THE REGIONAL MUNICIPALITY OF PEEL

AUDIT AND RISK COMMITTEE

MINUTES

Members Present:	S. Dasko N. Fairhead C. Fonseca N. Iannicca K. Ras	R. Santos I. Sinclair R. Starr H. Zuberi
Staff Present	N. Polsinelli, Interim Chief Administrative Officer S. Baird, Commissioner of Digital and Information Services K. Lockyer, Acting Commissioner of Corporate Services S. VanOfwegen, Commissioner of Finance and Chief Financial Officer P. O'Connor, Regional Solicitor A. Smith, Chief Planner A. Farr, Acting Commissioner of Public Works J. Sheehy, Commissioner of Human Services	C. Granger, Acting Commissioner of Health Services M. Morris, Director, Enterprise Risk and Audit Services S. Nagel, Director Corporate Finance and Treasurer A. Macintyre, Deputy Clerk and Manager of Legislative Services J. Jones, Legislative Specialist H. Gill, Legislative Specialist R. Khan, Legislative Technical Coordinator

1. CALL TO ORDER

The Region of Peel Audit and Risk Committee met on April 16, 2020 at 11:03 a.m., in the Regional Council Chamber, 5th Floor, Regional Administrative Headquarters, 10 Peel Centre Drive, Suite A, Brampton, ON. The Committee Chair attended in-person. Members of the Committee and staff participated electronically.

2. DECLARATIONS OF CONFLICTS OF INTEREST

Nil

3. APPROVAL OF AGENDA

That the agenda for the April 16, 2020 Audit and Risk Committee meeting be approved.

4. DELEGATIONS

4.1 Trevor Ferguson, Audit Partner, Deloitte LLP

Presenting the 2019 Deloitte Audit Results Report
(Related to 5.2)

Received

Trevor Ferguson, Audit Partner, Deloitte LLP, provided a high-level overview of the 2019 Deloitte Audit Results Report for the external audit of the financial statements of The Regional Municipality of Peel and the Peel Housing Corporation. He stated that no significant deficiencies were identified. He noted that Appendix 3 of the Deloitte report provides a summary of misstatements related to the reporting of tangible capital assets consisting of linear assets that were disposed of in prior years.

Stephanie Nagel, Director of Corporate Finance and Treasurer, noted that the misstatements account for one-third of one percent of all tangible capital assets and, therefore, the amount would not cause a material miscommunication. She noted that the misstatements were the result of Public Works linear asset abandonment related to projects such as the QEW/410 extension. She confirmed that a process to ensure future financial reporting related to this type of work is now in place.

In response to a concern from Councillor Ras, regarding staff access to systems such as the Customer Care and Billing (CC&B) application, Sean Baird, Commissioner of Digital and Information Systems, stated there are procedures in place to address access to controls within the systems and the revocation of accounts; and staff have committed to review those processes to ensure timely communication is in place. With respect to controls for access to CC&B profiles, he noted that the Region has a partially decentralized model for this particular application whereby, operational staff with access to the application is a distinct group from those who perform the transactions and the operational team segregates that access.

Councillor Ras requested that staff report back to a future meeting with additional detail on how the Region is managing these processes.

5. REPORTS

5.1 Quality Assessment Results

(For information) (Related to 6.1)

Received

This item was dealt with later in the meeting.

5.2 2019 Deloitte Audit Results Report

(For information) (Related to 4.1)

Received

5.3 2019 Region of Peel Consolidated Financial Statements

(For information)

Received

5.4 2019 Peel Housing Corporation Financial Statements

(For information)

Received

5.5 2019 Region of Peel Sinking Funds Financial Statements

(For information)

Received

5.6 2019 Region of Peel Trust Funds Financial Statements

(For information)

Received

5.7 Emergency Shelter Operations Contract Management Audit

(For information)
Presentation by Janice Sheehy, Commissioner of Human Services, Aileen Baird, Director, Housing Services and Jennifer Weinman, Manager, Enterprise Audit Services

Received

Jennifer Weinman, Manager, Enterprise Audit Services, and Aileen Baird, Director, Housing Services presented the results of the Emergency Shelter Operations Contract Management audit including a review of the Audit objective, observations and management response. Janice Sheehy, Commissioner of Human Services provided overall management context, noting that changes have been made within the Human Services department organizational structure, ensuring there are clear accountabilities for all functions and outcomes.

In response to a question from Councillor Ras regarding oversight of shelter contracts, Aileen Baird clarified that oversight occurs through informal meetings between Regional staff and the Salvation Army. The Region will formalize processes and documentation with all shelter operations as a result of this audit.

Councillor Fonseca requested that a future emergency shelter operations audit consider management controls with respect to the Salvation Army food safety practices.

In response to a question from Councillor Fonseca regarding a recent family shelter fire, Aileen Baird noted that staff will include a review of lessons learned, with respect to fire safety, in the next report to the Committee.

In response to a request from Councillor Starr regarding the need to improve the system of administration and monitoring of emergency shelter contracts, staff took direction to provide an operational progress report to the Committee within six to eight months; and to include an audit of the Shelter Contract management in the 2021 work plan to allow sufficient time for the controls that have been put

in place to be audited. Councillor Starr further requested that the operational progress report include an organizational flow chart, processes in place to monitor the emergency overflow system, and any changes accomplished to date.

5.8 Land Use Development – Development Services Division Audit – Preliminary Objective and Scope

(For information)

Received

Councillor Santos departed at 12:30 p.m.

Item 5.1 was dealt with

6. COMMUNICATIONS

6.1 Elaine Maheu, Validator and Tracy Darakjian, Director, Quality, The Institute of Internal Auditors

Certificate dated January 22, 2020, Providing a Quality Assessment Letter as Issued by the Institute of Internal Auditors Quality Services, LLC (Receipt recommended) (Related to 5.1)

Received

6.2 Michele Mark Levine, Director, Technical Services Centre, Government Finance Officers Association

Letter dated December 17, 2019, Awarding the Regional Municipality of Peel with the 2018 Canadian Award for Financial Reporting (Receipt recommended)

Received

6.3 Michele Mark Levine, Director, Technical Services Centre, Government Finance Officers Association

Letter dated January 31, 2020, Awarding the Regional Municipality of Peel with the Popular Annual Financial Reporting Award (Receipt recommended)

Received

7. OTHER BUSINESS

Michelle Morris, Director, Enterprise Risk and Audit Services, noted that the Enterprise Audit Services Work Plan, as approved in February 2020, will be revised as a result of the COVID-19 emergency and the resulting redeployment of staff. An update report will be brought forward at the next Committee meeting.

8. IN CAMERA

Nil

9. NEXT MEETING

The next meeting of the Audit and Risk Committee is scheduled for October 1, 2020 at 11:00 a.m. to 12:30 p.m. in the Council Chamber, 5th floor, Regional Administrative Headquarters, Suite A, 10 Peel Centre Drive, Brampton, Ontario.

Please forward regrets to Jill Jones, Committee Clerk, and (905) 791-7800 ext. 4330 or at jill.jones@peelregion.ca.

10. ADJOURNMENT

The meeting adjourned at 12:40 p.m.