



Minutes

Audit Committee

The Corporation of the City of Brampton

Monday, October 7, 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 (arrived at 9:40 a.m. - personal)
Nicole Russell, Citizen Member
- Staff Present: Marlon Kallideen, Chief Administrative Officer
Bill Boyes, Commissioner, Community Services
Steve Ganesh, Commissioner, Planning, Building and Growth Management
Laura Johnston, Commissioner, Legislative Services
Alex Milojevic, Commissioner, Corporate Support Services
Peter Pilateris, Commissioner, Public Works and Engineering
Sameer Akhtar, City Solicitor
Fang (Claire) Mu, Director, Internal Audit
Cynthia Kenth, Senior Advisor, Audit Communications, Internal Audit
Genevieve Scharback, City Clerk
Sonya Pacheco, Legislative Coordinator

1. **Call to Order**

The meeting was called to order at 9:30 a.m. and recessed at 10:55 a.m. At 11:10 a.m., Committee moved into Closed Session, recessed at 12:07 p.m., reconvened in open session at 12:23 p.m. and adjourned at 12:24 p.m.

2. **Approval of Agenda**

Committee discussion took place with respect to proposed amendments to the agenda.

The following motion was considered.

AU021-2024

That the agenda for the Audit Committee Meeting of October 7, 2024, be approved, as amended, as follows:

To vary the order to deal with Item 6.2 (Purchasing Card Audit 2024 – Issues and Recommendations) after closed session; and

To add under Item 11.1 (Purchasing Card Audit 2024 – Supplemental Information) the following Open Meeting exception under Section 239 (2) (b) of the *Municipal Act, 2001*:

(b) personal matters about an identifiable individual, including municipal or local board employees.

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, 6.6)

The following motion was considered.

AU022-2024

That the following items to the Audit Committee Meeting of October 7, 2024 be approved as part of Consent:

(6.5)

Carried

Note: Later in the meeting, on a two-thirds majority vote to reopen the question, Consent was reopened and Items 6.3, 6.4 and 6.6 were removed from Consent.

5. Presentations\Delegations

Nil

6. Reports - Internal Audit

6.1 Staff Report re: Overview of IIA's Gap Assessment and Approval of Action Plan

Claire Mu, Director, Internal Audit, provided a presentation titled "2024 IIA Gap Assessment Review" and thanked the Chair and Vice Chair of Audit Committee, Corporate Leadership Team, and the Internal Audit team for their cooperation and efforts.

Keltie Donohue, IIA Quality Assessor, provided a presentation titled "Summary of GAP Assessment Results" and thanked Internal Audit for their assistance and cooperation.

Committee discussion took place and included the following:

- Threshold and process to determine the overall risk ranking for conformance with the Global Internal Audit Standards
- Clarification regarding Standard 11.5 - Communicating the Acceptance of Risks
- Acceptable timelines for staff to remediate issues

The following motion was considered.

AU023-2024

1. That the report from Claire Mu, Director, Internal Audit, to the Audit Committee Meeting of October 7, 2024, re: **Overview of IIA's Gap Assessment and Approval of Action Plan**, be received; and

2. That the action plan contained in Appendix 3 – Gap Assessment Final Report including Management Action Plan be approved.

Carried

6.2 Staff Report re: Purchasing Card Audit 2024 – Issues and Recommendations

The following motion was considered after closed session discussions.

AU024-2024

That the report from Claire Mu, Director, Internal Audit, to the Audit Committee Meeting of October 7, 2024, re: **Purchasing Card Audit 2024 – Issues and Recommendations**, be **referred** to the City Council Meeting of October 16, 2024.

Carried

6.3 Staff Report re: IT Asset Management Audit Report

Claire Mu, Director, Internal Audit, responded to questions from Committee and provided clarification regarding the financial implications and risks associated with the findings of the subject audit.

The following motion was considered.

AU025-2024

That the report from Claire Mu, Director, Internal Audit, to the Audit Committee Meeting of October 7, 2024, re: **IT Asset Management Audit Report**, be received.

Carried

6.4 Staff Report re: Status of Management Action Plans – Q3 2024

The following motion was considered.

AU026-2024

That the report from Claire Mu, Director, Internal Audit, to the Audit Committee Meeting of October 7, 2024, re: **Status of Management Action Plans – Q3 2024**, be received.

