



Minutes

Audit Committee

The Corporation of the City of Brampton

Tuesday, November 7, 2023

Members Present: Regional Councillor D. Keenan, Chair
Regional Councillor P. Vicente, Vice-Chair
Regional Councillor N. Brar
Regional Councillor M. Palleschi
Regional Councillor G. Toor
Nicole Russell, Citizen Member

Others Present: Regional Councillor P. Fortini

Staff Present: Marlon Kallideen, Chief Administrative Officer, and Acting
Commissioner, Public Works and Engineering
Alex Milojevic, Commissioner, Corporate Support Services
Nash Damer, Treasurer, Corporate Support Services
Charlton Carscallen, Principal Planner/Supervisor, Integrated
City Planning, Planning, Building and Growth Management
Claire Mu, Director, Internal Audit, Office of the CAO
Brad Cecile, Manager, Internal Audit, Office of the CAO
Cynthia Kenth, Senior Advisor, Audit Communications, Internal
Audit, Office of the CAO
Peter Fay, City Clerk
Charlotte Gravlev, Deputy City Clerk
Sonya Pacheco, Legislative Coordinator

1. **Call to Order**

The meeting was called to order at 9:30 a.m. and recessed at 10:33 a.m. Committee moved into Closed Session at 10:50 a.m., recessed at 11:32 a.m., moved back into Open Session at 11:41 a.m. and adjourned at 11:43 a.m.

Note: Regional Councillor Fortini was in attendance at this meeting.

2. **Approval of Agenda**

The following motion was considered.

AU028-2023

That the agenda for the Audit Committee Meeting of November 7, 2023, be approved as published and circulated.

Carried

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

Nil

4. **Consent**

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

(6.3, 6.4, 6.5)

The following motion was considered.

AU029-2023

That the following items to the Audit Committee Meeting of November 7, 2023 be approved as part of Consent:

(6.3, 6.4, 6.5)

Carried

5. **Presentations\Delegations**

- 5.1 Delegation from Maria Khoushnood, Partner, KPMG Private Enterprise, KPMG LLP, re: Item 7.1 - KPMG Audit Plan for the 2023 Fiscal Year

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

Maria Khoushnood, Partner, KPMG Private Enterprise, KPMG LLP, provided an overview of the KPMG Audit Planning Report for the year ending December 31, 2023 (Attachment 1 to Report Item 7.1), and provided information with respect to the following:

- Audit highlights
- Materiality
- Updates to the prior year audit plan
- Presumption of the risk of fraud
- Other risks of material misstatement
- Key milestones and deliverables

The delegation responded to questions from Committee regarding the following:

- KPMG Clara system for clients
- New standard for asset retirement obligations and related impacts
 - It was noted that staff will provide an update on this matter at a future meeting
- The City's obligation to implement the new standards
 - It was noted that staff will provide an update on this matter at a future meeting
- The City's Asset Management Program

The following motion was considered.

AU030-2023

1. That the delegation from Maria Khoushnood, Partner, KPMG Private Enterprise, KPMG LLP, to the Committee of Council Meeting of November 7, 2023, re: **Item 7.1 - KPMG Audit Plan for the 2023 Fiscal Year**, be received;
2. That the report from Maja Kuzmanov, Senior Manager Accounting Services/Deputy Treasurer, Corporate Support Services, to the Audit Committee Meeting of November 7, 2023, re: **KPMG Audit Plan for the 2023 Fiscal Year**, be received; and
3. That the Audit Planning Report for the Year Ending December 31, 2023, prepared by KPMG LLP, Chartered Accountants (KPMG LLP), to the Audit Committee, be received.

Carried

6. **Reports - Internal Audit**

6.1 Staff Report re: Historic Bovaird Site Audit

Claire Mu, Director, Internal Audit, Office of the CAO, provided an overview of the decision to outsource the Historic Bovaird Site Audit, Internal Audit's role, and the procurement process. In addition, Ms. Mu introduced the KPMG team that performed the subject audit.

Marilyn Abate, Partner, Risk Consulting and Financial Crimes, KPMG LLP, presented an overview of KPMG's Independent Review of the Historic Bovaird Site (Appendix 3 to the subject report), which included an overview of the Bovaird Site and Robinson Barn timelines, and KPMG's mandates, findings and recommendations.

