



## 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

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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

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City Councillor D. Keenan, Chair



## 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



## Minutes

### Audit Committee

#### The Corporation of the City of Brampton

**Tuesday, November 7, 2023**

- Members Present: Regional Councillor D. Keenan, Chair  
Regional Councillor P. Vicente, Vice-Chair  
Regional Councillor N. Brar  
Regional Councillor M. Palleschi  
Regional Councillor G. Toor  
Nicole Russell, Citizen Member
- Others Present: Regional Councillor P. Fortini
- Staff Present: Marlon Kallideen, Chief Administrative Officer, and Acting  
Commissioner, Public Works and Engineering  
Alex Milojevic, Commissioner, Corporate Support Services  
Nash Damer, Treasurer, Corporate Support Services  
Charlton Carscallen, Principal Planner/Supervisor, Integrated  
City Planning, Planning, Building and Growth Management  
Claire Mu, Director, Internal Audit, Office of the CAO  
Brad Cecile, Manager, Internal Audit, Office of the CAO  
Cynthia Kenth, Senior Advisor, Audit Communications, Internal  
Audit, Office of the CAO  
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 9:30 a.m. and recessed at 10:33 a.m. Committee moved into Closed Session at 10:50 a.m., recessed at 11:32 a.m., moved back into Open Session at 11:41 a.m. and adjourned at 11:43 a.m.

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

2. **Approval of Agenda**

The following motion was considered.

**AU028-2023**

That the agenda for the Audit Committee Meeting of November 7, 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)

The following motion was considered.

**AU029-2023**

That the following items to the Audit Committee Meeting of November 7, 2023 be approved as part of Consent:

(6.3, 6.4, 6.5)

Carried

5. **Presentations\Delegations**

- 5.1 Delegation from Maria Khoushnood, Partner, KPMG Private Enterprise, KPMG LLP, re: Item 7.1 - KPMG Audit Plan for the 2023 Fiscal Year

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

Maria Khoushnood, Partner, KPMG Private Enterprise, KPMG LLP, provided an overview of the KPMG Audit Planning Report for the year ending December 31, 2023 (Attachment 1 to Report Item 7.1), and provided information with respect to the following:

- Audit highlights
- Materiality
- Updates to the prior year audit plan
- Presumption of the risk of fraud
- Other risks of material misstatement
- Key milestones and deliverables

The delegation responded to questions from Committee regarding the following:

- KPMG Clara system for clients
- New standard for asset retirement obligations and related impacts
  - It was noted that staff will provide an update on this matter at a future meeting
- The City's obligation to implement the new standards
  - It was noted that staff will provide an update on this matter at a future meeting
- The City's Asset Management Program

The following motion was considered.

### **AU030-2023**

1. That the delegation from Maria Khoushnood, Partner, KPMG Private Enterprise, KPMG LLP, to the Committee of Council Meeting of November 7, 2023, re: **Item 7.1 - KPMG Audit Plan for the 2023 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 November 7, 2023, re: **KPMG Audit Plan for the 2023 Fiscal Year**, be received; and
3. That the Audit Planning Report for the Year Ending December 31, 2023, prepared by KPMG LLP, Chartered Accountants (KPMG LLP), to the Audit Committee, be received.

Carried

## 6. Reports - Internal Audit

### 6.1 Staff Report re: Historic Bovaird Site Audit

Claire Mu, Director, Internal Audit, Office of the CAO, provided an overview of the decision to outsource the Historic Bovaird Site Audit, Internal Audit's role, and the procurement process. In addition, Ms. Mu introduced the KPMG team that performed the subject audit.

Marilyn Abate, Partner, Risk Consulting and Financial Crimes, KPMG LLP, presented an overview of KPMG's Independent Review of the Historic Bovaird Site (Appendix 3 to the subject report), which included an overview of the Bovaird Site and Robinson Barn timelines, and KPMG's mandates, findings and recommendations.

Committee discussion on this matter included the following:

- Council approval of the Pendergast Log Cabin project funding
- Clarification of the capital expenses incurred by the City related to servicing, the Comfort Station, and other site improvements
- Costs incurred by, and the terms of agreement with, the development firm for the cabin project, and a request for further information on this matter

The following motion was considered.

