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## Audit Committee

**Date:** December 7, 2020  
**Time:** 9:30 AM  
**Location:** Online Video Conference

<b>Members Present</b>	Mayor Bonnie Crombie	
	Councillor Stephen Dasko	Ward 1
	Councillor Karen Ras	Ward 2
	Councillor Ron Starr	Ward 6 (Chair)
	Councillor Dipika Damerla	Ward 7

### Staff Present

Paul Mitcham, City Manager & CAO  
Gary Kent, Commissioner, Corporate Services & CFO  
Geoff Wright, Commissioner, Transportation & Works  
Shawn Slack, Director, IT & Chief Information Officer  
Raj Sheth, Director, Facilities & Property Management  
Mickey Frost, Director, Works Operations & Maintenance  
Luis Souza, Director, Internal Audit  
Diana Rusnov, Director, Legislative Services and City Clerk  
Scott Holmes, Senior Manager, Works Admin Operations & Maintenance  
Andy Harvey, Senior Manager, Works Admin Operations & Maintenance  
Mark Beauparlant, Manager, Financial & Treasury Services (NCO)  
Wesley Anderson, Manager, Financial & Treasury Services  
Sacha Smith, Manager, Legislative Services and Deputy Clerk  
Jerry Pinchak, Supervisor, Signs & Pavement Markings  
Barbara Webster, Senior Internal Auditor  
Dayna Obaseki, Legislative Coordinator  
Allyson D'Ovidio, Legislative Coordinator

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1. **CALL TO ORDER – 9:30 AM**

2. **APPROVAL OF AGENDA**

Carried (Councillor K. Ras)

3. **DECLARATION OF CONFLICT OF INTEREST**

4. **MINUTES OF PREVIOUS MEETING**

4.1 **REVISED Audit Committee Minutes - September 21, 2020**

Councillor Starr inquired about the penalty clause, 8.1.2. Gary Kent, Commissioner, Corporate Services advised that he would follow-up with the Material Management Division and respond to Councillor Starr.

Carried (Mayor Crombie)

5. **PRESENTATIONS - Nil**

6. **DEPUTATIONS**

6.1 **Item 9.1. Kevin Travers, Partner, KPMG LLP**

Mr. Travers spoke to the Audit Plan and referenced COVID-19 and its impact on how audits are executed, audit risks, materiality, audit quality and transparency, key deliverables and milestones, current developments in accounting and new audit standards which will be implemented in the next few years. However, the new audit standards deal with the audit of significant accounting estimates and those related disclosures in your financial statements. Mr. Travers noted that a report would come back to the Committee in the Spring.

Mr. Travers responded to questions from Councillors Damerla and Ras on stock accounting and how it is performed, and issues about people defrauding the government. He further noted that he has a team that can educate and speak to Council on fraud analysis.

7. **PUBLIC QUESTION PERIOD - 15 Minute Limit** - Nil

8. **CONSENT AGENDA** - Nil

9. **MATTERS TO BE CONSIDERED**

9.1 **2020 Audit Plan**

This item was discussed during item 6.1.

RECOMMENDATION AC-0009-2020

Moved By Councillor Dasko

1. That the report dated November 20, 2020 from the Commissioner of Corporate Services and Chief Financial Officer titled "2020 Audit Plan", be received for information.
2. That the Audit Committee Chair, Commissioner of Corporate Services and Chief Financial Officer and Director of Finance and Treasurer be authorized to execute the Audit Engagement Letter for the fiscal year 2020.

YES (5): Mayor Crombie, Councillor Dasko, Councillor Ras, Councillor R. Starr, and Councillor Damerla

Carried (5 to 0)

9.2 Final Audit Reports:

1. Transportation & Works Department, Traffic Management & Municipal Parking Division, Municipal Parking Section – Paid Parking Audit
2. Transportation & Works Department, Works Operations and Maintenance Division, Works Admin, Operations and Maintenance Section – Signs and Pavement Markings Audit

Mark Beauparlant, Senior Internal Auditor, presented on the results of the Municipal Parking Audit 2020. Mr. Beauparlant spoke to the significant impact of parking revenue, which includes a \$1 million shortfall due to Covid-19. Mr. Beauparlant gave a brief overview on the parking program background;; which includes a set of recommendations over the next 2-5 years that focus on operations, a total of 14 recommendations resulted from this. Management has agreed to all 14 recommendations; 2 are expected to be completed by year-end; 8 are expected to be completed throughout 2021; 1 is expected to be completed in 2022; 2 are expected to be completed throughout 2023, and 1 is expected to be completed in 2024.

Mr. Beauparlant mentioned in his presentation that there is currently \$1.4 million in unused capital for projects still waiting in the books. Members of Committee inquired about the following: unused funds for capital projects, reserve funds, Port Credit parking structure, third party entities for parking, what is the best option for the City with respect to pay and display, centralized parking and annual parking review.

