



## Minutes

### Audit Committee

#### The Corporation of the City of Brampton

**Monday, June 12, 2023**

- Members Present: Regional Councillor D. Keenan, Chair  
Regional Councillor P. Vicente, Vice Chair  
Regional Councillor N. Kaur Brar (arrived at 2:44 p.m. - personal)  
Regional Councillor M. Palleschi  
Regional Councillor G. Toor
- Others Present: Regional Councillor Fortini
- Staff Present: Marlon Kallideen, Chief Administrative Officer, and Acting Commissioner, Public Works and Engineering  
Steve Ganesh, Commissioner, Planning, Building and Growth Management  
Alex Milojevic, Commissioner, Corporate Support Services  
Fang (Claire) Mu, Director, Internal Audit  
Brad Cecile, Manager, Internal Audit  
Richard Gervais, Senior Advisor, Internal Audit  
Maja Kuzmanov, Senior Manager, Accounting Services/Deputy Treasurer, Corporate Support Services  
Sameer Akhtar, City Solicitor  
Peter Fay, City Clerk  
Charlotte Gravlev, Deputy City Clerk  
Sonya Pacheco, Legislative Coordinator

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1. **Call to Order**

The meeting was called to order at 2:22 p.m. and adjourned at 3:13 p.m.

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

2. **Approval of Agenda**

The following motion was considered.

**AU017-2023**

That the agenda for the Audit Committee Meeting of June 12, 2023, 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, 6.5, 6.6)

The following motion was considered.

**AU018-2023**

That the following items to the Audit Committee Meeting of June 12, 2023 be approved as part of Consent:

**(6.3, 6.4, 6.5, 6.6)**

Carried

5. **Presentations\Delegations**

- 5.1 Delegation from Maria Khounshnood, Lead Audit Engagement Partner, KPMG LLP, re: 2022 Audit Findings Report and Audited Consolidated Financial Statements

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

Maria Khounshnood, Lead Audit Engagement Partner, KPMG LLP, presented KPMG's Audit Findings Report for the year ended December 31, 2022, which included the following:

- Audit highlights:
  - Status of the audit
  - Indication that there were no significant changes to the audit plan and no significant control deficiencies were identified
  - Corrected audit misstatements
- Significant risks and results
- Audit risks and results, and other audit findings and results
- Upcoming changes to accounting and auditing standards

The delegation thanked staff for their cooperation during the audit process.

The following motion was considered.

**AU019-2023**

1. That the delegation from Maria Khounshnood, Lead Audit Engagement Partner, KPMG LLP, to the Audit Committee Meeting of June 12, 2023, re: **2022 Audit Findings Report and Audited Consolidated Financial Statements**, be received;
2. That the report from Maja Kuzmanov, Senior Manager, Accounting Services/Deputy Treasurer, Corporate Support Services, to the Audit Committee Meeting of June 12, 2023, re: **2022 Audited Consolidated Financial Statements for the City of Brampton**, be received; and
3. That the 2022 Audited Consolidated Financial Statements for the City of Brampton, be approved.

Carried

5.2 Staff Presentation re: Development Charges 2023

Item 6.1 was brought forward and dealt with at this time.

Claire Mu, Director, Internal Audit, introduced Min Peng, who recently joined the Internal Audit team as Senior Internal Auditor, and Brad Cecile, Manager, Internal Audit.

Brad Cecile provided a presentation to Committee regarding the Development Charges (DC) Audit, which included information on the audit objectives and scope, and the audit findings.

Committee discussion on this matter included the following:

- DC IT systems and DC rate updates in the AMANDA system
- Requirement to have current insurance certificates on file for developments, and potential risk of outdated certificates
  - Number of outdated insurance certificates on file and the process for obtaining updated certificates
  - Requirement for, and purpose of, site specific insurance certificates
  - Alternative options for proof of insurance
- Update of Standard Operating Procedures (SOPs)
- Review of the audit report by senior management

The following motion was considered.

**AU020-2023**

1. That the presentation by Brad Cecile, Manager, Internal Audit, to the Audit Committee Meeting of June 12, 2023, re: **Development Charges 2023**, be received;
2. That the report from Brad Cecile, Manager, Internal Audit, to the Audit Committee Meeting of June 12, 2023, re: **Development Charges Audit Report 2023**, be received; and
3. That the recommendations contained in Appendix 1: Development Charges Audit 2023 Report, be approved.

