

Date: 2023-10-27

Subject: **Historic Bovaird Site Audit**

Contact: Claire Fang Mu, Director, Internal Audit

Report Number: CAO's Office-2023-940

Recommendation:

That the report titled: Historic Bovaird Site – Independent Review of the Historic Bovaird Site for the Corporation of the City of Brampton, to the Audit Committee Meeting of November 7, 2023, be received.

Executive Summary:

- This report fulfills [Committee of Council resolution CW420-2022](#) which states that Resolution C330-2022 “be **referred** to Internal Audit for review within its 2023 work plan, including the process whereby this resolution came about, the question of payment origins, and the nature of the Friends of Bovaird House organization...”
- Internal Audit defined the objectives and the scope of the audit based on questions raised during Council deliberations at the Committee of Council on December 7, 2022. KPMG was contracted to perform the audit.
- The audit makes four recommendations for the City Council’s consideration, with two related to the City’s conflict of interest policies, and another two related to the City’s relationship with the Friend of Bovaird House.
- This report includes four appendices:
 - Appendix 1: Historic Bovaird Site – Independent Review of the Historic Bovaird Site for the Corporation of the City of Brampton
 - Appendix 2: Management Responses
 - Appendix 3: Executive Presentation
 - Appendix 4: City Policies

Description

The Committee of Council, at its meeting of December 7, 2022, directed the Internal Audit, through resolution CW420-2022, to review matters related to the acquisition and relocation of a historic agricultural building, the Robinson barn, from Caledon to the Historic Bovaird House site in Brampton.

“Council Resolution CW420-2022

8.3.2 CW420-2022 1. That Resolution C330-2022 be referred to Internal Audit for review within its 2023 work plan, including the process whereby this resolution came about, the question of payment origins, and the nature of the Friends of Bovaird House organization:

C330-2022

‘Whereas controversy in national media has caused public concern around the barn moved to the Bovaird house from Caledon; Therefore be it resolved that: 1) all payments for this project be immediately suspended; and 2) the file be referred to Community Services Section of Committee of Council to develop modern and transparent expense reporting obligations along with a professional business plan in line with the City 2040 vision’.”

<https://pub-brampton.escribemeetings.com/filestream.ashx?DocumentId=72051>

Based on the Council deliberations, Internal Audit set out the following audit objectives:

1. Assess the process whereby the funding for the Robinson Barn relocation and construction was approved, including the source of funding;
2. Review the nature of the Friends of Bovaird House relationship, including governance, mandate, and reporting relationship with the Brampton Heritage Board and the City of Brampton;
3. Review operating expenses of the Historic Bovaird House and property, including the Pendergast Log House;
4. Assess compliance to the City's Conflict of Interest Policy in decisions related to the Robinson barn, including members of the Brampton Heritage Board and the Friends of Bovaird House; and,
5. Identify the funding source for the acquisition and construction of the Pendergast Log Cabin.

Decision to Outsource the Audit

We consulted with the CAO and decided to contract out this audit. Our decision considered the following factors:

- City Council directed Internal Audit to audit matters related to the Bovaird House, and the Internal Audit Division is the only entity within the City with the expertise to plan and execute audits.
- There is a possibility that the audit could encroach on the Integrity Commissioner’s mandate as the audit implicated a former City Councillor.

Internal Audit's scope is limited to City staff, management, and boards. See Appendix 4 for details.

- Internal Audit staffing has been, until recently, running at 50% capacity. Dedicating resources to the Bovaird Audit and producing a timely report would delay addressing other areas of risk based on the City's corporate-wide risk assessment.
- Internal Audit chose to outsource the audit to a third party so that we could be at arms-length from the audit and to give us the capacity to meet our work goals.

Internal Audit's Involvement

Internal Audit at no time directed the conduct of the audit or influenced the auditor's opinion. Internal Audit's role was limited to the following:

- Developed the objectives and scope of the audit based on questions and concerns that came up during the Council deliberations at the Committee of Council on December 7, 2022.
- Drafted the RFP and selected the vendor.
- Worked with the selected vendor to clarify the RFP requirements and facilitated introductions to City staff.
- Monitored progress and ensured timelines were being met.
- Coordinated management responses to the recommendations listed in the audit report.

The Procurement Process

Internal Audit engaged the City's Purchasing Division to issue a Bid Document through the Invitational Request for Proposal (RFP) Call process. We estimated the work would be less than one hundred thousand dollars which meets the criteria for an Invitational RFP. Purchasing provided independent oversight of the bidding process.

In January 2023, we invited four firms to bid on the engagement. We received only one bid. Wanting to ensure a competitive bid, we clarified the requirements and reissued the RFP, closing on March 3, 2023. We evaluated the firms based on four criteria: Company Profile, Team Organization and Qualifications, Bidder's Experience and References, and their Project Understanding and Work Plan. KPMG not only had the lowest bid, but they also scored well on other criteria, including team organization and qualifications and project understanding and work plan.

Findings and Recommendations

KPMG's report is attached as Appendix 1, titled "Historic Bovaird Site: Independent Review of the Historic Bovaird Site for the Corporate of the City of Brampton". The audit was conducted over the summer, with the final report delivered to Internal Audit on October 3, 2023.

The audit provides four recommendations for City management and Council consideration, with two related to conflict-of-interest policies and the remaining two related to the City's relationship with the Friends of Bovaird House.

We thank City staff for their support through this process.

Authored by:

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Approved by:

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Attachments:

- Appendix 1: Historic Bovaird Site – Independent Review of the Historic Bovaird Site for the Corporation of the City of Brampton
- Appendix 2: Management Responses
- Appendix 3: Executive Presentation
- Appendix 4: City Policies