeting Investigation Reports; and
  - Alternate Council Member for Absence of Member at Regional Council;
3. That the City Clerk report early in the next term of Council on the provisions of Bill 68 coming into effect as of March 1, 2019, and any necessary recommendations for implementation; and
4. That the appointment process for this current term of Council take place at this meeting from amongst all those members present and qualified.

Carried

The City Clerk provided an overview and copies of the process for appointment of an Alternate Member to Regional Council, being the same process for appointment of an additional Regional Councillor pursuant to Section 19 of the Procedure By-law.

The City Clerk opened the floor for nominations or declarations of interest.

Regional Councillor Gibson nominated City Councillor Bowman.

City Councillor Fortini nominated City Councillor Dhillon.

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Regional Councillor Palleschi nominated City Councillor Whillans.

Regional Councillor Sprovieri nominated City Councillor Fortini.

Councillors Bowman and Dhillon accepted their nominations. Councillors Whillans and Fortini declined their nominations.

The City Clerk declared the nominations closed.

In accordance with the process, the candidates were given five minutes to speak in support of their nominations, with the order of speakers drawn by lot (Councillor Dhillon followed by Councillor Bowman).

The City Clerk confirmed that because there were two candidates, each Member of Council would have only one vote.

Voting to determine which Councillor would be appointed as Alternate Member to Regional Council took place as follows:

Those voting in support of Councillor Bowman:

- Regional Councillor Miles
- Regional Councillor Palleschi
- City Councillor Whillans
- Regional Councillor Moore
- Regional Councillor Gibson

Total: 5

Those voting in support of Councillor Dhillon:

- City Councillor Fortini
- Mayor Jeffrey
- City Councillor Dhillon
- Regional Councillor Sprovieri

Total: 4

The City Clerk clarified the process as it relates to a Member not voting, and declared City Councillor Bowman as the successful candidate.

The following motion was considered.

C385-2017 Moved by Regional Councillor Gibson  
Seconded by Regional Councillor Moore

That City Councillor Jeff Bowman be appointed as the Alternate Member to Regional Council, in the event of an absence of a Brampton Regional

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Councillor at a meeting of Regional Council, for this current term of Council.

Carried

- 8.2. Report from W. Goss, Interim Manager, Administrative Services and Elections, City Clerk's Office, dated November 22, 2017, re: **Housekeeping Amendment to Schedule 3 of Adult Entertainment By-law 114-2017 – Adult Merchandise Businesses.**

In response to a question from Council, Peter Fay, City Clerk, outlined the purpose of the proposed housekeeping amendment.

The following motion was considered.

C386-2017 Moved by City Councillor Whillans  
Seconded by City Councillor Bowman

1. That the report from W. Goss, Interim Manager, Administrative Services and Elections, City Clerk's Office, dated November 22, 2017, to the Council Meeting of December 13, 2017, re: **Housekeeping Amendment to Schedule 3 of Adult Entertainment By-law 114-2017 – Adult Merchandise Businesses**, be received;
2. That by-law 265-2017 be passed to amend Schedule 3 of the Adult Entertainment Establishment By-law, to exempt three pre-existing Adult Merchandise Stores from the 500 metre separation requirement from a dwelling unit or a residential zone, substantially as set out in Appendix 1 to this report.

Carried

- \* 8.3. Report from L. Robinson, Business Coordinator, City Clerk's Office, dated November 21, 2017, re: **Civil Marriage Officiant Designates – Update.**

**Dealt with under Consent Resolution C380-2017**

- \* 8.4. Report from L. Robinson, Business Coordinator, City Clerk's Office, dated November 20, 2017, re: **Delegated Authority Exercised by the City Clerk – Special Occasion Permit Requests Requiring Municipal Significance Designation.**

**Dealt with under Consent Resolution C380-2017**

**Community Services**

- 8.5. Report from A. Meneses, Commissioner of Community Services, dated December 7, 2017, re: **Riverstone Golf Club Capital Improvement Work and Associated Table and Valley Lands – Ward 8.**

**Dealt with under Item 6.4 – Resolution C383-2017**

See also Resolution C382-2017

- 8.6. Report from C. Meilleur, Real Estate Coordinator, Community Services, dated November 21, 2017, re: **Waiver of Section 42 Requirements of the Expropriations Act to Dispose of 1524 Countryside Drive – Ward 9.**

The following motion was considered.

C387-2017 Moved by City Councillor Fortini  
Seconded by Regional Councillor Sprovieri

1. That the report from C. Meilleur, Real Estate Coordinator, Community Services, dated November 21, 2017, to the Council Meeting of December 13, 2017, re: **Waiver of Section 42 Requirements of the Expropriations Act to Dispose of 1524 Countryside Drive – Ward 9**, be received;
2. That By-law 266-2017 be enacted by Council acting as the “Approving Authority” pursuant to the *Expropriations Act*, approve the disposal by the City as the “Expropriating Authority” of the lands municipally known as 1524 Countryside Drive and legally described as Parts 5 and 6, Plan PR1675121, without giving the owners from whom the lands were taken the first chance to repurchase the lands on the terms of the best offer received by the City, in accordance with Section 42 of the *Expropriations Act*; and,
3. That staff be directed to negotiate and to report back to City Council, for the approval and ratification of an Agreement of Purchase and Sale to effect the fair market value disposal of the surplus portion of the City’s lands municipally known as 1524 Countryside Drive, the execution of which shall be in compliance with Delegated Authority Activity No. 97 – Administrative Authority By-law 216-2017.

Carried

**Corporate Services – nil**

**Planning and Development Services – nil**

**Public Works and Engineering**

- \* 8.7. Report from J. Edwin, Manager, Development Construction, Environment and Development Engineering, Public Works and Engineering, dated October 13, 2017, re: **Subdivision Release and Assumption – Tanyaville Developments Inc. & Minto Brampton (Credit Ridge) Inc. – Registered Plan No. 43M-1856 – West of Creditview Road and South of Bovaird Drive – Ward 5** (File C04W08.002).

**Dealt with under Consent Resolution C380-2017 and By-law 267-2017**

**9. Reports of Accountability Officers – nil**

**10. Committee Reports**

**10.1. Minutes – Audit Committee – November 20, 2017**

On behalf of the Acting Chair, Regional Councillor Moore, Committee Member, introduced the minutes.

The following motion, moved by Regional Councillor Palleschi and seconded by Regional Councillor Sprovieri, was introduced to amend the minutes:

That Recommendation AU041-2017 be deleted and replaced with the original staff recommendations, as follows:

- AU041-2017
1. That the report from Harry Schlange, CAO, and Joe Pittari, Commissioner of Corporate Services dated November 5, 2017 to the Audit Committee meeting of November 20, 2017, re: **Analysis of Establishing a Permanent and Independent Auditor General**, be received; and
  2. That the current audit structure be maintained given the increased independence, transparency and collaboration.



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Council consideration of the motion included:

- consideration of this matter at the Audit Committee meeting and the resulting Audit Committee recommendation to defer consideration for establishing a Permanent and Independent Auditor General (AG)
- experiences of other municipalities that hired independent Auditors General
- role of the City's existing Internal Audit Division
- concerns about costs and duplication of services
- varying opinions on the need for and benefits of a Permanent and Independent AG

A recorded vote was requested on the motion, with the results as follows:

<u>Yea</u>	<u>Nay</u>	<u>Absent</u>
Miles	Fortini	Medeiros
Bowman	Jeffrey	
Sprovieri	Dhillon	
Palleschi		
Whillans		
Moore		
Gibson		
		Carried
		7 Yeas
		3 Nays
		1 Absent

The following motion to receive the minutes and approve the recommendations, as amended, was considered.

C388-2017 Moved by Regional Councillor Moore  
Seconded by Regional Councillor Gibson

1. That the **Minutes of the Audit Committee Meeting of November 20, 2017**, to the Council Meeting of December 13, 2017, be received;
2. That Recommendations AU031-2017 to AU040-2017 and AU042-2017 to AU043-2017 be approved, as outlined in the subject minutes; and,
3. That Recommendation AU041-2017 be deleted and replaced with the original staff recommendations, as follows:

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- AU041-2017      1. That the report from Harry Schlange, CAO, and Joe Pittari, Commissioner of Corporate Services dated November 5, 2017 to the Audit Committee meeting of November 20, 2017, re: **Analysis of Establishing a Permanent and Independent Auditor General**, be received; and
2. That the current audit structure be maintained given the increased independence, transparency and collaboration.

