



THE REGIONAL MUNICIPALITY OF PEEL

AUDIT COMMITTEE

MINUTES

AC-2011-2

The Audit Committee met on Thursday, February 17, 2011, at 9:38 a.m. in the Council Chamber, Regional Administrative Headquarters, 10 Peel Centre Drive, Suite A, Brampton.

Members Present: E. Moore; R. Starr; A. Thompson; R. Whitehead

Absent: E. Adams, due to a personal matter; E. Kolb, due to vacation

Also Present: D. Szwarc, Chief Administrative Officer; N. Trim, Chief Financial Officer and Commissioner of Corporate Services; P. O'Connor, Regional Solicitor and Director, Legal and Risk Management; C. Reid, Regional Clerk; P. Wallis, Director, Internal Audit; S. Jurrius, Committee Clerk

Chaired by Councillor R. Whitehead

1. **DECLARATIONS OF CONFLICTS OF INTEREST - Nil**

2. **APPROVAL OF AGENDA**

RECOMMENDATION AC-4-2011:

That the agenda for the February 17, 2011 Audit Committee meeting, be approved.

3. **DELEGATIONS/PRESENTATIONS**

- a) **Paul Wallis, Director, Internal Audit**, Providing the Audit Committee with an Overview of the Internal Audit Process

Received

Paul Wallis, Director, Internal Audit, provided an overview of the roles and responsibilities and the key actions required from the Audit Committee. He also discussed the proposed shift of internal audit focus from the typical internal audit model of today (control assurance/advisory work based on risk-based audit plans) to the emerging model of tomorrow (assurance on the effectiveness of risk management and controls to the organization). Paul Wallis noted that the proposed direction to shift the internal audit focus will provide the best value for the Region of Peel.

* See text for arrivals

◆ See text for departures

To effectively manage future Audit Committee meetings, Paul Wallis outlined the proposed future direction to provide strategic reports to help identify common or systemic issues in the organization; provide an orientation session to members of the Committee regarding risk management and control; and evaluate the structure and frequency of meetings. A copy of the presentation is available from the office of the Regional Clerk

Councillor Thompson indicated his support for the proposal to hold a workshop on risk management, which will be beneficial to members of the Audit Committee. Paul Wallis undertook to review the feasibility of holding a workshop and will report back on the logistics to a future meeting of the Audit Committee.

Councillor Starr stated that the shift from a cyclical or routine audit to a risk-based audit plan is timely and expressed his interest in the proposed workshop. He inquired if Regional staff conduct surprise audits. Paul Wallis responded that Internal Audit staff regularly meet with staff to discuss or identify areas of risk from the clients' perspective; however, Regional staff do not conduct surprise audits.

Councillor Moore commended staff for a very informative presentation and agreed with shifting the internal audit focus to the emerging model managing results. She noted that taxpayers evaluate the performance of the Region and area municipalities based on results.

4. REPORTS

a) Insurance and Risk Management Audit

Received

Norma Trim, Chief Financial Officer and Commissioner of Corporate Services, informed the Committee that she had requested Internal Audit to include insurance and risk management audits in its 2010 work plan. She stated there is an opportunity and a need to address the process and procedures in insurance and risk management.

b) Internal Audit Division – 2011 to 2013 Risk Based Work Plan

Presentation by Paul Wallis, Director, Internal Audit

Received

RECOMMENDATION AC-5-2011

That the 2011 to 2013 Risk Based Work Plan, attached as Appendix I to the report of the Director of Internal Audit, dated January 20, 2011, titled "Internal Audit Division – 2011 to 2013 Risk Based Work Plan", be approved.

See also Item 4c

Paul Wallis provided a brief summary of the 2010 audit plan and highlighted the increase in requests for advisory services from management; the development of a risk management framework; and, the recent certification from the Institute of Internal Auditors (IIA) in meeting all the quality standard requirements for internal audit. A copy of the presentation is available from the office of the Regional Clerk

Councillor Moore noted the aggressive 2011 risk based work plan and the limited number of Internal Audit staff. She asked if staff will be able to accommodate the changing aspects of the Region's business and risk by shifting some of the projects. Paul Wallis stated that staff will present all amendments to the work plans to the Audit Committee, for approval.

Councillor Moore stated that she is confident that staff will ensure due diligence with the audit work plans and suggested that staff report to the Committee only if required.

Councillor Moore asked if Internal Audit division performs third party audits, i.e. grants and subsidies. Paul Wallis responded that staff recently reviewed the Community Grants program and how the process works in Peel and the effectiveness of how the funding is spent. He stated that Internal Audit division does not have the authority to perform external third party audits.

David Szwarc, Chief Administrative Officer, stated that funding agreements with external agencies allow the Region to review financial records to confirm that the money is utilized in accordance with the contract.

- c) **Internal Audit Division – 2010 Audit Plan Recap**
Presentation by Paul Wallis, Director, Internal Audit

Received

See also Item 4b

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 April 28, 2011, at 8:30 a.m., Council Chamber, Regional Administrative Headquarters, 10 Peel Centre Drive, Suite A, Brampton.

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

9. **ADJOURNMENT**

The meeting adjourned at 10:05 a.m.