



Minutes

Audit Committee

The Corporation of the City of Brampton

Tuesday, February 21, 2023

Members Present: Regional Councillor D. Keenan, Chair
Regional Councillor P. Vicente, Vice Chair
Regional Councillor M. Palleschi
Regional Councillor N. Brar
Regional Councillor G. Toor (arrived at 9:34 a.m.)

Staff Present: Marlon Kallideen, Chief Administrative Officer
Bill Boyes, Fire Chief, Fire and Emergency Services, and Acting
Commissioner, Community Services
Fang (Claire) Mu, Director, Internal Audit
Richard Gervais, Sr. Advisor, Internal Audit
Brad Cecile, Manager, Internal Audit
Ruchir Patel, Manager, Internal Audit
Peter Fay, City Clerk
Charlotte Gravlev, Deputy City Clerk
Tammi Jackson, Legislative Coordinator

1. **Call to Order**

The meeting was called to order at 9:30 a.m. and recessed at 11:14 a.m. Council moved into Closed Session at 11:30 a.m. and recessed at 11:41 a.m. Council reconvened in Open Session at 11:49 a.m. and adjourned at 11:51 a.m.

As this meeting of the Audit Committee was conducted with electronic participation by the Members, the meeting started with the City Clerk calling the roll for attendance at the meeting, as follows:

Members present during roll call: Councillor Keenan, Councillor Vicente, Councillor Palleschi, Councillor Brar.

Members absent during roll call: Councillor Toor (personal - arrived at 9:34 a.m.).

Others present: Councillor Fortini.

2. **Approval of Agenda**

The following motion was considered.

AU001-2023

That the agenda for the Audit Committee meeting of February 21, 2023 be approved as published and circulated.

Carried

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

Nil

4. **Consent**

In keeping with Council Resolution C019-2021, the Meeting Chair reviewed the relevant agenda items during this section of the meeting and allowed Members to identify agenda items for debate and consideration, with the balance to be approved as part of the Consent Motion given the items are generally deemed to be routine and non-controversial.

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

5.2, 5.3, 5.5, 6.3, 6.4, 6.8, 6.9 and 11.2

The following motion was considered.

AU002-2023

That the following items to the Audit Committee meeting of February 21, 2023 be approved as part of Consent:

5.2, 5.3, 5.5, 6.3, 6.4, 6.8, 6.9 and 11.2

Yea (5): Councillor Keenan, Councillor Vicente, Councillor Palleschi, Councillor Brar, Councillor Toor,

Absent (0): Nil

Carried (5 to 0)

5. Presentations\Delegations

- 5.1 Delegation from Maria Khoushnood, Lead Audit Engagement Partner, and Susan Zhou, Manager, KPMG LLP, Chartered Accountants, re: 2022 Audit Planning Report

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

Maria Khoushnood, Lead Audit Engagement Partner, KPMG LLP, Chartered Accountants, provided an overview of the Audit Planning Report and responded to questions of clarification.

The following motion was considered.

AU003-2023

1. That the delegation from Maria Khoushnood, Lead Audit Engagement Partner, and Susan Zhou, Manager, KPMG LLP, Chartered Accountants, to the Audit Committee meeting of February 21, 2023, re: **2022 Audit Planning Report**, be received; and,
2. That the report from Maja Kuzmanov, Senior Manager, Accounting Services/Deputy Treasurer, Corporate Support Services, to the Audit Committee meeting of February 21, 2023, re: 2022 Audit Planning Report, be received; and,

3. That the Audit Planning Report for the Year Ending December 31, 2022, prepared by KPMG LLP, Chartered Accountants (KPMG LLP), to the Audit Committee.

Carried

5.2 ^ Staff Presentation re: Claims Management Audit

AU004-2023

1. That the presentation from Ruchir Patel, Manager, Internal Audit, and Claire Mu, Director, Internal Audit, to the Audit Committee meeting of February 21, 2023, re: **Claims Management Audit**, be received; and,
2. That the report from Ruchir Patel, Manager, Internal Audit, to the Audit Committee meeting of February 21, 2023, re: **Claims Management Audit Report 2022**, be received.

Carried

5.3 ^ Staff Presentation, re: Limited Tendering Audit

AU005-2023

1. That the presentation from Anand Heeraman, Senior Internal Auditor, and Claire Mu, Director, Internal Audit, to the Audit Committee meeting of February 21, 2023, re: **Limited Tendering Audit**, be received; and,
2. That the report from Anand Heeraman, Senior Internal Auditor, Internal Audit, to the Audit Committee meeting of February 21, 2023, re: **Limited Tendering Audit Report 2022**, be received.

Carried

5.4 Staff Presentation, re: Parks Maintenance Audit

Item 6.7 was brought forward and dealt with at this time.