Carried

The recommendations were approved, as amended, as follows.

- AU031-2017      That the agenda for the Audit Committee Meeting of November 20, 2017 be approved, as amended as follows:
- To introduce the members of the Internal Audit Team immediately following Consent
  - To change the order of business items after Consent, to be dealt with in the following order:
    - 10.1, 10.2, 4.1, 6.1, 5.1, 5.2, 5.3, 4.3, 5.4, 5.5, 4.2, 4.4, 7.1
- AU032-2017      1. That the delegation from Mr. Kevin Travers, Partner, KPMG LLP Chartered Accountants, to the Audit Committee Meeting of November 20, 2017, re: **KPMG Audit Plan for the 2017 Fiscal Year** be received;
2. That the report from D. Sutton, Treasurer, Corporate Services, dated November 10, 2017, to the Audit Committee Meeting of November 20, 2017, re: **KPMG Audit Plan for the 2017 Fiscal Year** be received; and
3. That the Audit Planning Report for the Year Ending December 31, 2017, prepared by KPMG LLP, Chartered Accountants, be received.
- AU033-2017      1. That the presentation by F. Velji, Director, Internal Audit, to the Audit Committee Meeting of November 20, 2017, re: **Internal Audit Budget** be received;

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2. That the 2018 Current Budget for the Internal Audit Division be approved, as presented; and
3. That the 2019 and 2020 Current Budget for the Internal Audit Division be endorsed, in principle, as presented.

- AU034-2017      That the presentation by F. Velji, Director, Internal Audit, to the Audit Committee Meeting of November 20, 2017, re: **2017 Summary of Completed Audits and Recommendations** be received.
- AU035-2017      That the presentation by Z. Majid, Senior Manager, Accounting Services and Deputy Treasurer, Corporate Services, to the Audit Committee Meeting of November 20, 2017, re: **Modernizing Financial Processes, Policies and SOPs** be received.
- AU036-2017      That the report from F. Velji, Director, Internal Audit, dated November 11, 2017, to the Audit Committee Meeting of November 20, 2017, re: **Building Permits Audit Report** be received.
- AU037-2017      That the report from F. Velji, Director, Internal Audit, dated November 10, 2017, to the Audit Committee Meeting of November 20, 2017, re: **Library Operations Audit Report** be received.
- AU038-2017      That the report from F. Velji, Director, Internal Audit, dated October 6, 2017, to the Audit Committee Meeting of November 20, 2017, re: **Corporate Fraud Prevention Hotline Update** be received.
- AU039-2017      That the report from F. Velji, Director, Internal Audit, dated October 30, 2017, to the Audit Committee Meeting of November 20, 2017, re: **Quarterly Status of Management Action Plans** be received.
- AU040-2017      That the report from F. Velji, Director, Internal Audit, dated November 2, 2017, to the Audit Committee Meeting of November 20, 2017, re: **Internal Audit Work Plan – 2017 / 2018** be received.
- AU041-2017
  1. That the report from Harry Schlange, CAO, and Joe Pittari, Commissioner of Corporate Services dated November 5, 2017 to the Audit Committee meeting of November 20, 2017, re: Analysis of Establishing a Permanent and Independent Auditor General, be received; and

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2. That the current audit structure be maintained given the increased independence, transparency and collaboration.

AU042-2017      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 – Internal Audit Review Matter

10.2. The Security of the Property of the Municipality or Local Board – Internal Audit Review Matter

AU043-2017      That the Audit Committee do now adjourn to meet again on February 20, 2018, at 9:30 a.m. or at the call of the Chair.

10.2.      **Minutes – Planning and Development Committee – November 20, 2017**

Regional Councillor Moore, Committee Chair, introduced the minutes.

The following motion was considered.

C389-2017      Moved by Regional Councillor Moore  
Seconded by Regional Councillor Gibson

That the **Minutes of the Planning and Development Committee Meeting of November 20, 2017** be received.

Carried

Note:      The recommendations outlined in the minutes were approved by Council on November 22, 2017.

10.3.      **Minutes – Member Services Committee – December 4, 2017**

Regional Councillor Gibson, Committee Chair, introduced the minutes.

The following motion was considered.

C390-2017      Moved by Regional Councillor Gibson  
Seconded by Regional Councillor Moore

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1. That the **Minutes of the Member Services Committee Meeting of December 4, 2017**, to the Council Meeting of December 13, 2017, be received; and,
2. That Recommendations MS028-2017 to MS032-2017 be approved, as outlined in the subject minutes.

Carried

The recommendations were approved as follows.

MS028-2017      That the agenda for the Member Services Committee Meeting of December 4, 2017 be approved as amended, as follows:

**To add:**

- 8.2. Discussion at the request of Regional Councillor Moore, re: **Protocol for Council Staff Communication with Commissioners.**

MS029-2017      1. That the presentation by Erin O'Hoski, Director, Strategic Communications, to the Member Services Committee Meeting of December 4, 2017, entitled: **"Communications Support for Community Matters"**, be received; and

2. That the report from Erin O'Hoski, Director, Strategic Communications, dated August 17, 2017, to the Member Services Committee Meeting of December 4, 2017, re: **Communications Support to Councillors for Ward and Community Based Matters**, be received; and

3. That the three-tiered support model proposed under Appendix A be approved; and,

4. That the Councillor or Community Group-led Initiatives require participation of at least two or more Members of Council, and that staff report back on a Town Hall protocol.

MS030-2017      That the Quarterly Report for Q3 2017, to the Member Services Committee Meeting of December 4, 2017, re: **Lieu Time Accumulation for the Council Office**, be received.

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MS031-2017      That the chart re: **Comparison of Council Calls to Service Brampton Calls**, to the Member Services Committee Meeting of December 4, 2017, be received.

MS032-2017      That the Member Services Committee do now adjourn to meet again on Monday, February 12, 2018 at 9:30 a.m. or at the call of the Chair.

10.4.      **Minutes – Planning and Development Committee – December 4, 2017**

See Item 6.3 for consideration of Recommendation PDC233-2017.

Regional Councillor Moore, Committee Chair, introduced the minutes and provided a summary of matters considered at the meeting.

The following motion to receive the minutes and approve the recommendations, as amended, was considered.

C391-2017      Moved by Regional Councillor Moore  
Seconded by Regional Councillor Gibson

1.      That the **Minutes of the Planning and Development Committee Meeting of December 4, 2017**, to the Council Meeting of December 13, 2017, be received;
2.      That Recommendations PDC223-2017 to PDC232-2017 and PDC234-2017 to PDC238-2017 be approved, as outlined in the subject minutes; and,
3.      That Recommendation PDC233-2017 be approved, as amended, as follows:

- PDC233-2017      2.      That Council re-approve application BU17-002 to a maximum amount of \$20,000 under the Downtown Building Improvement Program and that notwithstanding Section 2.4.1(i) of the Downtown Brampton Building Improvement Program the works eligible for the grant include works related to the building improvement completed prior to the approval of the application by Council and the signing of an agreement.

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3. That the time limit for having the applicant sign the agreement with the City of Brampton, agreeing to maintain the rules of the programs as set out in the approved Implementation Guidelines be extended to February 16, 2018.
4. That failure to satisfy Condition 3 shall render this approval null and void.
5. That the Commissioner of Planning and Development Services be authorized to sign the Building Improvement Program Agreement in relation to the approved project with content satisfactory to the Commissioner of Planning and Development Services, or designate, and in a form approved by the City Solicitor, or designate, and that staff be authorized to take the necessary steps to implement the terms of the agreement.

Carried

The recommendations were approved, as amended, as follows.