#### **AU031-2023**

That the report from Claire Mu, Director, Internal Audit, Office of the CAO, to the Audit Committee Meeting of November 7, 2023, re: **Historic Bovaird Site – Independent Review of the Historic Bovaird Site for the Corporation of the City of Brampton**, including the related presentation from KPMG, be **referred** to the November 15, 2023 Committee of Council meeting.

Carried

### 6.2 Staff Report re: Property Tax Audit 2023

Claire Mu, Director, Internal Audit, Office of the CAO, introduced the staff involved in the Property Tax Audit, and expressed thanks for their efforts.

Brad Cecile, Manager, Internal Audit, Office of the CAO, presented an overview of the Property Tax Audit, and outlined the audit findings.

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



- Finding #2 - Reporting changes in building permit status to MPAC is not automated
  - Improper monitoring of building permit uploads
  - Recommendation relating to the review of building codes in the AMANDA system
  - Capital program, and budget request, to enhance the online tax experience
- Finding #3 - Mitigating controls over system user access should be strengthened
  - Clarification of the recommendation and management action plan for user activity reviews and user access validation
- Finding #4 - Standard Operating Procedures are not always current
  - Concerns regarding the target completion date for the Standard Operating Procedures, and the possibility of completing this sooner
- Significant impact of the staff turnover rate on property tax processes

The following motion was considered.

**AU032-2023**

1. That the report from Claire Mu, Director, Internal Audit, Office of the CAO, to the Audit Committee Meeting of November 7, 2023, re: **Property Tax Audit 2023**, be received; and
2. That the recommendations contained in Appendix 1: Property Tax Audit Report, be approved.

Carried

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

**AU033-2023**

That the report from Claire Mu, Director, Internal Audit, Office of the CAO, to the Audit Committee Meeting of November 7, 2023, re: **Internal Audit Work Plan Status Update**, be received.

Carried

6.4 ^ Staff Report re: Corporate Ethics Hotline Quarterly Report

**AU034-2023**

That the report from Claire Mu, Director, Internal Audit, Office of the CAO, to the Audit Committee Meeting of November 7, 2023, re: **Corporate Ethics Hotline Quarterly Report**, be received.

Carried

6.5 ^ Staff Report re: Status of Management Action Plans - Q3 2023

**AU035-2023**

That the report from Claire Mu, Director, Internal Audit, Office of the CAO, to the Audit Committee Meeting of November 7, 2023, re: **Status of Management Actions Plans - Q3 2023**, be received.

Carried

**7. Reports - Finance**

7.1 Staff Report re: KPMG Audit Plan for the 2023 Fiscal Year

**Dealt with under Item 5.1 - Recommendation AU030-2023**

**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. 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 or local board - a security matter

The following motion was considered.

**AU036-2023**

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 or local board - a security matter

Carried

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

11.1 – This matter was considered in closed session, information was received and no direction was given to staff.

**12. Adjournment**

At this time in the meeting, Claire Mu, Director, Internal Audit, Office of the CAO, acknowledged the upcoming retirement of Peter Fay, City Clerk, expressed thanks for his leadership and guidance to the Internal Audit Office and the Audit Committee, and extended congratulations and best wishes to Mr. Fay on his retirement from the City of Brampton.

The following motion was considered.

**AU037-2023**

That the Audit Committee do now adjourn to meet again on Tuesday, February 6, 2024, or 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



## Minutes

### Audit Committee

#### The Corporation of the City of Brampton

**Tuesday, February 13, 2024**

Members Present: Regional Councillor D. Keenan, Chair  
Regional Councillor P. Vicente, Vice-Chair  
Regional Councillor N. Brar  
Regional Councillor M. Palleschi  
Regional Councillor G. Toor

Members Absent: Nicole Russell, Citizen Member

Staff Present: Marlon Kallideen, Chief Administrative Officer  
Fang (Claire) Mu, Director, Internal Audit  
Alex Milojevic, Commissioner, Corporate Services  
Laura Johnston, Commissioner, Legislative Services  
Janice Adshead, Acting City Clerk  
Charlotte Gravlev, Deputy City Clerk  
Tammi Jackson, Legislative Coordinator

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1. **Call to Order**

The meeting was called to order at 2:33 p.m. and recessed at 4:06 p.m. Committee moved into Closed Session at 4:21 p.m., recessed at 4:30 p.m., moved back into Open Session at 4:40 p.m. and adjourned at 4:40 p.m.