Committee discussion on this matter included the following:

- Council approval of the Pendergast Log Cabin project funding
- Clarification of the capital expenses incurred by the City related to servicing, the Comfort Station, and other site improvements
- Costs incurred by, and the terms of agreement with, the development firm for the cabin project, and a request for further information on this matter

The following motion was considered.

AU031-2023

That the report from Claire Mu, Director, Internal Audit, Office of the CAO, to the Audit Committee Meeting of November 7, 2023, re: **Historic Bovaird Site – Independent Review of the Historic Bovaird Site for the Corporation of the City of Brampton**, including the related presentation from KPMG, be **referred** to the November 15, 2023 Committee of Council meeting.

Carried

6.2 Staff Report re: Property Tax Audit 2023

Claire Mu, Director, Internal Audit, Office of the CAO, introduced the staff involved in the Property Tax Audit, and expressed thanks for their efforts.

Brad Cecile, Manager, Internal Audit, Office of the CAO, presented an overview of the Property Tax Audit, and outlined the audit findings.

Staff responded to questions from Committee with respect to the following:

- Finding #2 - Reporting changes in building permit status to MPAC is not automated
 - Improper monitoring of building permit uploads
 - Recommendation relating to the review of building codes in the AMANDA system
 - Capital program, and budget request, to enhance the online tax experience
- Finding #3 - Mitigating controls over system user access should be strengthened
 - Clarification of the recommendation and management action plan for user activity reviews and user access validation
- Finding #4 - Standard Operating Procedures are not always current
 - Concerns regarding the target completion date for the Standard Operating Procedures, and the possibility of completing this sooner
- Significant impact of the staff turnover rate on property tax processes

The following motion was considered.

AU032-2023

1. That the report from Claire Mu, Director, Internal Audit, Office of the CAO, to the Audit Committee Meeting of November 7, 2023, re: **Property Tax Audit 2023**, be received; and
2. That the recommendations contained in Appendix 1: Property Tax Audit Report, be approved.

Carried

6.3 ^ Staff Report re: Internal Audit Work Plan Status Update

AU033-2023

That the report from Claire Mu, Director, Internal Audit, Office of the CAO, to the Audit Committee Meeting of November 7, 2023, re: **Internal Audit Work Plan Status Update**, be received.

Carried

- 6.4 ^ Staff Report re: Corporate Ethics Hotline Quarterly Report

AU034-2023

That the report from Claire Mu, Director, Internal Audit, Office of the CAO, to the Audit Committee Meeting of November 7, 2023, re: **Corporate Ethics Hotline Quarterly Report**, be received.

Carried

- 6.5 ^ Staff Report re: Status of Management Action Plans - Q3 2023

AU035-2023

That the report from Claire Mu, Director, Internal Audit, Office of the CAO, to the Audit Committee Meeting of November 7, 2023, re: **Status of Management Actions Plans - Q3 2023**, be received.

Carried

7. Reports - Finance

- 7.1 Staff Report re: KPMG Audit Plan for the 2023 Fiscal Year

Dealt with under Item 5.1 - Recommendation AU030-2023

8. Other/New Business

Nil

9. Question Period

Nil

10. Public Question Period

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

11. Closed Session

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

The security of the property of the municipality or local board - a security matter

The following motion was considered.

AU036-2023

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

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

The security of the property of the municipality or local board - a security matter

Carried

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

11.1 – This matter was considered in closed session, information was received and no direction was given to staff.

12. Adjournment

At this time in the meeting, Claire Mu, Director, Internal Audit, Office of the CAO, acknowledged the upcoming retirement of Peter Fay, City Clerk, expressed thanks for his leadership and guidance to the Internal Audit Office and the Audit Committee, and extended congratulations and best wishes to Mr. Fay on his retirement from the City of Brampton.

The following motion was considered.

AU037-2023

That the Audit Committee do now adjourn to meet again on Tuesday, February 6, 2024, or at the call of the Chair.

Carried

Regional Councillor D. Keenan, Chair

Regional Councillor P. Vicente, Vice-Chair