



THE REGIONAL MUNICIPALITY OF PEEL

AUDIT COMMITTEE

MINUTES

AC-2011-5

The Audit Committee met on Thursday, November 17, 2011, at 8:35 a.m. in the Council Chamber, Regional Administrative Headquarters, 10 Peel Centre Drive, Suite A, Brampton.

Members Present: C. Fonseca; E. Kolb*; E. Moore; A. Thompson; R. Starr*; R. Whitehead

Absent: Nil

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; D. Labrecque, Commissioner of Public Works, J. Smith, Commissioner of Health Services; P. Wallis, Director, Internal Audit; A. Macintyre, Acting Regional Clerk; H. West, Committee Clerk

Chaired by Councillor R. Whitehead.

1. DECLARATIONS OF CONFLICT OF INTEREST – Nil

2. APPROVAL OF AGENDA

RECOMMENDATION AC-10-2011:

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

3. DELEGATIONS/PRESENTATIONS - Nil

4. REPORTS

a) Consultant – Acquisition and Oversight Audit

Presentation by Jennifer Weinman, Manager, Internal Audit

Received

A copy of the presentation is available from the Office of the Regional Clerk.

Jennifer Weinman, Manager, Internal Audit provided an overview of the Consultant – Acquisition and Oversight Audit which included: 1) work completed surrounding the decisions on whether a consultant is needed; 2) processes used to acquire consultant services; and 3) the steps undertaken to monitor the work of consultants and the end product deliverables. The definition of consulting services for this audit included management consulting, information technology consulting, technical consulting, research, legal services and contract employees. Management actions to address Internal Audit observations will be incorporated into the work of the Project Management Office.

Councillor Moore inquired if the overuse of consultants was included as part of the Audit. Jennifer Weinman confirmed that Internal Audit reviewed the departmental assessment to determine if work could be done in-house or whether a consultant was required.

Councillor Moore inquired if the audit reviewed whether the Region has the appropriate staff complement to avoid hiring consultants. Paul Wallis, Director, Internal Audit responded that consultants are usually hired because of a specific skill set.

Councillor Moore stated that the report is a good news story which indicates that there are no systemic problems with the procurement process at the Region of Peel.

Regional Chair Kolb arrived at 8:40 a.m.

Regional Chair Kolb raised concern regarding the increasing costs of Public Works contracts which are extended beyond the original completion date and he requested staff to review future capital projects. Paul Wallis responded that the subject audit reviewed management procurement and he undertook to include the review of the construction project management and procurement practices in the 2012 Internal Audit work plan. David Swarc, Chief Administrative Officer suggested that the audit include the percentage of contracts which had price increases; why there are increased costs and if the increased costs are due to scope changes or time spent completing the project.

Councillor Starr arrived at 8:45 a.m.

Councillor Fonseca asked for clarification regarding the 'venue to learn' with respect to risk management and whether it will assist in debriefing Members of Council when making decisions on consultation procurement. Jennifer Weinman responded that the venue is a place where managers can meet to mentor and learn the structure of a good contract, including managing the consultants once they have been retained.

Councillor Thompson raised concern about timelines and efficiencies on road works. He noted that many construction projects remain idle for weeks at a time which costs money and he requested that this issue be addressed when retaining a vendor. David Swarc responded that this is a project management issue, noting the Commissioner of Public Works will convey the concern to Public Works staff.

Paul Wallis stated that a report on the Region's procurement process will be presented on 2012 and that he will meet with Members of the Audit Committee to determine their views for the overall strategy for the report.

Councillor Starr raised concern regarding the procurement of construction contracts and how members of the public might interpret the subject Audit report.

David Szwarc summarized that the issues identified by Internal Audit are addressed through the development of an action plan, which has been completed in the Consultants – Acquisition and Oversight Audit.

b) Development Services Audit

Presentation by Tom Slomke, Director, Development Planning Administration and Joan Appleton, Manager, Internal Audit

Received

A copy of the presentation is available from the Office of the Regional Clerk.

Joan Appleton, Manager, Internal Audit provided an overview of the Development Services Audit noting that there were no major issues identified and opportunities for improvement were addressed by the Development Planning Administration team. Tom Slomke, Director, Development Planning Administration provided an overview of the Development Planning process and the management response to future opportunities as identified by Internal Audit.

Councillor Thompson stated that the development of a matrix between the area municipalities and the Region of Peel resulted in development efficiencies and suggested that a matrix be developed with the Conservation Authorities, the Region and the area municipalities to define planning roles.

Councillor Fonseca concurred with Councillor Thompson, noting that there is overlap in the roles and responsibilities which increases costs and time spent on the execution of development applications.

Councillor Fonseca requested clarification regarding the reduction of tax support and increase in cost recovery on development applications. Tom Slomke responded that there are two aspects of cost recovery in the Strategic Plan which include the development of tools to respond to questions quicker therefore increasing productivity and to identify where costs are being driven from in order to charge the correct benefactor.

c) Capital Project Planning and Budgeting Update

Received

d) Region of Peel – Organizational Project Management Maturity Assessment

Presentation by James Macintyre, Director, Customer Service Integration and Steve Saric, Project Manager, Project Management

Received

A copy of the presentation is available from the Office of the Regional Clerk.

James Macintyre, Director, Customer Service Integration introduced Steve Saric, Project Manager, Project Management, who presented in May, 2011 regarding the intent to conduct a Regional Project Maturity Management Assessment to identify risks, diagnose the quality of project management practices to better manage the risks and identify a plan for improvements. Steve Saric provided an overview of the Corporate Project Management Methodology (CPMM) utilized at the Region of Peel and the required modernization of updated supports and tools to successfully meet goals, including new technology for project information management system. The updates are being assembled into an improvement plan which will be overseen by the Project Management Office.

e) **Status of 2011 Internal Audit Plan**

Received

f) **Status of Management Action Plans**

Received

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 2, 2012, at 9:30 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 9:44 a.m.