- |             |   |
|-------------|---|
| PDC223-2017 | That the Agenda for the Planning and Development Committee Meeting of December 4, 2017, be approved as printed and circulated.  |
|             |   |
| PDC224-2017 | <ol style="list-style-type: none"><li>1. That the report from Y. Mantsvetov, Policy Planner, Planning and Development Services, dated November 1, 2017, to the Planning and Development Services Committee Meeting of December 4, 2017, re <b>Application to Amend the Official Plan – Gagnon Walker Domes Ltd. – Heathwood Homes – Ward 6</b> (File C05W12.004), be received; and,</li><li>2. That Planning and Development Services staff be directed to report back to the Planning and Development Services Committee with the results of the Public Meeting and a staff recommendation, subsequent to the completion of the circulation of the application and a comprehensive evaluation of the proposal.</li><li>3. That the correspondence from Signe Leisk, Cassels Brock &amp; Blackwell LLP, dated December 4, 2017, to the Planning and</li></ol> |

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Development Committee Meeting of December 4, 2017, re: **Application to Amend the Official Plan – Gagnon Walker Domes Ltd. – Heathwood Homes – Ward 6** (File C05W12.004), be received.

- PDC225-2017
1. That the report from Y. Mantsvetov, Policy Planner, Planning and Development Services, dated November 1, 2017, to the Planning and Development Services Committee Meeting of December 4, 2017, re: **Application to Amend the Official Plan – Gagnon Walker Domes Ltd. – MCN (Heritage) Inc. – Ward 6** (File C05W12.005), be received; and,
  2. That Planning and Development Services staff be directed to report back to the Planning and Development Services Committee with the results of the Public Meeting and a staff recommendation, subsequent to the completion of the circulation of the application and a comprehensive evaluation of the proposal.
  3. That the correspondence from Signe Leisk, Cassels Brock & Blackwell LLP, dated December 4, 2017, to the Planning and Development Committee Meeting of December 4, 2017, re: **Application to Amend the Official Plan – Gagnon Walker Domes Ltd. – MCN (Heritage) Inc. – Ward 6** (File C05W12.005), be received.
- PDC226-2017
1. That the report from N. Mahmood, Development Planner, Planning and Development Services, dated November 8, 2017, to the Planning and Development Committee Meeting of December 4, 2017, re: **Application to Amend the Official Plan, Zoning By-law and Proposed Draft Plan of Subdivision – Gagnon Walker Domes Ltd. – 9401 Creditview Road Brampton Inc. – East side of Creditview Road, South of Williams Parkway – Ward 5** (File C03W08.002) be received; and,
  2. That Planning and Development Services Department staff be directed to report back to the Planning and Development Committee with the results of the Public Meeting and a staff recommendation, subsequent to the completion of the circulation of the application and a comprehensive evaluation of the proposal.
  3. That the correspondence from Cindy Ma, received December 4, 2017, and a petition containing approximately



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159 signatures, to the Planning and Development Committee Meeting of December 4, 2017, re: **Application to Amend the Official Plan, Zoning By-law and Proposed Draft Plan of Subdivision – Gagnon Walker Domes Ltd. – 9401 Creditview Road Brampton Inc. – East side of Creditview Road, South of Williams Parkway – Ward 5** (File C03W08.002) be received.

- PDC227-2017
1. That the report from L. Dubicki, Development Planner, Planning and Development Services, dated November 1, 2017, to the Planning and Development Committee Meeting of December 4, 2017, re: **Application to Amend the Zoning By-Law and Proposed Draft Plan of Subdivision - KLM Planning Partners Inc. – Digram Developments Inc. – 11223 Torbram Road - East of Torbram Road, North of Countryside Drive - Ward 10** (File C06E16.007) be received; and,
  2. That Planning and Development Services staff be directed to report back to the Planning and Development Services Committee with the results of the Public Meeting and a staff recommendation, subsequent to the completion of the circulation of the application and a comprehensive evaluation of the proposal.
- PDC228-2017
1. That the report from R. Nykyforchyn, Development Planner, Planning and Development Services, dated October 25, 2017, to the Planning and Development Committee Meeting of December 4, 2017, re: **Application to Amend the Zoning By-Law and Proposed Draft Plan of Subdivision – Request for Time Extension – Glen Schnarr & Associates Inc. – 1212949 Ontario Inc. – Ward 6** (File C05W05.007) be received; and,
  2. That Council Resolution C218-2011 approving PDD200-2011 be re-confirmed as it pertains to 1212949 Ontario Inc. – Glenn Schnarr & Associates Inc., City File C05W05.007 and 21T-10003B, except for clause 9 of PDD200-2011.
  3. That the approval in principle in recommendation 2, be considered null and void unless a zoning by-law amendment is passed by August 24, 2018 or the timeline for compliance with this condition is extended by up to six months by the Commissioner of Planning, Design and Development prior to August 24, 2018.

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- PDC229-2017
1. That the report from N. Grady, Development Planner, Planning and Development Services, dated November 8, 2017, to the Planning and Development Committee Meeting of December 4, 2017, re: **Application to Amend the Zoning By-law – Gagnon Walker Domes Limited – 1839234 Ontario Limited – East Side of Yately Street and North Side of Clockwork Drive – Ward 6** (File C03W17.008) be received;
  2. That the application be approved in principle and staff be directed to prepare the appropriate amendment to the Zoning By-law.
  3. That Zoning By-law 270-2004 be amended to rezone the property subject to this application from “Residential Single Detached F-12.5 Section 2225 (R1F-12.5-2225)” and “Agricultural (A)” to be in general accordance with the following:
    - i) an appropriate single-detached zone to accommodate single-detached units with minimum lot widths of 9.0 metres (30 feet) and 12.2 metres (40 feet).
  4. That the decision of approval of this application be null and void and a new development application be required, unless a zoning by-law is passed within 60 months of the Council approval of this decision.
  5. That any and all written submissions relating to this application that were made to Council and the Planning and Development Committee before its decision and any and all oral submissions related to this application that were made at a public meeting, held under the Planning Act, have been, on balance, taken into consideration by Council as part of its deliberations and final decision on this matter, including one or more of the following issues raised in those submissions: no written or oral submission were received from the public.
- PDC230-2017
1. That the report from N. Grady, Development Planner, Development Services, dated November 8, 2017, to the Planning and Development Committee Meeting of December 4, 2017, re: **Application to Amend the Zoning By-law – Gagnon Walker Domes Limited – 2308654 Ontario**

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**Limited – East of Yately Street and South of Agava Street – Ward 6** (File C03W17.009) be received;

2. That the application be approved in principle and staff be directed to prepare the appropriate amendment to the Zoning By-law.
3. That Zoning By-law 270-2004 be amended to rezone the property subject to this application from “Residential Single Detached F-12.5 Section 2225 (R1F-12.5-2225)” and “Residential Single Detached F-9.0 Section 2227 (R1F-9.0-2227)” to be in general accordance with the following:
  - i) an appropriate single-detached zone to accommodate single-detached units with minimum lot widths of 9.0 metres (30 feet) and 12.4 metres (40.6 feet).
4. That the decision of approval of this application be null and void and a new development application be required, unless a zoning by-law is passed within 60 months of the Council approval of this decision.
5. That any and all written submissions relating to this application that were made to Council and the Planning and Development Committee before its decision and any and all oral submissions related to this application that were made at a public meeting, held under the Planning Act, have been, on balance, taken into consideration by Council as part of its deliberations and final decision on this matter, including one or more of the following issues raised in those submissions: no written or oral submission was received from the public.

PDC231-2017

1. That the report from D. VanderBerg, Central Area Planner, Planning and Development Services, dated November 8, 2017, to the Planning and Development Committee Meeting of December 4, 2017, re: **Central Area Community Improvement Plan – Development Charge Incentive Program Application – 241 Queen Street East – Ward 3** (File P75 CIP DCI17-002), be received;
2. That a Development Charge Incentive be approved for the proposed medical office building at 241 Queen Street East with a score of 88% and that steps be taken in accordance with the *Development Charges Incentive Program – Implementation Guidelines* to provide the incentive to the

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applicant following the execution of a Development Charges Incentive Program agreement; and,

3. That the Commissioner of Corporate Services be authorized to sign the Development Charges Incentive Program agreement with content satisfactory to the Commissioner of Corporate Services, and the Commissioner of Planning and Development and in a form approved by the City Solicitor and that staff be authorized to take the necessary steps to implement the terms of the agreement.

PDC232-2017

1. That the report from C. Caruso, Central Area Planner, Planning and Development Services, dated November 8, 2017, to the Planning and Development Committee Meeting of December 4, 2017, re: **Re-approval of the Building Improvement Program Application for 9 George Street North – Ward 1** (File BU17.002) be received.