Brad Cecile, Manager, Internal Audit, provided a detailed overview of the Parks Maintenance Audit outlining findings resulting from the audit.

Mr. Cecile responded to questions from Committee with respect to the following:

- Clarification regarding next steps and what support staff required from the Audit committee to assist with implementing the suggested recommendations by staff.
- Questions regarding the number of inspectors currently employed and the number of officers required.
- Staff advised that a request for additional inspectors will be presented to the Budget Committee
- Outlined that the M5 tracking system is an older system and is used across all departments for asset tracking.
- Staff addressed questions regarding missing assets as borrowed assets by other divisions within the corporation.
- Outlined concerns regarding the grass cutting cycle and the lack of inspections to determine if the contractors are missing properties in the cycle rotation.
- Clarification that flower beds are not tracked by the Parks department. If this is corrected it will make it easier for staff to plan work accordingly.
- Questions regarding the contract with current contractors.
- Outlined how the M5 system operates and advised that staff are currently working on entering all manually tracked items into M5.
- Questions regarding alternate tracking software available that may be better suited.

AU006-2023

1. That the presentation from Brad Cecile, Manager, Internal Audit, to the Audit Committee meeting of February 21, 2023, re: **Parks Maintenance Audit**, be received; and,
2. That the report from Brad Cecile, Manager, Internal Audit, to the Audit Committee meeting of February 21, 2023, re: **Parks Maintenance Audit Report 2022**, be received; and,
3. That Parks departmental staff be directed to report annually on progress with respect to the findings.

Carried

5.5 ^ Staff Presentation re: Health and Safety Audit

AU007-2023

1. That the presentation from Brad Cecile, Manager, Internal Audit, to the Audit Committee meeting of February 21, 2023, re: **Health and Safety Audit**, be received; and,
2. That the report from Brad Cecile, Manager, Internal Audit, to the Audit Committee meeting of February 21, 2023, re: **Health and Safety Audit Report 2022**, be received.

Carried

5.6 Staff Presentation re: User Fee Audit

Item 6.11 was brought forward and dealt with at this time.

Ruchir Patel, Manager, Internal Audit, provided a detailed overview of the User Fee Audit outlining findings resulting from the audit.

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

- Question regarding whether the user fee increase would be City wide or only the 4 departments identified in the report.
- Clarification that some user fees will be increased immediately and some will be increased over a period of time.

The following motion was considered.

AU008-2023

1. That the presentation from Ruchir Patel, Manager, Internal Audit, and Claire Mu, Director, Internal Audit, to the Audit Committee meeting of February 21, 2023, re: **User Fee Audit**, be received; and,
2. That the report from Ruchir Patel, Manager, Internal Audit, to the Audit Committee meeting of February 21, 2023, re: **User Fee Audit Report 2022**, be received.

Carried

6. Reports - Internal Audit

- 6.1 Staff Report re: Update of Internal Audit Charter and Audit Committee Terms of Reference

Item 8.1 was brought forward and dealt with at this time.

Claire Mu, Director, Internal Audit, provided a brief overview of the subject matter and outlined the following proposed changes and responded to questions of clarification from Committee:

- The Audit Committee will:
 - Participate in the selection of the Director, Internal Audit.
 - Actively participate in discussions about and approving decisions regarding removal of the Director, Internal Audit
 - The title Chief Audit Executive (CAE) be removed and replaced with Director, Internal Audit.

Peter Fay, City Clerk, responded to questions from the Committee with respect to the following:

- Clarified that Audit Committee reports through to Council.
- Advised that Audit Committee does not have delegated authority and that all motions require Council approval.
- Outlined the level of independence allows the Audit Committee to work directly with the Director of Internal Audit to identify and conduct audits and reports through Audit Committee.
- Clarified that there is nothing that explicitly states Committee has delegated authority to act independently from Council.

Councillor Keenan requested that the number of citizen members appointed to the Audit Committee be reduced from 3 to 2 citizen members for this term of Council.

The following motion was considered.

AU009-2023

1. That the report titled: **Update of Internal Audit Charter and Audit Committee Terms of Reference**, to the Audit Committee Meeting of February 21, 2023, be received;
2. Whereas the Audit Committee was established to enable Members of Council to further enhance oversight capabilities and stewardship responsibilities; and

Whereas the Audit Committee Terms of Reference details the composition of the Audit Committee as:

- Minimum of five members of Council
- The Mayor, who is an ex-officio member
- Minimum of one to a maximum of three citizen members; and,

Whereas citizen members play an important role in the function of the Audit Committee; and

Whereas the previous term of Council appointed 7 Members of Council to the Audit Committee and three citizen members were recruited through the Citizens Appointment Committee; and

Whereas this term of Council appointed 5 Members of Council to the Audit Committee;

Therefore be it resolved that two citizen members be recruited for the Audit Committee through the Citizens Appointment Committee; and

That the City Clerk be requested to post two vacancies on the Audit Committee as open for applications from citizens, for a period of three weeks.