Carried

**6. Reports - Internal Audit**

6.1 Staff Report re: Development Charges 2023

**Dealt with under Item 5.2 - Recommendation AU020-2023**

6.2 Staff Report re: Audit Committee Terms of Reference and Internal Audit Charter

At the request of Committee, Claire Mu, Director, Internal Audit, provided an overview of the subject report, highlighted the changes to the Audit Charter, and acknowledged the staff that worked on combining the Audit Committee Terms of Reference and Internal Audit Charter.

The following motion was considered.

**AU021-2023**

1. That the report from Claire Mu, Director, Internal Audit, to the Audit Committee Meeting of June 12, 2023, re: **Audit Committee Terms of Reference and Internal Audit Charter**, be received;
2. That the combined and updated Audit Committee Terms of Reference and Internal Audit Charter, as set out in Appendix 1: By-law to Establish Audit Committee Terms of Reference and Internal Audit Charter to this report, be approved and enacted in a By-law; and
3. That Administrative Authority By-law 216-2017, as amended, be further amended to delegate authority to the Director of Internal Audit to make amendments to the Schedule contained in the proposed Audit Committee Terms of Reference and Audit Charter By-law to make required Schedule updates as set out in the Institute of Internal Auditors ("IIA") Standards, with regular reporting to the Audit Committee on any changes made to the by-law Schedule.

Carried

6.3 ^ Staff Report re: Corporate Fraud Governance Structure

**AU022-2023**

1. That the report from Claire Mu, Director, Internal Audit, to the Audit Committee Meeting of June 12, 2023, re: **Corporate Fraud Governance Structure**, be received; and
2. That the updated Corporate Fraud Governance Structure and the Corporate Fraud Prevention Policy, as set out in Appendix 1, be approved.

Carried

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

**AU023-2023**

That the report from Richard Gervais, Senior Advisor, Internal Audit, to the Audit Committee Meeting of June 12, 2023, re: **Internal Audit Work Plan Status Update**, be received.

Carried

6.5 ^ Staff Report re: Status of Management Action Plans - Q1 2023

**AU024-2023**

That the report from Richard Gervais, Senior Advisor, Internal Audit, to the Audit Committee Meeting of June 12, 2023, re: **Status of Management Actions Plans- Q1 2023**, be received.

Carried

6.6 ^ Staff Report re: Corporate Ethics Hotline Quarterly Report

**AU025-2023**

That the report from Richard Gervais, Senior Auditor, Internal Audit, to the Audit Committee Meeting of June 12, 2023, re: **Corporate Ethics Hotline Quarterly Report**, be received.

Carried

**7. Reports - Finance**

7.1 Staff Report re: 2022 Audited Consolidated Financial Statements for the City of Brampton

**Dealt with under Item 5.1 - Recommendation AU019-2023**

**8. Other/New Business**

8.1 Discussion Item re: Citizen Member Appointments to Audit Committee

Peter Fay, City Clerk, provided an overview of the recommendations passed by the Audit Committee and the Citizen Appointments Committee, directing that two citizen members be appointed, and the Audit Committee assume responsibility for these appointments. Mr. Fay advised that three applications were received by

the City Clerk's Office for these positions and suggested that a meeting of the Audit Committee be scheduled to review the applications.

Committee discussion on this matter included the following:

- Review of the citizen applications by the Director of Internal Audit
  - Clarification that the Director may review a blind copy of the applications for the purpose of evaluating qualifications/credentials, but will not participate in the appointments process
- Suggestion to refer the applications to the next Citizen Appointments Committee meeting

The following motion was considered.

**AU026-2023**

1. That the Director of Internal Audit be requested to review the current set of applicants with respect to the audit related credentials and experience; and
2. That the recommended candidates identified by the Citizen Appointments Committee be endorsed by the Audit Committee.

Carried

**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 at this meeting. P. Fay, City Clerk, confirmed that no questions were submitted.

**11. Closed Session**

Nil

**12. Adjournment**

The following motion was considered.

**AU027-2023**

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

Carried

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Regional Councillor D. Keenan, Chair

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Regional Councillor P. Vicente, Vice-Chair