PDC233-2017  
Carried at Council

2. That Council re-approve application BU17-002 to a maximum amount of \$20,000 under the Downtown Building Improvement Program and that notwithstanding Section 2.4.1(i) of the Downtown Brampton Building Improvement Program the works eligible for the grant include works related to the building improvement completed prior to the approval of the application by Council and the signing of an agreement.
3. That the time limit for having the applicant sign the agreement with the City of Brampton, agreeing to maintain the rules of the programs as set out in the approved Implementation Guidelines be extended to February 16, 2018.
4. That failure to satisfy Condition 3 shall render this approval null and void.
5. That the Commissioner of Planning and Development Services be authorized to sign the Building Improvement Program Agreement in relation to the approved project with content satisfactory to the Commissioner of Planning and Development Services, or designate, and in a form approved by the City Solicitor, or designate, and that staff be authorized to take the necessary steps to implement the terms of the agreement.

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- PDC234-2017
1. That the report from R. Elliott, Commissioner, Planning and Development Services, dated November 17, 2017, to the Planning and Development Committee Meeting of December 4, 2017, re: **City of Brampton Urban Design Review Panel Pilot Project**, be received;
  2. That the proposal to initiate an Urban Design Review Panel (UDRP) in Brampton on selected design priority areas be endorsed, and that staff be authorized to initiate the panel on a pilot basis for two years (2018-19); and
  3. That staff monitor the Panel's work, and, at the conclusion of the two-year pilot project, report back with the findings and recommendations for future action.
- PDC235-2017
- That the **Minutes – Cycling Advisory Committee – November 16, 2017**, to the Planning and Development Committee Meeting of December 4, 2017, Recommendations CYC066 to CYC069, be approved as printed and circulated.
- CYC066-2017
- That the Agenda for the Cycling Advisory Committee meeting of November 16, 2017, be approved as amended as follows:
- To Add:**
- 5.2 Discussion at the request of Stephen Laidlaw, CO-Chair, Cycling Advisory Committee, re: **Cycling Advisory Committee Terms of Reference Mandate**.
- CYC067-2017
- That the Update from Dayle Laing, Member, Cycling Advisory Committee, to the Cycling Advisory Committee Meeting of November 16, 2017, re: **Bike the Creek**, be received.
- CYC068-2017
- That the discussion at the request of Stephen Laidlaw, Co-Chair, Cycling Advisory Committee, to the Cycling Advisory Committee Meeting of November 16, 2017, re: **Cycling Advisory Committee Terms of Reference Mandate**, be received.
- CYC069-2017
- That the Cycling Advisory Committee do now adjourn to meet again on December 14, 2017, at 7:00 p.m.

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- PDC236-2017      That the **Minutes – Brampton Heritage Board – November 21, 2017**, to the Planning and Development Committee Meeting of December 4, 2017, Recommendations HB080-2017 to HB088-2017, be approved as printed and circulated.
- HB080-2017      That the agenda for the Brampton Heritage Board Meeting of November 21, 2017 be approved as printed and circulated.
- HB081-2017      That the **Minutes of the Heritage Resources Sub-Committee Meeting of November 9, 2017**, to the Brampton Heritage Board Meeting of November 21, 2017, be received.
- HB082-2017      That the Brampton Heritage Board organize and participate in the **“Highlight on Heritage” event taking place at Bramalea City Centre on Saturday, February 10, 2018.**
- HB083-2017      That the proposal for an event to recognize the **70<sup>th</sup> Anniversary of the Last Great Flood** (March 16, 1948), considered at the Brampton Heritage Board Meeting of November 21, 2017, be **deferred** to the next Board meeting.
- HB084-2017
  1.      That the report from Tristan Costa, Assistant Heritage Planner, Planning and Development Services, dated November 7, 2017, to the Brampton Heritage Board Meeting of November 21, 2017, re: **Heritage Permit Application and Designated Heritage Property Incentive Grant Application – 44 Main Street South (St. Paul’s United Church) – Ward 1** (File HE.x), be received;
  2.      That the Heritage Permit Application for 44 Main Street South for the restoration and repair of 5 upper floor windows and front façade wooden porch stairs be approved, subject to the following conditions:
    - a.      That the windows sills damaged beyond repair be replaced in kind;
    - b.      That the stairs be replaced with cedar;
    - c.      That the existing spindles be retained, where possible; and,
  3.      That the Designated Heritage Property Incentive Grant application for 44 Main Street South for the restoration and repair of 5 upper floor windows and front façade wooden porch stairs be approved, to a maximum of \$5000.00.

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- HB085-2017
1. That the report from Cassandra Jasinski, Heritage Planner, Planning and Development Services, dated November 9, 2017, to the Brampton Heritage Board Meeting of November 21, 2017, re: **Heritage Permit Application – Part IV of the Ontario Heritage Act for 40 Elizabeth Street South (Alderlea) – Ward 4** (File HE.x), be received;
  2. That the Brampton Heritage Board endorses the final location for the artwork on the Alderlea property, as recommended in the report; and,
  3. That the Heritage Permit Application submitted by the City of Brampton for the installation of public art in honour of Alderlea's 150<sup>th</sup> Anniversary be approved.
- HB086-2017
1. That the report from Cassandra Jasinski, Heritage Planner, Planning and Development Services, dated November 8, 2017, to the Brampton Heritage Board Meeting of November 21, 2017, re: **Listing 10309 McVean Drive on the Municipal Register of Cultural Heritage Resources – Ward 10** (File HE.x), be received; and,
  2. That 10309 McVean Drive be listed on the City of Brampton's *Municipal Register of Cultural Heritage Resources*.
- HB087-2017
- That the verbal update from Cassandra Jasinski, Heritage Planner, Planning and Development Services, to the Brampton Heritage Board Meeting of November 21, 2017, re: **Main Street South Heritage Conservation District**, be received.
- HB088-2017
1. That the Brampton Heritage Board meeting of December 12, 2017 be cancelled; and,
  2. That the Brampton Heritage Board do now adjourn to meet again on Tuesday, January 16, 2017 at 7:00 p.m. or at the call of the Chair.
- PDC237-2017
- That the **Referred Matters List – Planning and Development Committee – December 4, 2017** to the Planning and Development Committee Meeting of December 4, 2017 be received.

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PDC238-2017      That the Planning and Development Committee do now adjourn to meet again on Monday, January 15, 2018, at 7:00 p.m., or at the call of the Chair.

10.5.      **Minutes – Committee of Council – December 6, 2017**

Regional Councillor Palleschi, Chair, Community Services Section, introduced the minutes and provided a summary of matters considered under that section.

City Councillor Bowman, Chair, Economic Development and Culture Section, provided a summary of matters considered under that section.

Regional Councillor Miles, Chair, Corporate Services Section, introduced matters considered under that section.

City Councillor Whillans, Chair, Public Works and Engineering, provided a summary of matters considered under that section.

The following motion was considered.

C392-2017      Moved by Regional Councillor Moore  
                      Seconded by City Councillor Whillans

1.      That the **Minutes of the Committee of Council Meeting of December 6, 2017**, to the Council Meeting of December 13, 2017, be received; and,
2.      That Recommendations CW415-2017 to CW448-2017 be approved, as outlined in the subject minutes.

Carried

The recommendations were approved as follows.

CW415-2017      That the agenda for the Committee of Council Meeting of December 6, 2017 be approved as amended as follows:

To delete:

- 5.5.    Delegations, re: **Morguard Success Story at Bramalea City Centre**:
  1.    Andrew Butler, General Manager, Bramalea City Centre
  2.    Bob Mah, Retail Asset Manager, Morguard



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3. Eleni Koukoulidis, Marketing Director, Bramalea City Centre

To add:

**8.3.4. Summary of Recommendations – Taxicab Advisory Committee – December 4, 2017**

- CW416-2017      That the delegations from the following representatives of Monster Creative Collective, to the Committee of Council Meeting of December 6, 2017, re: **Thanks to the City of Brampton for Support of "Bollywood Monster Does Brampton" and "Monster Rock Orchestra" events** be received:
1. Vikas Kohli, Executive Director
  2. Amadeo Ventura, Stakeholder Relations Consultant
  3. Marisol Fornoni, Community Relations Consultant
- CW417-2017      That the delegation from Catherine Soplet, Founder, Building Up Our Neighbourhoods, and Member, Peel Poverty Action Group, to the Committee of Council Meeting of December 6, 2017, re: **Recognition of the 10th Anniversary of the 2007 Peel Youth Charter** be **referred** to staff for a report back to a future Committee meeting.
- CW418-2017      That the following delegations to the Committee of Council Meeting of December 6, 2017, re: **City of Brampton Partnership with Career Edge** be received:
1. Jay Yakabowich, Senior Vice President, Career Edge
  2. Jeff Lazenby, Senior Director, Career Edge
  3. Iva Peressini, Manager, Talent Acquisition, Human Resources, City of Brampton
- CW419-2017      1. That the presentation by A. Milojevic, General Manager, Transit, to the Committee of Council Meeting of December 6, 2017, re: **Brampton Transit 5 Year Business Plan** be received;
2. That the report from A. Milojevic, General Manager, Transit, dated November 20, 2017, to the Committee of Council Meeting of December 6, 2017, re: **Brampton Transit 5 Year Business Plan** be received; and,

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3. That the summary document of the Brampton Transit Business Plan 2018-2022 and the Service Standards document attached to this report be endorsed to help guide the improvement and expansion of the Züm/Brampton Transit network and services, through the next five years (2018 to 2022), noting that future changes in services are still subject to change and subsequent approval through the annual budget approval process.

CW420-2017

1. That the report from K. Thususka, Real Estate Coordinator, Realty Services, Community Services, dated November 9, 2017, to the Committee of Council Meeting of December 6, 2017, re: **Surplus Declaration of portion of Block 108, 43M-2015, designated as Part 1, on 43R-37636, Lower Thames Park, City of Brampton, Regional Municipality of Peel – Ward 6** be received; and
2. That a by-law be passed to declare surplus to the City's requirements a portion of the City's land comprising Lower Thames Park and identified as part of PIN 14088-1201(LT), in order that the fee simple interest in such portion of the City's land, having an area of approximately 0.003 acres (0.012 ha), be conveyed at fair market value to the owner of the adjacent lands municipally known as 10 Elysian Fields Circle, for the sole purpose of bringing the side yard setback into compliance with the City's Zoning By-law.

CW421-2017

That the report from K. Thususka, Real Estate Coordinator, Realty Services, Community Services, dated October 2, 2017, to the Committee of Council Meeting of December 6, 2017, re: **Quarterly Report – Real Estate Transactions Executed by Delegated Authority – Q3 2017** be received.

CW422-2017

1. That the report from G. Hay, Recreation Supervisor, Community Services, dated November 14, 2017, to the Committee of Council Meeting of December 6, 2017, re: **Request to Begin Procurement – Purchasing By-Law Section 4.0 – To provide turf maintenance and grounds keeping services at Peel Village Golf Course – Ward 3** be received; and
2. That the Purchasing Agent be authorized to begin the procurement to provide turf maintenance and grounds keeping at Peel Village Golf Course for a five (5) year period.

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- CW423-2017      That the **Minutes of the Brampton Community Safety Advisory Committee Meeting of November 7, 2017**, to the Committee of Council Meeting of December 6, 2017, be received.
- CW424-2017      That the presentation by V. Mountain, Manager, Culture, Economic Development and Culture, and D. Rollings, Chair, Culture Master Plan Steering Committee, to the Committee of Council Meeting of December 6, 2017, re: **Culture Master Plan Update** be received.
- CW425-2017      That the presentation by A. Wong, Manager, Central Area, Economic Development and Culture, to the Committee of Council Meeting of December 6, 2017, re: **Central Area Update** be received.
- CW426-2017      That the presentation by D. Van Moorsel, Sector Manager, Advanced Manufacturing, Economic Development and Culture, to the Committee of Council Meeting of December 6, 2017, re: **Supercluster Update** be received.
- CW427-2017
  1.      That the presentation by M. Bohl, Sector Manager, Health and Life Sciences, Economic Development and Culture, to the Committee of Council Meeting of December 6, 2017, re: **Update – Business Mission to New York City – November 15, 2017** be received; and
  2.      That the report from B. Darling, Director, Economic Development and Culture, dated November 21, 2017, to the Committee of Council Meeting of December 6, 2017, re: **Update – Business Mission to New York City, NY – November 15, 2017** be received.
- CW428-2017
  1.      That the presentation by V. Mountain, Manager, Culture, Economic Development and Culture, to the Committee of Council Meeting of December 6, 2017, re: **Alderlea Public Art Recommendation** be received;
  2.      That the report from V. Mountain, Manager, Culture, Economic Development and Culture, dated November 15, 2017, to the Committee of Council Meeting of December 6, 2017, re: **Alderlea 150th Anniversary Public Art Project: Artist Recommendation** be received; and

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3. That the proposal from Mr. Tim desClouds entitled “For the Love of a House” be approved as the successful artist submission for the Alderlea 150<sup>th</sup> Anniversary Public Art Project; and
4. That the Director, Economic Development and Culture, be authorized to enter into an artist agreement with Mr. Tim desClouds for the development and installation of the Alderlea 150<sup>th</sup> Anniversary Project, in the amount of \$50,792 (includes applicable taxes), and such other agreements as necessary in connection there with, with content satisfactory to the Director, Economic Development and Culture and in a form satisfactory to the City Solicitor or designate.

CW429-2017      That the verbal update from B. Seguin, Advisor, Economic Development and Culture, to the Committee of Council Meeting of December 6, 2017, re: **University Update** be received.

CW430-2017      That the presentation by A. Minichillo, Project Manager, Planning Vision, Planning and Development Services, to the Committee of Council Meeting of December 6, 2017, re: **Planning Vision Update** be received.

CW431-2017      1. That the presentation by N. Early, Manager, Corporate Policy, Service Innovation and Corporate Performance, to the Committee of Council Meeting of December 6, 2017, re: **Modernizing the City’s Policies and Practices – New Policy Program – Phase 1 Update** be received;

2. That the report from N. Early, Manager, Corporate Policy, Service Innovation and Corporate Performance, dated November 6, 2017, to the Committee of Council Meeting of December 6, 2017, re: **Modernizing the City of Brampton’s Policies and Practices – Obsolete Council Policies** be received; and,

3. That the following Council policies be declared obsolete and rescinded from the Council policy registry:  
a) Computer Purchase Program (5.4.0), 2002  
b) Position Description (6.1.0), 2002  
c) Confined Space Entry (12.4.1), 2004  
d) Heat Stress Prevention (12.4.2), 2004  
e) Radio Use in the Workplace (12.4.4), 2004

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- f) West Nile Virus Prevention (12.4.7), 2004
- g) Winter Ice Maintenance on Lakes and Ponds (12.4.8), 2004
- h) Protective Footwear (12.5.2), 2004
- i) Corporate Initiatives Funding (13.2.2), 2005
- j) Expenses – Travel (13.3.5), 2015
- k) Community Use of Suite at BCSE (14.2.0), 2001
- l) Micrographics and Electronic Imaging (14.7.0), 2003
- m) Reports to Council-Committee (14.10.0), 2003
- n) Barrier Free Policy (14.12.0), 2004
- o) Business Mission Attendance Protocol (14.19.0), 2016

CW432-2017      That the report from E. O’Hoski, Director, Strategic Communications, dated October 19, 2017, to the Committee of Council Meeting of December 6, 2017, re: **Updated Census Data on Languages in Brampton** be received.

- CW433-2017
1. That the report from E. O’Hoski, Director, Strategic Communications, dated November 17, 2017, to the Committee of Council Meeting of December 6, 2017, re: **CN Rail Bridge Advertising Options for Future Use (RM 48/2017)** be received;
  2. That the contract with RCC Media Inc. be renewed for a period of five (5) years, to provide the City of Brampton full and exclusive use of both sides of the bridge faces located on Main Street north of Queen Street, and Queen Street east of Main Street, using the same provisions as the previous contract, to produce, install and maintain vinyl advertising banners; and
  3. That an exemption to the Sign By-law (399-2002) be made to allow vinyl banners to be displayed on the two downtown CN Rail bridges: Main Street north of Queen Street and Queen Street east of Main Street.

