



MA-B6-1

THE REGIONAL MUNICIPALITY OF PEEL

AUDIT COMMITTEE

MINUTES

AC-2012-5

The Audit Committee met on Thursday, November 1, 2012, at 9:34 a.m. in the Council Chamber, Regional Administrative Headquarters, 10 Peel Centre Drive, Suite A, Brampton.

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

Absent: E. Moore 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. Morris, Acting Director, Internal Audit; K. Lockyer, Regional Clerk; H. West, Committee Clerk; J. Schwartz, Acting Legislative Assistant

Chaired by Councillor R. Whitehead

1. **DECLARATIONS OF CONFLICT OF INTEREST – Nil**

2. **APPROVAL OF AGENDA**

RECOMMENDATION AC-6-2012:

That the agenda for the November 1, 2012 Audit Committee meeting, be approved.

3. **DELEGATIONS - Nil**

4. **REPORTS**

a) **Audit of Mobile Computing**

Presentation by Joan Appleton, Manager, Internal Audit and Geovanni Mosquera, Director, Information Systems and Technology Services

Received

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

* See text for arrivals

◆ See text for departures

Joan Appleton, Manager, Internal Audit provided an overview of the Mobile Computing Audit which focused on the security and process management of mobile devices. She stated that the mobile security is effective and that procedures for managing devices exist but need to be updated. Management has developed risk mitigation strategies to address the issues identified in the Audit. