

## Audit Committee

**Date:** December 5, 2022  
**Time:** 9:31 AM  
**Location:** Online Video Conference

Members Present	Mayor Bonnie Crombie	
	Councillor Alvin Tedjo	Ward 2
	Councillor Chris Fonseca	Ward 3
	Councillor John Kovac	Ward 4
	Councillor Joe Horneck	Ward 6

### Staff Present

Paul Mitcham, City Manager and Chief Administrative Officer  
Shari Lichterman, Commissioner of Corporate Services and Chief Financial Officer  
Geoff Wright, Commissioner of Transportation and Works  
Luis Souza, Director, Internal Audit  
Wesley Anderson, Manager, Financial and Treasury Services  
Yianni Foufas, Senior Internal Auditor  
Vandana Waghela, Information Technology Auditor  
Daniela Paraschiv, Manager, Environmental Management and Facilities Maintenance  
Jessica Ruddell, Manager, Fleet  
Dayna Obaseki, Legislative Coordinator, Acting Team Lead  
Allyson D'Ovidio, Legislative Coordinator

### Others Present

Maria Khoushnood, Partner, KPMG Enterprise

**1. CALL TO ORDER**

Dayna Obaseki, Legislative Coordinator called the meeting to order at 9:31AM.

**1.1 Appointment of Chair**

Dayna Obasecki, Legislative Coordinator called for nominations for the Chair of the Audit Committee for the term ending November 14, 2026. Councillor Fonseca nominated Councillor Horneck as Chair of the Audit Committee. Councillor Horneck accepted the nomination.

**RECOMMENDATION AC-0010-2022**

Moved By Councillor C. Fonseca

That Councillor Horneck be appointed as the Chair of the Audit Committee for the term ending November 14, 2026 or until a successor is appointed.

YES (4): Mayor Crombie, Councillor A. Tedjo, Councillor C. Fonseca and Councillor J. Kovac

ABSTAIN (1): Councillor J. Horneck

Carried (4 to 0)

**1.2 Appointment of Vice-Chair**

Councillor Horneck nominated Councillor Fonseca as Vice-Chair of the Audit Committee for the term ending November 14, 2026. Councillor Kovac spoke to the nomination. Councillor Fonseca accepted the nomination.

**RECOMMENDATION AC-0011-2022**

Moved By Councillor J. Horneck

That Councillor Fonseca be appointed as the Vice-Chair of the Audit Committee for the term ending November 14, 2026 or until a successor is appointed.

YES (4): Mayor Crombie, Councillor A. Tedjo, Councillor J. Kovac, and Councillor J. Horneck

ABSTAIN (1): Councillor C. Fonseca

Carried (4 to 0)

**2. INDIGENOUS LAND STATEMENT**

Councillor Horneck recited the Indigenous Land Statement.

**3. APPROVAL OF AGENDA**

Approved (Councillor A. Tedjo)

**4. DECLARATION OF CONFLICT OF INTEREST**

Nil.

**5. MINUTES OF PREVIOUS MEETING**

**5.1 Audit Committee DRAFT Minutes - May 16, 2022**

Approved (Councillor J. Kovac)

**6. DEPUTATIONS**

**6.1 Item 9.1 - Maria Khoushnood, Partner, KPMG LLP**

*2022 External Audit Plan*

Maria Khoushnood, Partner, KPMG LLP, presented the 2022 External Audit Plan. Ms. Khoushnood spoke to Materiality; Group audit – Scoping; significant risks such as Fraud and Revenue Recognition; key procedures, milestones and deliverables; required communications, as well as new accounting and auditing standards.

In response to Councillor Fonseca, regarding possible changes in legislation in 2023, Ms. Khoushnood advised that the 2022 External Audit Plan covers the year ending December 31, 2022 and noted discussions are underway for possible changes that may result from Bill 23 in the future.

**RECOMMENDATION AC-0012-2022**

Moved By Mayor Crombie

That the deputation by Maria Khoushnood, Partner, KPMG LLP regarding Appendix 1 to the corporate report dated November 10, 2022 entitled "2022 External Audit Plan" be received for information.

YES (5): Mayor Crombie, Councillor A. Tedjo, Councillor C. Fonseca, Councillor J. Kovac, and Councillor J. Horneck

Carried (5 to 0)

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

No members of the public registered to speak.

**8. CONSENT AGENDA**

No Items were approved under the consent agenda.

**9. MATTERS CONSIDERED**

**9.1 2022 External Audit Plan**

This matter was discussed as part of 6.1.

RECOMMENDATION AC-0013-2022

Moved By Councillor C. Fonseca

That the report dated November 10, 2022, from the Commissioner of Corporate Services and Chief Financial Officer titled "2022 External Audit Plan" be received for information.

YES (5): Mayor Crombie, Councillor A. Tedjo, Councillor C. Fonseca, Councillor J. Kovac, and Councillor J. Horneck

Carried (5 to 0)

9.2 Final Audit Reports:

1. Transportation & Works Department, Works Operations & Maintenance Division, Fleet Services Section – Fleet Management Audit
2. Corporate Services Department, Facilities & Property Management Division, Energy Management & Facilities Maintenance Section – Utility Management Database Administration Audit

Luis Souza, Director of Internal Audit presented the Transportation & Works Department, Works Operations & Maintenance Division, Fleet Services Section – Fleet Management Audit. Mr. Souza provided background information on the audit noting Management has agreed to all 17 of the recommendations. Eight (8) will be completed in 2023, seven (7) will be completed in 2024 and the remaining two (2) will be completed in 2025.

In response to Mayor Crombie, Mr. Souza spoke to the boundaries for City vehicles. Jessica Ruddell, Manager, Fleet spoke to the procedures in place at City fuelling stations; thresholds; reporting and further that a system upgrade is currently being reviewed to increase safeguards. Mr. Souza spoke to specific instances that could indicate operator errors.

In response to Councillor Fonseca, Geoff Wright, Commissioner, Transportation & Works spoke to an ongoing review of an enhanced system training for staff. Mr. Souza spoke to the actions outlined in the Audit regarding training implementation. Councillor Fonseca requested that all reports for the Audit Committee include dashboards going forward. Mr. Souza spoke to the Audit follow up process and will work offline to determine how reports can be customized.

In response to enquiries made by Councillors Kovac and Horneck, Mr. Souza spoke to GPS systems in City vehicles; monitoring capabilities; disposal of vehicles and the policy for doing so as well as the vehicle acquisition process. Ms. Ruddell spoke to working collaboratively in the future with other areas in the City for vehicle purchases to streamline and create policy.

Vandana Waghela, Information Technology Auditor presented the results from the Utility Management Database Administration Audit. Ms. Waghela provided background information on the Energy Management division and spoke to the Audit Scope and

Objectives; Out-of-Scope objectives and provided a summary of observations and a total of seven (7) recommendations resulted from this audit. recommendations noting Management has agreed to all seven (7) recommendations. One (1) will be completed by Q1 2023, one (1) will be completed by Q2 2023, four (4) will be completed by Q3 2023, and the remaining one (1) will be completed by Q4 2023.

In response to Councillor Fonseca, Raj Sheth, Director, Facilities and Property Management and Daniela Paraschiv, Manager, Energy Management and Facilities Maintenance addressed the timeline for the validation tool.

#### RECOMMENDATION AC-0014-2022

Moved By Councillor J. Kovac

That the report dated November 24, 2022 from the Director, Internal Audit with respect to final audit reports:

1. Transportation & Works Department, Works Operations & Maintenance Division, Fleet Services Section – Fleet Management Audit; and,
2. Corporate Services Department, Facilities & Property Management Division, Energy Management & Facilities Maintenance Section – Utility Management Database Administration Audit

be received for information.

YES (5): Mayor Crombie, Councillor A. Tedjo, Councillor C. Fonseca, Councillor J. Kovac, and Councillor J. Horneck

Carried (5 to 0)

#### 9.3 Status of Outstanding Audit Recommendations as of September 30, 2022

Luis Souza, Director, Internal Audit spoke to the reporting and evaluation process for risks and issues; the Audit database of recommendations; the requirement of quarterly updates of the tool and semi-annual updates to Audit Committee and the Leadership team as well as the process when items become overdue and compensating control. Mr. Souza noted there has been a steady reduction in long outstanding recommendations since 2020.

In response to Councillor Horneck, Mr. Souza spoke to ensuring dates are listed for deadlines in future reports.

Councillor Fonseca spoke to dashboards and requested that they include a column with compensating controls, priority levels and whether action items are tied to coordinating and integrating with other recommendations. Councillor Horneck spoke in support of the matter.

#### RECOMMENDATION AC-0015-2022

Moved By Mayor Crombie

That the Corporate Report dated November 7, 2022 from the City Manager & Chief Administrative Officer regarding the “Status of Outstanding Audit Recommendations as of September 30, 2022” be received for information.

Carried

10. **ENQUIRIES**

No discussion took place.

11. **CLOSED SESSION - Nil.**

12. **ADJOURNMENT**

10:57 AM (Councillor A. Tedjo)