- CW434-2017
1. That the report from M. Finnegan, Senior Manager, Revenue, Corporate Services, dated November 10, 2017, to the Committee of Council Meeting of December 6, 2017, re: **Tax Adjustments, Cancellations and Reductions Pursuant to the *Municipal Act, 2001***, be received; and
  2. That the tax account adjustments as listed on Appendix A of this report be approved.

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- CW435-2017      That the **Minutes of Transit Council of Chairs Meeting of November 7, 2017**, to the Committee of Council Meeting of December 6, 2017, be received.
- CW436-2017      That the **Minutes of the Accessibility Advisory Committee Meeting of November 7, 2017**, to the Committee of Council Meeting of December 6, 2017, Recommendations AAC019-2017 to AAC023-2017, be approved as printed and circulated.
- AAC019-2017      That the agenda for the Accessibility Advisory Committee meeting November 7, 2017 be approved, as amended, to add the following items:
- 6.2.    Discussion at the request of Sherri Hopkins, Member, re: **Accessibility Issues at Bramalea City Centre**
- 6.3    Discussion at the request of Therese Anne Sidler, Member, re: **Accessibility Concerns at Brampton Library Four Corners Branch**
- AAC020-2017      That the presentation by Linda Oliner, Coordinator, Sport Tourism, Recreation and Culture, to the Accessibility Advisory Committee meeting of November 7, 2017, re: **Sport Tourism in Brampton** be received.
- AAC021-2017      1.      That the verbal advisory by City Clerk's Office staff to the Accessibility Advisory Committee meeting of November 7, 2017, re: **Accessibility Advisory Committee Membership and Attendance** be received; and,
2.      That the City Clerk be requested to fill the vacancy for the citizen membership for the term ending November 30, 2018, in accordance with the Citizen Appointment Process.
- AAC022-2017      That the update by Mike Mulick, Project Supervisor, Service Standards and Frank Grech, Accessible Enforcement Officer, Enforcement and By-law Services, to the Accessibility Advisory Committee meeting of November 7, 2017, re: **Quarterly Accessible Enforcement Report for Q3 – 2017** be received.

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- AAC023-2017      That the accessible Advisory Committee meeting do now adjourn to meet again on Tuesday December 5, 2017 at 6:30 p.m.
- CW437-2017      That the proposed Taxicab/Accessible Taxicab Owner Renewal Fee be increased from \$410 to \$430.
- CW438-2017      That the **Summary of Recommendations for the Taxicab Advisory Committee Meeting of December 4, 2017**, to the Committee of Council Meeting of December 6, 2017, Recommendations TC046-2017 to TC050-2017, be approved as printed and circulated.
- TC046-2017      That the agenda for the Taxicab Advisory Committee Meeting of December 4, 2017 be approved, as printed and circulated.
- TC047-2017      That the delegation from a member of the Taxicab Industry, to the Taxicab Advisory Committee Meeting of December 4, 2017, re: **Notice of Intention to Amend Mobile Licensing By-law 67-2014, Appendix I – Formula for the Issuance of Taxicab Owner’s Licences (Plates) from the Priority List** be received.
- TC048-2017
  1.      That the report from J. Bisson, Manager, Licensing Enforcement, Corporate Services, dated November 20, 2017, to the Taxicab Advisory Committee Meeting of December 4, 2017, re: **The Review of the Formula for the Issuance of Taxicab Owner’s Licences (Plates) from the Priority List** be received; and
  2.      That a by-law be passed to amend Mobile Licensing By-law 67-2014, as amended, to effect the recommended changes identified within the report titled “The Review of the Formula for the Issuance of Taxicab Owner’s Licences (Plates) from the Priority List”.
- TC049-2017      That, it is the position of the Taxicab Advisory Committee that the proposed Taxicab/Accessible Taxicab Owner Renewal Fee be increased from \$410 to \$430.
- TC050-2017      That the Taxicab Advisory Committee do now adjourn to meet again on Tuesday, February 27, 2017 at 2:00 p.m. or at the call of the Chair.

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- CW439-2017
1. That the report from A. Memon, Traffic Operations Technologist, Public Works and Engineering, dated November 1, 2017, to the Committee of Council Meeting of December 6, 2017, re: **The Alternate Process for Consideration of All-Way Stop Signs – Ward 8** (File I.AC) be received; and
  2. That a by-law be passed to amend Traffic By-law 93-93, as amended, to implement all-way stop control at the following intersection:
    - Westbrook Avenue and Avalanche Crescent/Whitehouse Crescent (northerly intersection, Ward 8).
- CW440-2017
1. That the report from J. Edwin, Manager, Development Construction, Environment and Development Engineering, Public Works and Engineering, dated October 20, 2017, to the Committee of Council Meeting of December 6, 2017, re: **Initiation of Subdivision Assumption – Edenfield Developments Inc. – Registered Plan 43M-1810 – North of Ebenezer Road and West of Regional Road No. 50 – Ward 10** (File C10E07.015) be received;
  2. That the City initiate the Subdivision Assumption of Edenfield Developments Inc., Registered Plan 43M-1810; and
  3. That a report be forwarded to City Council recommending the Subdivision Assumption of Edenfield Developments Inc., Registered Plan 43M-1810, once all departments have provided their clearance for assumption.
- CW441-2017
1. That the report from J. Edwin, Manager, Development Construction, Environment and Development Engineering, Public Works and Engineering, dated October 31, 2017, to the Committee of Council Meeting of December 6, 2017, re: **Initiation of Subdivision Assumption – FP Block 5 Developments Limited – Registered Plan 43M-1916 – South of Queen Street and West of Chinguacousy Road – Ward 4** (File C03W05.016) be received;
  2. That the City initiate the Subdivision Assumption of FP Block 5 Developments Limited, Registered Plan 43M-1916; and



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3. That a report be forwarded to City Council recommending the Subdivision Assumption of FP Block 5 Developments Limited, Registered Plan 43M-1916, once all departments have provided their clearance for assumption.
- CW442-2017
1. That the report from W. Kuemmling, Manager, Open Space Development, Public Works and Engineering, dated October 23, 2017, to the Committee of Council Meeting of December 6, 2017, re: **Request for Budget Amendment – Capital Project #175860-007 – Neighbourhood Parks, Riverview Heights - Erin Mills Subdivision, Pathway Construction in Open Space Block 302 – Registered Plan 43M-1979 – Ward 6** (File C05W02.006) be received;
2. That approval be given to transfer \$90,900 from Reserve #134 – Recreation Development Charges, plus \$10,100 from Reserve #78 – 10 % Operating Development Charges Contribution, to new Capital Project #175860-007 (Neighbourhood Parks), to allow staff to compensate The Erin Mills Development Corporation a total of \$100,664.36 for completing the development of the pathway on the City's behalf, as summarized in Schedule D of the Subdivision Agreement for application C05W02.006, Registered Plan 43M-1979.
- CW443-2017
- That the **Referred Matters List – Committee of Council** to the Committee of Council Meeting of December 6, 2017, be received.
- CW444-2017
- That the Briefing Report from L. Rubin-Vaughan, Manager, Government Relations and Public Policy, Office of the Chief Administrative Officer, to the Committee of Council Meeting of December 6, 2017, re: **Government Relations Matters** be received.
- CW445-2017
- That Committee proceed into Closed Session to discuss matters pertaining to the following:
- 13.1. A proposed or pending acquisition or disposition of land by the municipality or local board – property disposition matter
- 13.2. A proposed or pending acquisition or disposition of land by the municipality or local board – property lease matter

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- 13.3. Advice that is subject to solicitor-client privilege, including communications necessary for that purpose – legal advice
- 13.4. Litigation or potential litigation, including matters before administrative tribunals, affecting the municipality or local board – potential litigation matter

CW446-2017      That staff be authorized to negotiate and a by-law be passed to authorize the Mayor and Clerk to execute, an agreement of purchase and sale together with all other documents necessary to effect the disposal of the Fee Simple Interest, at fair market value, to the current owner of 10 Elysian Fields Circle, said agreement and documents to be on terms and conditions acceptable to the Commissioner Community Services, and in a form acceptable to the City Solicitor or designate.

