

**Date:** 2021-10-27

**Subject:** Deferral of Realty Services Audit

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**Report Number:** CAO's Office-2021-1236

**Recommendations:**

1. That the report titled: **Deferral of Realty Services Audit**, to the Audit Committee Meeting of December 7, 2021, be received.

**Overview:**

- As part of the initial approved 2020 Internal Audit work plan, Internal Audit was scheduled to perform a Realty Services audit in Q4 2020;
- This engagement was deferred to Q3 2021, due to resource constraints within the team and changing priorities due to COVID-19; and
- A decision was made to defer the Realty Services audit to Q3 2022 in order to ensure the audit provides value to management.

**Background:**

As a part of the approved 2020 Internal Audit work plan, Internal Audit was scheduled to perform a Realty Services audit in Q4 2020. The objective of the engagement was to review and assess divisional governance and oversight, controls around divisional budget preparation and monitoring, controls around the billing and lease payment process, divisional expenses, bank loan review, depreciation and disposal, and compliance with City by-laws and legislative requirements.

**Current Situation:**

An introductory meeting was held with Internal Audit and Realty Services in August 2021, with the objective to introduce the teams, and discuss the audit plan, audit scope, and timelines.

Realty Services management expressed the challenges the division has continued to face this year and noted that the reasons for deferring the audit in 2020 have not changed. The division continues to face resource limitations and a backlog due to the COVID-19 pandemic. As such, it was determined that conducting an audit would not provide an accurate depiction of Realty Services' controls and processes, and would place an additional burden on staff, and any audit findings would not necessarily add value to the division.

Realty Services and Internal Audit have agreed that deferring the audit to August 2022 will allow the division to return to 'normality', which will ensure that the audit engagement adds value to the division as they move forward with their work plan and other projects.

Management has indicated that work is currently underway to fill vacancies, update and revise SOPs, and complete files.

Please refer to appendix 1 for the memo issued to the Interim Senior Manager of Realty Services, advising of the audit's deferral.

### **Corporate Implications:**

#### Financial Implications:

N/A

#### Other Implications:

N/A

### **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 function, which promotes corporate accountability, values, and governance best practices.

### **Conclusion:**

Internal Audit is committed to being a collaborative partner and ensuring audits conducted provide value to management. Internal Audit has concluded that conducting an audit at this time will not add value to the Realty Services division. Internal Audit and Realty Services have agreed that the audit will be deferred to Q3 2022, when Realty Services will be in a better position to accommodate this engagement.

Authored by:

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**Attachments:**

Appendix 1: Realty Services Audit Deferral Memo