



Minutes

Audit Committee

The Corporation of the City of Brampton

Tuesday, December 3, 2024

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

Members Absent: Regional Councillor N. Brar (personal)

Staff Present: Marlon Kallideen, Chief Administrative Officer
Bill Boyes, Commissioner, Community Services
Laura Johnston, Commissioner, Legislative Services
Alex Milojevic, Commissioner, Corporate Services
Nick Ruller, Fire Chief, Fire and Emergency Services
Sunil Sharma, Director, Capital Works, Public Works and
Engineering
Fang (Claire) Mu, Director, Internal Audit
Brad Cecile, Manager, Internal Audit
Sahil Sharma, Lead Internal Auditor, Internal Audit
Cynthia Kenth, Senior Advisor, Audit Communications, Internal
Audit
Genevieve Scharback, City Clerk
Charlotte Gravlev, Deputy City Clerk
Sonya Pacheco, Legislative Coordinator

1. **Call to Order**

The meeting was called to order at 9:36 a.m. and recessed at 10:27 a.m. Committee moved into Closed Session at 10:47 a.m. and recessed at 11:27 a.m. Committee reconvened in Open Session at 11:37 a.m. and adjourned at 11:38 a.m.

2. **Approval of Agenda**

The following motion was considered.

AU034-2024

That the agenda for the Audit Committee Meeting of December 3, 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.

6.3, 6.4

The following motion was considered.

AU035-2024

That the following items to the Audit Committee Meeting of December 3, 2024 be approved as part of Consent:

6.3, 6.4

Carried

5. **Presentations\Delegations**

5.1 Delegation from Maria Khoushnood, Lead Audit Engagement Partner, KPMG, re: KPMG Audit Plan for the 2024 Fiscal Year

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

Maria Khoushnood, Lead Audit Engagement Partner, KPMG, presented KPMG's Audit Planning Report for the year ending December 31, 2024 (Attachment 1 to Report Item 7.1), and provided information with respect to the following:

- Audit highlights
- Updates to the prior year audit plan
 - New accounting and auditing standards
- Materiality
- Involvement of KPMG professionals with specialized skill in the audit
- Group Audit-Scoping
- Audit risks - Significant risks
 - Risk of management override of controls
 - Presumption of the risk of fraud involving improper revenue recognition
- Other risks of material misstatement
- Key milestones and deliverables

The following motion was considered.

AU036-2024

1. That the delegation from Maria Khoushnood, Lead Audit Engagement Partner, KPMG, to the Audit Committee Meeting of December 3, 2024, re: **KPMG Audit Plan for the 2024 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 December 3, 2024, re: **KPMG Audit Plan for the 2024 Fiscal Year**, be received; and
3. That the Audit Planning Report for the Year Ending December 31, 2024, prepared by KPMG LLP, Chartered Accountants (KPMG LLP), to the Audit Committee, be received.

Carried

6. Reports - Internal Audit

6.1 Staff Report re: Road Resurfacing Audit 2024 Report

Brad Cecile, Manager, Internal Audit, and Sunil Sharma, Director, Capital Works, Public Works and Engineering, provided a presentation on the Road Resurfacing Audit.

Committee discussion on this matter included the following:

- Road Resurfacing contract length
- Timeline for addressing audit findings
- Controls for the maintenance of insurance documentation
- Request that future reports include a staff response to the audit

The following motion was considered.

AU037-2024

1. That the report from Brad Cecile, Manager, Internal Audit, to the Audit Committee Meeting of December 3, 2024, re: **Road Resurfacing Audit 2024 Report**, be received;
2. That the recommendations contained in Appendix 1: Road Resurfacing Audit 2024 Report, be approved; and
3. Whereas the current format of internal audit reports places management action plans and responses in an appendix, which may limit their visibility to stakeholders reviewing the reports; and

Whereas integrating management action plans and responses into the main body of the report would improve clarity, ensure greater transparency, and provide stakeholders with a comprehensive understanding of audit findings, including management's commitments and the specific steps planned to address recommendations, thereby enabling more informed decision-making;

Therefore Be It Resolved that Internal Audit adopts an updated reporting format that incorporates management action plans and responses directly within the main body of audit reports, immediately following each audit finding and recommendation. Furthermore, the revised format shall be implemented by the first Audit Committee meeting of 2025.

Carried

6.2 Staff Report re: Fire Fleet Asset Management 2024 Audit Report

Sahil Sharma, Lead Internal Auditor, Internal Audit, and Nick Ruller, Fire Chief, Fire and Emergency Services, provided a presentation on the Fire Fleet Asset Management Audit.

Committee discussion on this matter included the following:

- Equipment tracking process improvements
- Dollar threshold for tracking assets in the M5 system (\$1000.00)

The following motion was considered.

AU038-2024

1. That the report from Mia Cui, Manager, Internal Audit, to the Audit Committee Meeting of December 3, 2024, re: **Fire Fleet Asset Management 2024 Audit Report**, be received; and
2. That the recommendations contained in Appendix 1: Fire Fleet Asset Management 2024 Audit Report, be approved.

Carried

6.3 ^ Staff Report re: Internal Audit Work Plan Status Update Q4 - 2024

AU039-2024

That the report from Richard Gervais, Senior Advisor - IT Audit, Internal Audit, to the Audit Committee Meeting of December 3, 2024, re: **Internal Audit Work Plan Status Update Q4- 2024**, be received.

Carried

6.4 ^ Staff Report re: Corporate Ethics Hotline Quarterly Report – Q4 2024

AU040-2024

That the report from Richard Gervais, Senior Advisor - IT Audit, Internal Audit, to the Audit Committee Meeting of December 3, 2024, re: **Corporate Ethics Hotline Quarterly Report – Q4 2024**, be received.

Carried

6.5 Staff Report re: Internal Audit Strategy Report

Committee discussion took place regarding the Internal Audit Strategy 2024-2026, and included the following:

- Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis
 - Sub-optimal use of audit software, and the steps, support and timeline to reconfigure this software
- Lack of on-going fraud awareness training, and lack of dedicated staff resources to manage the Ethics Hotline
- Performance metric "Process: Enhance Audit Quality and Impact", and the timeline for meeting the target for proposed additional metric #2 "Confirming the Implementation Status of Management Action Plans (MAPs)"
 - Ongoing monitoring of medium-high risk findings, and validation of management action plans
- Budget request for an additional Lead Internal Auditor

The following motion was considered.

AU041-2024

1. That the report from Kevin Mahadeo, Advisor, Research, Administrative Services and Special Projects, Internal Audit, to the Audit Committee Meeting of December 3, 2024, re: **Internal Audit Strategy 2024-2026**, be received; and,
2. That the full strategy document included in Appendix 1 – Internal Audit Strategy 2024-2026, be approved.

Carried

7. **Reports - Finance**

7.1 Staff Report re: KPMG Audit Plan for the 2024 Fiscal Year

Dealt with under Item 5.1 - Recommendation AU036-2024

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 Cyber Security Audit – 2024

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

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

The following motion was considered.

AU042-2024

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

11.1 Cyber Security Audit – 2024

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

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

Carried

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

11.1 - This item was considered in closed session and direction was given (to receive).

12. **Adjournment**

The following motion was considered.

AU043-2024

That the Audit Committee do now adjourn to meet again for a regular meeting on Tuesday, February 11, 2025 at 9:30 a.m. or at the call of the Chair.

Carried

Regional Councillor D. Keenan, Chair

Regional Councillor P. Vicente, Vice-Chair