- CW447-2017      1.      That staff be authorized to negotiate and a by-law be passed to authorize the Commissioner of Community Services to execute an Offer to Lease and subsequent lease agreement for the lease of approximately 1,222 square feet of space on the ground floor of the West Tower, being Suite 103-41 George Street South, to 2123008 Ontario Ltd., operating as Epic Pita Downtown Brampton, for consideration at fair market value and other terms and conditions acceptable to the Senior Manager, Realty Services, or designate and in a form of agreement approved by the City Solicitor, or designate; and
2.      That staff be directed to deposit the net proceeds from the rent generated by the lease of the premises, municipally known as Suite 103, 41 George Street, South, into account no. 600841.001.7320.0001.

CW448-2017      That the Committee of Council do now adjourn to meet again on Wednesday, January 17, 2018 at 9:30 a.m. or at the call of the Chair.

11.      **Unfinished Business** – nil

12.      **Correspondence**

- 12.1.      Correspondence from Carmine Domanico, Chair, Board of Directors, Central West Local Health Integration Network, dated November 28, 2017, to Vanita

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Varma, Chair, Board of Directors, William Osler Health System re: **Moving Forward with Peel Memorial Phase II in the Context of a Longer Term Plan.**

The following motion was considered.

C393-2017    Moved by City Councillor Whillans  
                  Seconded by City Councillor Bowman

That the correspondence from Carmine Domanico, Chair, Board of Directors, Central West Local Health Integration Network, dated November 28, 2017, to Vanita Varma, Chair, Board of Directors, William Osler Health System, to the Council Meeting of December 13, 2017, re: **Moving Forward with Peel Memorial Phase II in the Context of a Longer Term Plan**, be received.

Carried

- \* 12.2.    Correspondence from Helena West, Legislative Specialist, Region of Peel, dated December 1, 2017, re: **Region of Peel Resolution 2017-922 - Property Tax Exemption By-law for Land Used by Veterans for Eligible Purposes.**

**Dealt with under Consent Resolution C380-2017**

- \* 12.3.    Correspondence from Helena West, Legislative Specialist, Region of Peel, dated December 1, 2017, re: **Region of Peel Resolution 2017-926 - Low-Income Seniors and Low-Income Persons with Disabilities Tax Rebate Review and By-law Update.**

**Dealt with under Consent Resolution C380-2017**

- 12.4.    Correspondence from Jenny Gerbasi, Deputy Mayor, City of Winnipeg, President, Federation of Canadian Municipalities (FCM), dated December 7, 2017, re: **FCM Submission on Proposed Excise Duty Framework for Cannabis Products.**

The following motion was considered.

C394-2017    Moved by Mayor Jeffrey  
                  Seconded by City Councillor Bowman

That the correspondence from Jenny Gerbasi, Deputy Mayor, City of Winnipeg, President, Federation of Canadian Municipalities (FCM), dated December 7, 2017, to the Council Meeting of December 13, 2017, re:

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FCM Submission on Proposed Excise Duty Framework for Cannabis Products, be received.

Carried

**13.      Resolutions – nil**

**14.      Notices of Motion – nil**

**15.      Petitions – nil**

**16.      Other Business/New Business**

**16.1.   Discussion at the request of City Councillor Fortini, re: **Heritage Theatre Block****

In response to a request from City Councillor Fortini, Al Meneses, Commissioner of Community Services, provided an update on the sale of the Heritage Theatre Block, responded to questions from Council, and confirmed that a report would be provided for consideration in Closed Session at a future meeting.

**17.      Procurement Matters – nil**

**18.      Government Relations Matters**

**18.1.   Briefing Report from the Office of the Chief Administrative Officer, re: **Government Relations Matters**.**

The briefing report was distributed at the meeting.

The following motion was considered.

C395-2017   Moved by Regional Councillor Sprovieri  
              Seconded by Regional Councillor Palleschi

That the briefing report from the Office of the Chief Administrative Officer, to the Council Meeting of December 13, 2017, re: **Government Relations Matters**, be received.

Carried

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**19. Public Question Period – nil**

**20. By-laws**

The following motion was considered.

C396-2017 Moved by City Councillor Bowman  
Seconded by City Councillor Whillans

That By-laws 264-2017 to 289-2017, before Council at its meeting of December 13, 2017, be given the required number of readings, taken by the Mayor and City Clerk and the Corporate Seal affixed thereto.

264-2017 To amend Procedure By-law 160-2004, as amended, to implement recent amendments to the *Municipal Act, 2001*, effective January 1, 2018 (See Item 8.1)

265-2017 To amend Schedule 3 of Adult Entertainment Establishment By-law 114-2017, as amended, to exempt three pre-existing Adult Merchandise Businesses from the 500 metre separation requirement (See Item 8.2)

266-2017 To authorize the waiver of Section 42 requirements of the Expropriation Act to facilitate the disposal of surplus City owned land, municipally known as 1524 Countryside Drive – Ward 9 (See Item 8.6)

267-2017 To accept and assume works in Registered Plan 43M-1856 – Tanyaville Developments Inc. & Minto Brampton (Credit Ridge) Inc. – Registered Plan No. 43M-1856 – west of Creditview Road and south of Bovaird Drive – Ward 5 (File C04W08.002) (See Item 8.7)

268-2017 To declare surplus a fee simple interest over a portion of City owned land, known as Lower Thames Park – Ward 6 (See Item 10.5 – Committee of Council Recommendation CW420-2017 – December 6, 2017)

269-2017 To amend the Mobile Licensing By-law 67-2017, as amended – to make changes to vehicle requirements, fares, application requirements for brokers, licence fees and accessible vehicle driver training requirements, for Taxis and Limousines (See Item 10.5 – Committee of Council Recommendation CW437-2017 – December 6, 2017)

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- 270-2017 To amend Mobile Licensing By-law 67-2014, regarding Appendix I Formula for the Issuance of Taxicab Owner's licences (plates) from the Priority List (See Item 10.5 – Committee of Council Recommendation CW438-2017 (TC048-2017) – December 6, 2017)
- 271-2017 To amend Traffic By-law 93-93 – schedules relating to through highways and stop signs – Westbrook Avenue and Avalanche Crescent/Whitehouse Crescent (northerly intersection) – Ward 8 (See Item 10.5 – Committee of Council Recommendation CW439-2017 – December 6, 2017)
- 272-2017 To authorize the sale of a surplus Fee Simple Interest over a portion of City owned land known as Lower Thames Park to the current owner of 10 Elysian Fields Circle – Ward 6 (See Item 10.5 – Committee of Council Recommendation CW446-2017 – December 6, 2017)
- 273-2017 To authorize the execution of an Offer to Lease and subsequent Lease Agreement for retail space in City Hall West Tower – Ward 3 (See Item 10.5 – Committee of Council Recommendation CW447-2017 – December 6, 2017)
- 274-2017 To appoint officers to enforce parking on private property and to repeal By-Law 232-2017
- 275-2017 To prevent the application of part lot control on Registered Plan (43M-1817) – southwest corner of Bovaird Drive West and Elbern Markell Drive – Ward 5 (File PLC17-025)
- 276-2017 To prevent the application of part lot control Registered Plan (43M-1963) – northwest corner of Mississauga Road and Williams Parkway – Ward 5 (File PLC17-026)
- 277-2017 To prevent the application of part lot control on Registered Plan (43M-1980) – southwest corner of Bovaird Drive West and Mississauga Road – Ward 5 (File PLC17-027)
- 278-2017 To prevent the application of Part Lot Control on Registered Plan (43M-2023) – southeast corner of Mississauga Road and Wanless Drive – Ward 6 (File PLC17-033)
- 279-2017 To prevent the application of Part Lot Control on Registered Plan 43M-2041 – southeast of Cloudburst Road and Mississauga Road – Ward 6 (File PLC17-040)

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- 280-2017 To prevent the application of part lot control on Registered Plan (43M-1924) – northwest corner of Wanless Drive and Creditview Road – Ward 6 (File PLC17-041)
- 281-2017 To prevent the application of part lot control on Registered Plan (43M-2032) – northwest of Remembrance Road and Creditview Road – Ward 6 (File PLC17-042)
- 282-2017 To prevent the Application of Part Lot Control on Registered Plan (43M-2002) – northeast corner of Heritage Road and Steeles Avenue West – Ward 10 (File PLC17-032)
- 283-2017 To establish certain lands as part of the public highway system (Arrowpoint Drive and Sage Meadow Crescent) – Ward 4
- 284-2017 To establish certain lands as part of the public highway system (Heatherglen Drive and Hickory Ridge Court) – Ward 4
- 285-2017 To establish lands as part of public highway (Olivia Marie Road, Financial Drive and Lionhead Golf Club Road) – Ward 4
- 286-2017 To establish certain lands as part of the public highway system (Remembrance Road and Veterans Drive) – Ward 6
- 287-2017 To establish certain lands as part of the public highway system (Exchange Drive, Castlegate Boulevard, Deerchase Road, Pannahill Drive, Oakhaven Road, Dilworth Chase Road and Lynngrove Way) – Ward 8
- 288-2017 To establish certain lands as part of the public highway system (Clearfield Drive, Pomell Trail, Oklahoma Drive, Clarkway Drive, Versailles Crescent and Delport Close) – Ward 10
- 289-2017 To establish certain lands as part of the public highway system (Oshawa Drive, Vanderpool Crescent, Almond Street, Mount Royal Circle, Rampart Drive, Tango Road and Delmonico Road) – Ward 10

Carried

**21. Closed Session**

See also Item 6.3 – Resolution C381-2017 re: Item 21.9

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The following motion was considered.