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

2. **Approval of Agenda**

The following motion was considered.

**AU001-2024**

That the agenda for the Audit Committee Meeting of February 13, 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.

(6.4, 6.5)

The following motion was considered.

**AU002-2024**

That the following items to the Audit Committee Meeting of February 13, 2024, be approved as part of Consent:

(6.4, 6.5)

Carried

5. **Presentations\Delegations**

Nil

6. **Reports - Internal Audit**

Claire Mu, Director, Internal Audit, introduced the Internal Audit team as follows:

- Brad Cecile, Manager, Internal Audit.
- Mia Cui, Manager, Internal Audit.
- Sahil Sharma, Audit Project Lead, Internal Audit.
- Min Peng, Audit Project Lead, Internal Audit.
- Richard Gervais, Senior Advisor, Internal Audit.
- Cynthia Kenth, Senior Advisor, Internal Audit.
- Kevin Mahadeo, Advisor, Research, Administration Services and Special Projects, Internal Audit.

6.1 Staff Report re: Fleet Maintenance Audit

Brad Cecile, Manager, Internal Audit, Office of the CAO, presented an overview of the Fleet Maintenance Audit Report 2023, and outlined the audit findings.

Committee discussion on this matter included the following:

- Questions regarding the M5 system and the number of operators per vehicle.
- Staff clarified that one operator uses the same vehicle on a regular basis.
- Question regarding whether there were similar gap findings found during the last Fire and Emergency Services or Transit audit.
- Suggestion to consolidate all fleet vehicles (Fire, Transit, Fleet) together when discussing maintenance, checks and balances and manufacture warranties.
- Clarified the reason Fleet, Transit and Fire and Emergency Services are broken into three different phases. They have all separate requirements. Therefore, have separate audits.

- Transit is also audited by the Ministry of Transportation.
- Transit and Fire and Emergency Services audits are targeting 2024/2025.
- Staff clarified that Transit vehicles and Fire and Emergency Service vehicles have different requirements.
- Questions regarding purchase card spending.
- Clarification regarding purchase orders and outsourcing purchases.
- A review of all invoices coming into the purchase orders is underway to ensure billing is accurate.
- Current purchasing by-law is up for review. A report regarding limited tendering audit will come forward with recommendations being put forward as a result of the review.
- Suggestion to have procedures put in place to catch eliminate the gaps and overspending.
- Concerns raised regarding overspending.
- Question regarding what improvements have been made since the previous audits.

The following motion was considered.

**AU003-2024**

1. That the report from Brad Cecile, Manager, Internal Audit, to the Audit Committee Meeting of February 13, 2024, re: **Fleet Maintenance Audit Report 2023**, be received; and
2. That the recommendations contained in Appendix 1: Fleet Maintenance Audit Report 2023, be approved.

Carried

6.2 Staff Report re: Limited Tendering Audit Report 2023

Mia Cui, Manager, Internal Audit, Office of the CAO, and Sahil Sharma, Audit Project Lead, Internal Audit, Office of the CAO, presented an overview of the Limited Tendering Audit Report 2023, and outlined the audit findings.

Committee discussion on this matter included the following:

- Question regarding when the procurement by-law was last updated.



- What a non-competitive bid looks like.
- Procurement Complaints and Dispute's Standard Operating Procedure (SOP) has been developed and is currently with management for review. Target implementation of the SOP is by first quarter of 2024.
- Questions and concerns raised about finding # 1: Lack of Conflict of Interest (COI) Risk Consideration.

