



THE REGIONAL MUNICIPALITY OF PEEL

AUDIT COMMITTEE

MINUTES

AC-2011-1

The Audit Committee met on Thursday, January 13, 2011, at 8:54 a.m. in the Council Chamber, Regional Administrative Headquarters, Suite A, 10 Peel Centre Drive, Brampton.

Members Present: E. Adams; E. Moore; R. Starr; A. Thompson; R. Paterak alternate for R. Whitehead

Absent: E. Kolb due to other municipal business; R. Whitehead due to a personal matter

Also Present: D. Szwarc, Chief Administrative Officer; N. Trim, Chief Financial Officer and Commissioner of Corporate Services; K. Gillespie, Commissioner of Employee and Business Services; M. Goldrup, Director, Employee Services; P. Wallis, Director, Internal Audit; H. West, Committee Clerk

Regional Chair Kolb presided.

1. ELECTION OF CHAIR AND VICE-CHAIR

RECOMMENDATION AC-1-2011:

That Councillor Adams be appointed Chair of the Audit Subcommittee for the term ending November 30, 2012, or until a successor is appointed.

RECOMMENDATION AC-2-2011:

That Councillor Whitehead be appointed Vice-Chair of the Audit Subcommittee for the term ending November 30, 2012, or until a successor is appointed.

Councillor Adams assumed the Chair.

2. DECLARATIONS OF CONFLICTS OF INTEREST - Nil

* See text for arrivals

◆ See text for departures

3. APPROVAL OF AGENDARECOMMENDATION AC-3-2011:

That the agenda for January 13, 2011 Audit Committee meeting be approved.

3. DELEGATIONS/PRESENTATIONS - Nil**4. REPORTS**

- a) **Common Themes and Issues, Analysis of Internal Audit Reports 2007/2010**
Presentation by Paul Wallis, Director, Internal Audit

Received

Paul Wallis, Director, Internal Audit welcomed the new Audit Committee and introduced the Internal Audit Team to Members of the Committee. He referenced the Internal Audit Committee Handbook which will be provided to Members of the Committee.

Paul Wallis provided an overview of the subject report stating three main themes were identified during the reporting period being: 1) roles and responsibilities; 2) leveraging technology (less manual processes); and 3) policies and procedures. He noted that the review(s) will help manage and identify any long term, potential emerging risk issues.

Councillor Moore asked for an Audit organizational chart that the Members of the Committee can refer to. The Director of Internal Audit responded that he will provide an overview and organizational chart to Members of the Committee.

- b) **Business Expense Audit**
Presentation by Paul Wallis, Director, Internal Audit

Received

Paul Wallis, Director, Internal Audit provided a brief overview of the subject report stating the controls in place are efficient and that there is no abuse identified in submitting or reporting business expenses. He noted minor efficiency gains in automating manual processes in the areas of Business Expense, Petty Cash and Training and Conferences.

Councillor Adams inquired as to when a report will be presented regarding Out of Province Travel expenses. Paul Wallis advised that a report will be brought forward during 2011 but will follow up on an exact date.

c) **Financial Reporting Audit**

Presentation by Paul Wallis, Director, Internal Audit

Received

Paul Wallis, Director, Internal Audit provided an overview of the subject report indicating the financial reporting audit is used to track financial results at the departmental level. He noted that a uniformed financial reporting structure is being developed to ensure that the achievement of business objectives can be provided.

d) **Status of Management Action Plans**

Presentation by Paul Wallis, Director, Internal Audit

Received

Paul Wallis, Director, Internal Audit provided an overview of the subject report noting that 74 per cent of action plans were implemented during the last four years.

Councillor Adams inquired how often implementation of action plans are reviewed and what happens if actions plans are not implemented. Paul Wallis responded that staff review the action plans every six months. He noted that Information Technology Services and Paramedic Services did not implement all of their action plans because of a change in the departmental structure and therefore the initiatives changed. When initiatives change the action plans are deferred. Councillor Adams inquired if there is a way to report out or remove action plans which no longer apply. David Szwarc, Chief Administrative Officer responded that staff will report that the underlying concern has been resolved by way of the recommendation of the action plan or other management action and whether the risk has been mitigated.

Councillor Starr inquired if there is a time frame for implementation of action plans and whether Internal Audit provides an analysis on the cost associated with operation of the program. Paul Wallis responded that the recommendation provides a realistic implementation date for the action plans. He stated that Internal Audit does not audit on whether to continue a program based on costs. However, Internal Audit will inquire if a strategic risk assessment has been done to determine the risks of a program and this will assist in making an informed decision at the operational level on whether to continue with the program.

Councillor Adams inquired about the Community Programs Funding Audit, dated October 9, 2009 noting that two of the implementation dates have been extended. She asked that the Director of Audit provide more information on the extension of the implementation dates. Paul Wallis undertook to provide a response to Members of the Committee

e) **2010 Client Survey Results**

Presentation by Paul Wallis, Director, Internal Audit

Received

Paul Wallis, Director of Internal Audit provided an overview of the client survey results noting that 77 per cent of those surveyed were satisfied and as a benchmark this is above the global average.

5. COMMUNICATIONS - Nil

6. IN CAMERA MATTERS - Nil

7. OTHER BUSINESS - Nil

8. NEXT MEETING

The next meeting of the Audit Committee is scheduled for February 17, 2010, at 9:30 a.m., Regional Administrative Headquarters, Suite A, Council Chamber, 5th floor, 10 Peel Centre Drive, Suite A, Brampton, ON.

Please forward regrets to Helena West, Committee Clerk, (905) 791-7800, extension 4697 or helena.west@peelregion.ca.

9. ADJOURNMENT

The meeting adjourned at 9:18 a.m.