C397-2017 Moved by City Councillor Whillans  
Seconded by City Councillor Bowman

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

- 21.1. Minutes – Closed Session – Audit Committee – November 20, 2017
- 21.2. Minutes – Closed Session – City Council – November 22, 2017
- 21.3. Minutes – Closed Session – City Council – Special Meeting – November 28, 2017
- 21.4. Minutes – Closed Session – Committee of Council – December 6, 2017
- 21.5. Litigation or potential litigation, including matters before administrative tribunals, affecting the municipality or local board – Ontario Municipal Board matter
- 21.6. A proposed or pending acquisition or disposition of land by the municipality or local board – property acquisition matter
- 21.7. A proposed or pending acquisition or disposition of land by the municipality or local board – property acquisition matter
- 21.8. Litigation or potential litigation, including matters before administrative tribunals, affecting the municipality or local board and advice that is subject to solicitor-client privilege, including communications necessary for that purpose – litigation matter
- 21.10. Litigation or potential litigation, including matters before administrative tribunals, affecting the municipality or local board

Carried

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

- 21.1 – these minutes were acknowledged by Council
- 21.2 – these minutes were acknowledged by Council
- 21.3 – these minutes were acknowledged by Council
- 21.4 – these minutes were acknowledged by Council



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- 21.5 – this item was considered by Council and direction was given to staff with respect to this matter
- 21.6 – this item was considered by Council – see Resolution C398-2017 below
- 21.7 – this item was considered by Council – see Resolutions C399-2017 and C400-2017 below
- 21.8 – this item was considered by Council – see Resolution C401-2017 below
- 21.10 – this item was considered by Council and direction was given to staff with respect to this matter

The following motion was considered with respect to Item 21.6.

C398-2017    Moved by Regional Councillor Miles  
                  Seconded by City Councillor Fortini

That By-law 290-2017 be passed to approve the Agreement of Purchase and Sale executed by Goreway Heaven Inc. as vendor for the purchase by the City on an "as is, where is" basis of the vacant parcel identified as PIN 14022-0133(LT), being part of Lot 14, Concession 7 S.D., designated as Part 7, Plan 43R-13215, in the City of Brampton, Regional Municipality of Peel and authorize the Commissioner, Community Services to execute such Agreement of Purchase and Sale and any other agreements or documents necessary for the completion of such acquisition on terms acceptable to the Senior Manager, Realty Services and in form acceptable to the City Solicitor or designate.

Carried

The following motion was considered with respect to Item 21.7.

C399-2017    Moved by Regional Councillor Miles  
                  Seconded by City Councillor Bowman

1.     That By-law 291-2017 be passed to authorize the Mayor and City Clerk to execute all documents necessary between The Corporation of the City of Brampton and 830460 Ontario Limited to effect the purchase of Riverstone Golf Club, capital improvement work and associated table and valley lands and all other documents and supplementary agreements as may be required in connection therewith, on terms and conditions acceptable to the Commissioner, Community Services and in a form acceptable to the City Solicitor or designate, in accordance with the following:

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- a. Acquisition of the clubhouse, clubhouse lands, and proximate parking (Parcels “A” and “B”) for \$9 M, including all chattels;
  - b. A \$2.6 M contribution from the City to the Vendor to facilitate the Vendor undertaking capital improvements, as identified by staff, to the clubhouse for completion, prior to closing;
  - c. The conveyance of the all valley lands and associated buffers (Parcels “D”, “E”, “F”, “G”, “H” and “I”) and the assumption of all remediation and redevelopment works, as identified in an agreement between the City and the Vendor, by the City;
  - d. The Vendor retaining the tablelands identified as Parcel “C” but with the registration of a protective covenant such that the redevelopment of the parcel be restricted to Low Density Residential development only;
2. That following the conveyance of the valley lands and associated buffer lands, that Public Works staff work with the Toronto and Region Conservation Authority (TRCA) and the Ministry of Natural Resources and Forestry (MNR) to “naturalize” the valley lands; and
  3. That the Commissioner of Community Services be authorized to execute agreements or other documents necessary for the completion of the City’s purchase of Riverstone Golf Club, capital improvement work and associated table and valley lands, on terms satisfactory to the Commissioner of Community Services and in a form acceptable to the City Solicitor, or designate.

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

<u>Yea</u>	<u>Nay</u>	<u>Absent</u>
Miles	Fortini	Medeiros
Bowman	Jeffrey	
Palleschi	Dhillon	
Whillans	Sprovieri	
Moore		
Gibson		

Carried  
6 Yeas  
4 Nays  
1 Absent

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A motion, moved by Regional Councillor Sprovieri and seconded by City Councillor Fortini, was introduced to convene a public meeting regarding the Riverstone property redevelopment.

An amendment was introduced to provide for a letter to area residents with a description of the project and notification of the open house. The amendment was accepted by the mover and seconder.

The motion, as amended, was considered as follows.

C400-2017    Moved by Regional Councillor Sprovieri  
                  Seconded by City Councillor Fortini

1.     That a public meeting be convened, at an appropriate location, for the purpose of informing and gathering comments from the public with regard to the Riverstone property redevelopment as a recreation facility with a focus on programming for seniors;
2.     And further that the area residents be provided with a letter of description of the project and notification of the open house.

Carried

The following motion was considered with respect to Item 21.8.

C401-2017    Moved by Regional Councillor Sprovieri  
                  Seconded by City Councillor Dhillon

1.     That the proposed terms of settlement in regard to Carillion Canada Inc. v. The Corporation of The City of Brampton {CourtFileNo.CV-13-482359-00), Project 2010-049-Castlemore Road Widening, be approved;
2.     That the City Solicitor or his designate be directed to take all necessary and reasonable steps as may be required to implement the proposed terms of settlement;
3.     That the Mayor and City Clerk be authorized and directed to execute such documents as may be necessary to implement the proposed terms of settlement, approved as to content by and in a form acceptable to, the City Solicitor, including minutes of settlement and releases; and

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4. That Council authorize payment of the Settlement Amount to Carillion Canada Inc. from capital project # 103770 and holdback account # 800579.

Carried

**22. Confirming By-law**

The following motion was considered.

C402-2017 Moved by City Councillor Bowman  
Seconded by City Councillor Whillans

That the following by-laws before Council at its Regular Meeting of December 13, 2017 be given the required number of readings, taken by the Mayor and the City Clerk and the Corporate Seal affixed thereto:

290-2017 To authorize the acquisition of certain lands between Steeles Avenue, Brampton and Brandon Gate Drive, Mississauga, Ward 8

291-2017 To authorize the acquisition of the Riverstone Golf Club, Capital Improvement Work and Associated Table and Valley Lands, Ward 8

292-2017 To confirm the proceedings of the Regular Council Meeting held on December 13, 2017

Carried

**23. Adjournment**

The following motion was considered.

C403-2017 Moved by City Councillor Whillans  
Seconded by City Councillor Bowman

That Council do now adjourn to meet again for a Regular Meeting of Council on Wednesday, January 24, 2018 at 9:30 a.m. or at the call of the Mayor.

Carried

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L. Jeffrey, Mayor

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P. Fay, City Clerk