Carried

6.5 ^ Staff Report re: Internal Audit Work Plan Status Update - Q3 2024

AU027-2024

That the report from Claire Mu, Director, Internal Audit, to the Audit Committee Meeting of October 7, 2024, re: **Internal Audit Work Plan Status Update - Q3 2024**, be received.

Carried

6.6 Staff Report re: Corporate Ethics Hotline Quarterly Report – Q3 2024

Committee discussion took place, and staff responded to questions, regarding a report received through the Ethics Hotline relating to embezzlement and fraud.

Claire Mu, Director, Internal Audit, advised this case was not investigated by Internal Audit, as it falls outside their jurisdiction, and was referred to the Integrity Commissioner.

Further Committee discussion on this matter included the following:

- Role of the Integrity Commissioner to investigate matters relating to the Council Code of Conduct
- Reporting structure and independence of the Integrity Commissioner
- Internal Audit process of forwarding reports regarding Members of Council to the Integrity Commissioner and a request that this process be reviewed
- Importance of ensuring anonymity and confidentiality in the Ethics Hotline

The following motion was considered.

AU028-2024

That the report from Claire Mu, Director, Internal Audit, to the Audit Committee Meeting of October 7, 2024, re: **Corporate Ethics Hotline Quarterly Report – Q3 2024**, be received.

Carried

6.7 Staff Report re: Internal Audit Charter to Align with the 2024 Global Internal Audit Standards

Claire Mu, Director, Internal Audit, provided a presentation titled “Key Updates to the Audit Committee Terms of Reference and Internal Audit Charter”.

The following motion was considered.

AU029-2024

1. That the report from Claire Mu, Director, Internal Audit, to the Audit Committee Meeting of October 7, 2024, re: **Internal Audit Charter to Align with the 2024 Global Internal Audit Standards**, be received;
2. That the changes outlined in the updated Audit Committee Terms of Reference and Internal Audit Charter as set out in Appendix 2: Proposed new Audit Committee Terms of Reference and Internal Audit Charter, be approved; and,
3. That a by-law be passed to amend By-law 108-2023 to update the Audit Committee Terms of Reference and Internal Audit Charter, as set out in Appendix 2 of the subject report.

Carried

6.8 Staff Report re: 2025 Internal Audit Budget

Claire Mu, Director, Internal Audit, provided a presentation titled "Internal Audit 2025 Budget Request".

The following motion was considered.

AU030-2024

1. That the report from Claire Mu, Director, Internal Audit, to the Audit Committee Meeting of October 7, 2024, re: **2025 Internal Audit Budget**, be received; and
2. That the proposed 2025 Internal Audit Budget, as outlined in this report, and the appendices be approved and forwarded to the Mayor's Budget for consideration.

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. G. Scharback, City Clerk, confirmed that no questions were submitted.

11. Closed Session

11.1 Purchasing Card Audit 2024 – Supplemental Information

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

The security of the property of the municipality or local board and personal matters about an identifiable individual, including municipal or local board employees.

11.2 CAE Qualifications

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

A personal matter about an identifiable individual, including municipal or local board employees.

The following motion was considered.

AU031-2024

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

11.1 Purchasing Card Audit 2024 – Supplemental Information

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

The security of the property of the municipality or local board and personal matters about an identifiable individual, including municipal or local board employees.

11.2 CAE Qualifications

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

A personal matter about an identifiable individual, including municipal or local board employees.

Carried

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

11.1 – This item was considered in closed session and procedural direction was given to refer the item to the October 16, 2024 meeting of Council, in closed session.

11.2 – This item was considered in closed session and direction was given, including that a motion be considered in open session (See Recommendation AU032-2024).

The following motion was considered pursuant to Item 11.2:

AU032-2024

That the Audit Committee hereby re-affirms the appointment of Claire Mu to the position of Internal Auditor for the City of Brampton.

Carried

12. Adjournment

The following motion was considered.

AU033-2024

That the Audit Committee do now adjourn to meet again on Tuesday, December 3, 2024, or at the call of the Chair.

Carried

Regional Councillor D. Keenan, Chair

Regional Councillor P. Vicente, Vice-Chair