Councillor Vicente asked if staff would be willing and were able to update the purchasing by-law and bring it back to the Audit Committee for review and provided the following motion for consideration:

*That the Purchasing Department be directed to draft amendments to the Purchasing By-law 19-2018, among other changes, to mandate a conflict of interest disclosure as part of the limited tendering due diligence process and an improved, robust verification process for the justification of these limited tenders and present the draft amendments back to a Committee of Council meeting, at the beginning of Q4, for review and approval.*

The following motions were considered.

#### **AU004-2024**

1. That the report from Mia Cui, Manager, Internal Audit, to the Audit Committee Meeting of February 13, 2024, re: **Limited Tendering Audit Report 2023**, be received; and
2. That the recommendations contained in Appendix 1: Limited Tendering Audit 2023 Report, be approved.

Carried

#### **AU005-2024**

1. That the Purchasing Department be directed to draft amendments to the Purchasing By-law 19-2018, among other changes, to mandate a conflict of interest disclosure as part of the limited tendering due diligence process and an improved, robust verification process for the justification of these limited tenders and present the draft amendments back to a Committee of Council meeting, at the beginning of Q4, for review and approval.

Carried

### 6.3 Staff Report re: Asset Management (Small Equipment and Operating Tools) Audit 2023

Claire Mu, Director, Internal Audit, Office of the CAO, highlighted and acknowledged staff amongst four divisions within the City of Brampton that worked with the Internal Audit Team to complete the Asset Management (Small Equipment and Operating Tools) Audit 2023.

Mia Cui, Manager, Internal Audit, Office of the CAO, and Sahil Sharma, Audit Project Lead, Internal Audit, Office of the CAO, presented an overview of the Asset Management (Small Equipment and Operating Tools) Audit 2023, and outlined the audit findings.

Committee discussion on this matter included the following:

- Outlined need for a balanced approach. Staff needs to know where all City equipment is especially the large machinery.
- Question regarding why the Small Engine Shop of Parks Maintenance and Forestry was dismantled in 2017 in exchange for the slightly larger tools.
- Suggestion to bringing back a small engine shop to control and manage City inventory and assist with cost efficiency.
- Staff advised the possibility of bringing back a small engine shop will be looked at during the next budget for 2025.
- Staff will work with Audit for the next budget cycle of 2025 to put together proposal for a proper small engine shop with two staff and a foreperson to oversee the shop.
- Clarification that the M5 System is an asset management program.

The following motion was considered.

#### **AU006-2024**

1. That the report from Mia Cui, Manager, Internal Audit, to the Audit Committee Meeting of February 13, 2024, re: **Asset Management (Small Equipment & Operating Tools) Audit 2023**, be received; and
2. That the recommendations contained in Appendix 1: Asset Management (Small Equipment and Operating Tools) Audit 2023 Report, be approved.

Carried

6.4 ^ Staff Report re: 2024 Internal Audit Work Plan and 2023 Status Update

The following recommendation was approved on consent.

**AU007-2024**

That the report from Brad Cecile, Manager, Internal Audit, to the Audit Committee Meeting of February 13, 2024, re: **2024 Internal Audit Work Plan and 2023 Status Update**, be received.

Carried

6.5 ^ Staff Report re: Status of Management Action Plans – Q4 2023

The following recommendation was approved on consent.

**AU008-2024**

That the report from Richard Gervais, Senior Advisor, Internal Audit, to the Audit Committee Meeting of February 13, 2024, re: **Status of Management Action Plans- Q4 2023**, be received.

Carried

6.6 Staff Report re: Annual Report - 2023

Claire Mu, Director, Internal Audit, presented a video that provided an overview of the Annual Report - 2023, and outlined the audit findings and recommendations.

The following motion was considered.

**AU009-2024**

That the report from Cynthia Kenth, Audit Communications, Internal Audit, to the Audit Committee Meeting of February 13, 2024, re: **Annual Report - 2023**, be received.

Carried

7. **Reports - Finance**

Nil

**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. J. Adshead, Acting 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:

(a) The security of the property of the municipality or local board.

The Chair reported that this item was considered in closed session, information was received, and no direction was given.

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:

(a) The security of the property of the municipality or local board.

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

**12. Adjournment**

The following motion was considered.

**AU009-2024**

That the Audit Committee do now adjourn to meet again on Tuesday, May 14, 2024, or 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