Geoff Wright, Transportation and Works, spoke to the process for capital project funding as it relates to project accounts and/or returning funds if required. Jamie Brown, title responded to the questions and spoke to the processes and difficulty operating pay and display and running ourselves. The Parking Master Plan provides direction for the use of

future handhelds as well as new technologies. Mr. Brown spoke to the \$1.4 million of unused funds in areas of strategy and development that is tied to the Parking Master Plan, and noted that a portion of the funds in the amount of \$100,000 is dedicated to parking maintenance.

Mr. Wright spoke to the Port Credit parking structure and how these capital projects can be financed and the need to review parking revenues to offset future pressures. Jeff Jackson, Director, Finance and Treasurer spoke to the pre-planning process and the long range forecast to get a good sense of what other financial restraints are out there. Mr. Wright spoke to the municipal parking program development, growth and how the plan is managed.

Barb Webster, Senior Internal Auditor, provided a presentation on the Signs and Pavement Markings Audit and spoke to the impacts of the pandemic, the creation of signage for use throughout the City, maintenance of the signs, signs to advise motorists and , provide guidance and information to the public while complying with Provincial Legislation. The examination of the risk mitigation for the business operations with emphasis on payments, inventory compliance with provincial regulations, applicable by-laws, corporate policies and procedures.

Details of the audit recommendations noting Management has agreed to all of the recommendations: One (1) will be completed by the end of December 2020; one (1) will be completed by end of March 2021; five (5) will be completed by the end of June 2021; one (1) by end of September 2021; five (5) by end of December 2021; two (2) will be completed by March 31, 2022, and the final one (1) at the end of December 2023.

Councillor Damerla expressed concerns about a sign in Ward 7 that should be changed due to size and placement. Mr. Wright spoke to the matter and explained that signage falls under two categories; required signs (determined size guidelines through the Highway Traffic Act) and custom signs flexibility. Mickey Frost, Director, Works Operations and Maintenance spoke to having staff work with Councillor Damerla to remedy the sign.

Councillor Ras, inquired about the Senior Manager approval process. Ms. Webster advised that the practice no longer takes place. This is why the recommendation was put through to follow guidelines. Luis Souza, Director, Internal Audit spoke to the recommendation, noting that Material Management and leadership needs to be involved in the surety process. Councillor Ras further inquired about the system not being electronic and Mr. Wright advised that it's in the plans to develop an electric system that is tied into the work order system, and staff are looking into an interim solution. Councillor Ras inquired about the renovations being done without Facilities being aware. Mr. Wright stated it's been an ongoing issue over the years and it's now being corrected, including identifying health and safety concerns. Mr. Wright further spoke about the high

turnover rate and its impact. Mr. Souza spoke to the process, and reviewing recommendations audits every 6 months.

**RECOMMENDATION AC-0010-2020**

Moved By Councillor Ras

That the report dated November 23, 2020 from the Director, Internal Audit with respect to final audit reports:

1. Transportation & Works Department, Traffic Management & Municipal Parking Division, Municipal Parking Section – Paid Parking Audit; and,
2. Transportation & Works Department, Works Operations and Maintenance Division, Works Admin, Operations and Maintenance Section – Signs and Pavement Markings Audit

be received for information.

YES (5): Mayor Crombie, Councillor Dasko, Councillor Ras, Councillor R. Starr, and Councillor Damerla

Carried (5 to 0)

**10. INFORMATION ITEMS**

**10.1 2021 Audit Committee Meeting Dates Memo**

**RECOMMENDATION AC-0011-2020**

Moved By Councillor Dasko

That the memo from Allyson D'Ovidio, Legislative Coordinator entitled "2021 Audit Committee Meeting dates" be received.

YES (5): Mayor Crombie, Councillor Dasko, Councillor Ras, Councillor R. Starr, and Councillor Damerla

Carried (5 to 0)

**10.2 2021 Audit Committee Chair Duty Memo**

**RECOMMENDATION AC-0012-2020**

Moved By Councillor Ras

That the memo from Allyson D'Ovidio, Legislative Coordinator entitled "2021 Audit Committee Chair Duty" be received.

YES (5): Mayor Crombie, Councillor Dasko, Councillor Ras, Councillor R. Starr, and Councillor Damerla

Carried (5 to 0)

11. **OTHER BUSINESS**

Luis Souza, Director, Internal Audit welcomed Yianni Foufas and Ahmed Abuasad, Senior Internal Auditors to the team.

12. **DATE OF NEXT MEETING** - Monday, March 1, 2021

13. **ADJOURNMENT** - 10:54 AM (Mayor Crombie)