



Minutes

Audit Committee

The Corporation of the City of Brampton

Tuesday, February 13, 2024

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

Members Absent: Nicole Russell, Citizen Member

Staff Present: Marlon Kallideen, Chief Administrative Officer
Fang (Claire) Mu, Director, Internal Audit
Alex Milojevic, Commissioner, Corporate Services
Laura Johnston, Commissioner, Legislative Services
Janice Adshead, Acting City Clerk
Charlotte Gravlev, Deputy City Clerk
Tammi Jackson, Legislative Coordinator

1. **Call to Order**

The meeting was called to order at 2:33 p.m. and recessed at 4:06 p.m. Committee moved into Closed Session at 4:21 p.m., recessed at 4:30 p.m., moved back into Open Session at 4:40 p.m. and adjourned at 4:40 p.m.

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

2. **Approval of Agenda**

The following motion was considered.

AU001-2024

That the agenda for the Audit Committee Meeting of February 13, 2024, 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.

(6.4, 6.5)

The following motion was considered.

AU002-2024

That the following items to the Audit Committee Meeting of February 13, 2024, be approved as part of Consent:

(6.4, 6.5)

Carried

5. **Presentations\Delegations**

Nil

6. **Reports - Internal Audit**

Claire Mu, Director, Internal Audit, introduced the Internal Audit team as follows:

- Brad Cecile, Manager, Internal Audit.
- Mia Cui, Manager, Internal Audit.
- Sahil Sharma, Audit Project Lead, Internal Audit.
- Min Peng, Audit Project Lead, Internal Audit.
- Richard Gervais, Senior Advisor, Internal Audit.
- Cynthia Kenth, Senior Advisor, Internal Audit.
- Kevin Mahadeo, Advisor, Research, Administration Services and Special Projects, Internal Audit.

6.1 Staff Report re: Fleet Maintenance Audit

Brad Cecile, Manager, Internal Audit, Office of the CAO, presented an overview of the Fleet Maintenance Audit Report 2023, and outlined the audit findings.

Committee discussion on this matter included the following:

- Questions regarding the M5 system and the number of operators per vehicle.
- Staff clarified that one operator uses the same vehicle on a regular basis.
- Question regarding whether there were similar gap findings found during the last Fire and Emergency Services or Transit audit.
- Suggestion to consolidate all fleet vehicles (Fire, Transit, Fleet) together when discussing maintenance, checks and balances and manufacture warranties.
- Clarified the reason Fleet, Transit and Fire and Emergency Services are broken into three different phases. They have all separate requirements. Therefore, have separate audits.

- Transit is also audited by the Ministry of Transportation.
- Transit and Fire and Emergency Services audits are targeting 2024/2025.
- Staff clarified that Transit vehicles and Fire and Emergency Service vehicles have different requirements.
- Questions regarding purchase card spending.
- Clarification regarding purchase orders and outsourcing purchases.
- A review of all invoices coming into the purchase orders is underway to ensure billing is accurate.
- Current purchasing by-law is up for review. A report regarding limited tendering audit will come forward with recommendations being put forward as a result of the review.
- Suggestion to have procedures put in place to catch eliminate the gaps and overspending.
- Concerns raised regarding overspending.
- Question regarding what improvements have been made since the previous audits.

The following motion was considered.

AU003-2024

1. That the report from Brad Cecile, Manager, Internal Audit, to the Audit Committee Meeting of February 13, 2024, re: **Fleet Maintenance Audit Report 2023**, be received; and
2. That the recommendations contained in Appendix 1: Fleet Maintenance Audit Report 2023, be approved.

Carried

6.2 Staff Report re: Limited Tendering Audit Report 2023

Mia Cui, Manager, Internal Audit, Office of the CAO, and Sahil Sharma, Audit Project Lead, Internal Audit, Office of the CAO, presented an overview of the Limited Tendering Audit Report 2023, and outlined the audit findings.

Committee discussion on this matter included the following:

- Question regarding when the procurement by-law was last updated.

- What a non-competitive bid looks like.
- Procurement Complaints and Dispute's Standard Operating Procedure (SOP) has been developed and is currently with management for review. Target implementation of the SOP is by first quarter of 2024.
- Questions and concerns raised about finding # 1: Lack of Conflict of Interest (COI) Risk Consideration.

Councillor Vicente asked if staff would be willing and were able to update the purchasing by-law and bring it back to the Audit Committee for review and provided the following motion for consideration:

That the Purchasing Department be directed to draft amendments to the Purchasing By-law 19-2018, among other changes, to mandate a conflict of interest disclosure as part of the limited tendering due diligence process and an improved, robust verification process for the justification of these limited tenders and present the draft amendments back to a Committee of Council meeting, at the beginning of Q4, for review and approval.

The following motions were considered.

AU004-2024

1. That the report from Mia Cui, Manager, Internal Audit, to the Audit Committee Meeting of February 13, 2024, re: **Limited Tendering Audit Report 2023**, be received; and
2. That the recommendations contained in Appendix 1: Limited Tendering Audit 2023 Report, be approved.

Carried

AU005-2024

1. That the Purchasing Department be directed to draft amendments to the Purchasing By-law 19-2018, among other changes, to mandate a conflict of interest disclosure as part of the limited tendering due diligence process and an improved, robust verification process for the justification of these limited tenders and present the draft amendments back to a Committee of Council meeting, at the beginning of Q4, for review and approval.

Carried

6.3 Staff Report re: Asset Management (Small Equipment and Operating Tools) Audit 2023

Claire Mu, Director, Internal Audit, Office of the CAO, highlighted and acknowledged staff amongst four divisions within the City of Brampton that worked with the Internal Audit Team to complete the Asset Management (Small Equipment and Operating Tools) Audit 2023.

Mia Cui, Manager, Internal Audit, Office of the CAO, and Sahil Sharma, Audit Project Lead, Internal Audit, Office of the CAO, presented an overview of the Asset Management (Small Equipment and Operating Tools) Audit 2023, and outlined the audit findings.

Committee discussion on this matter included the following:

- Outlined need for a balanced approach. Staff needs to know where all City equipment is especially the large machinery.
- Question regarding why the Small Engine Shop of Parks Maintenance and Forestry was dismantled in 2017 in exchange for the slightly larger tools.
- Suggestion to bringing back a small engine shop to control and manage City inventory and assist with cost efficiency.
- Staff advised the possibility of bringing back a small engine shop will be looked at during the next budget for 2025.
- Staff will work with Audit for the next budget cycle of 2025 to put together proposal for a proper small engine shop with two staff and a foreperson to oversee the shop.
- Clarification that the M5 System is an asset management program.

The following motion was considered.

AU006-2024

1. That the report from Mia Cui, Manager, Internal Audit, to the Audit Committee Meeting of February 13, 2024, re: **Asset Management (Small Equipment & Operating Tools) Audit 2023**, be received; and
2. That the recommendations contained in Appendix 1: Asset Management (Small Equipment and Operating Tools) Audit 2023 Report, be approved.

Carried

6.4 ^ Staff Report re: 2024 Internal Audit Work Plan and 2023 Status Update

The following recommendation was approved on consent.

AU007-2024

That the report from Brad Cecile, Manager, Internal Audit, to the Audit Committee Meeting of February 13, 2024, re: **2024 Internal Audit Work Plan and 2023 Status Update**, be received.

Carried

6.5 ^ Staff Report re: Status of Management Action Plans – Q4 2023

The following recommendation was approved on consent.

AU008-2024

That the report from Richard Gervais, Senior Advisor, Internal Audit, to the Audit Committee Meeting of February 13, 2024, re: **Status of Management Action Plans- Q4 2023**, be received.

Carried

6.6 Staff Report re: Annual Report - 2023

Claire Mu, Director, Internal Audit, presented a video that provided an overview of the Annual Report - 2023, and outlined the audit findings and recommendations.

The following motion was considered.

AU009-2024

That the report from Cynthia Kenth, Audit Communications, Internal Audit, to the Audit Committee Meeting of February 13, 2024, re: **Annual Report - 2023**, be received.

Carried

7. **Reports - Finance**

Nil

8. Other/New Business

Nil

9. Question Period

Nil

10. Public Question Period

The public was given the opportunity to submit questions in person or via e-mail to the City Clerk's Office regarding any decisions made during this meeting. J. Adshead, Acting 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:

(a) The security of the property of the municipality or local board.

The Chair reported that this item was considered in closed session, information was received, and no direction was given.

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:

(a) The security of the property of the municipality or local board.

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

12. Adjournment

The following motion was considered.

AU009-2024

That the Audit Committee do now adjourn to meet again on Tuesday, May 14, 2024, or at the call of the Chair.

Carried

Regional Councillor D. Keenan, Chair

Regional Councillor P. Vicente, Vice-Chair