3. Whereas the Audit Committee Terms of Reference and the Audit Charter are both used as guiding documents for the Audit Committee; and

Whereas one guiding document will provide for efficiency and clarity on the mandate of the Audit Committee;

Therefore be it resolved that staff be directed to review the Audit Committee Terms of Reference and the Audit Charter and provide a draft version of a combined document to the next scheduled Audit Committee meeting.

4. Whereas the Council-approved Internal Audit Charter states that the Director of Internal Audit reports functionally to the Audit Committee and administratively to the Chief Administrative Officer; and

Whereas to assure that Internal Audit staff maintain an objective mindset and have sufficient authority to fulfill their duties;

Therefore be it resolved that any Internal Audit report directed to the Audit Committee by the Director of Internal Audit shall not require prior approval by the Chief Administrative Officer or other management staff; and

That any process, including any electronic workflow process, be modified accordingly.

Carried

6.2 Staff Report re: Corporate Fraud Prevention Hotline 2022 Yearly Update

Claire Mu, Director, Internal Audit and Richard Gervais, Manager, Internal Audit, provided a brief overview on the subject matter and responded to questions of clarification from Committee.

The following motion was considered.

AU010-2023

That the report from Richard Gervais, Senior Advisor, Internal Audit, re: **Corporate Fraud Prevention Hotline 2022 Yearly Update**, to the Audit Committee meeting of February 21, 2023, be received.

Carried

6.3 ^ Staff Report re: Status of Management Action Plans - Q4 2022

AU011-2023

That the report from Richard Gervais, Senior Advisor, Internal Audit, to the Audit Committee meeting of February 21, 2023, re: **Status of Management Action Plans- Q4 2022**, be received.

Carried

6.4 ^ Staff Report re: 2023 Internal Audit Work Plan and 2022 Status Update

AU012-2023

That the report from Richard Gervais, Senior Advisor, Internal Audit, to the Audit Committee Meeting of February 21, 2023, re: **2023 Internal Audit Work Plan and 2022 Status Update**, be received.

Carried

6.5 Staff Report re: Claims Management Audit Report 2022

Dealt with under Item 5.2 - Recommendation AU004-2023

6.6 Staff Report re: Limited Tendering Audit Report 2022

Dealt with under Item 5.3 - Recommendation AU005-2023

6.7 Staff Report re: Parks Maintenance Audit Report 2022

Dealt with under Item 5.4 - Recommendation AU006-2023

6.8 ^ Staff Report re: Driver Certification Program Fleet and, Fire and Emergency Service Compliance Audit

AU013-2023

That the report from Nibal Mater, Senior Internal Auditor, Internal Audit, to the Audit Committee meeting of February 21, 2023, re: **Driver Certification Program Fleet and Fire and Emergency Service Compliance Audit**, be received.

Carried

6.9 ^ Staff Report re: Driver Certification Program Transit Compliance Audit

AU014-2023

That the report from Nibal Mater, Senior Internal Auditor, Internal Audit, to the Audit Committee meeting of February 21, 2023, re: **Driver Certification Program Transit Compliance Audit**, be received.

Carried

6.10 Staff Report re: Health and Safety Audit Report 2022

Dealt with under Item 5.5 - Recommendation AU007-2023

6.11 Staff Report re: User Fee Audit Report

Dealt with under Item 5.6 - Recommendation AU008-2023

7. Reports - Finance

7.1 Staff Report re: 2022 Audit Planning Report

Dealt with under Item 5.1 - Recommendation AU003-2023

8. Other/New Business

8.1 Discussion Item at the request of Regional Councillor Keenan, re: Citizen Members on Audit Committee

Dealt with under Item 6.1 - Recommendation AU009-2023

9. Question Period

Nil

10. Public Question Period

The public was given the opportunity to submit questions via e-mail to the City Clerk's Office regarding any decisions made under this section of the agenda. 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 - a corporate infrastructure matter

^ 11.2 - Open Meeting exception under Section 239 (2) (a) of the Municipal Act, 2001:

The security of the property of the municipality - a corporate infrastructure matter

Item 11.2 was approved on consent and therefore not discussed in closed session.

The following motion was considered.

AU015-2023

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 - a corporate infrastructure matter.

Carried

Note: In Open Session, the City Clerk reported on matters considered in Closed Session, as follows:

11.1 – This item was considered in closed session, and no direction was given.

12. Adjournment

The following motion was considered.

AU016-2023

That the Audit Committee do now adjourn to meet again at the call of the Chair.

Carried

City Councillor D. Keenan, Chair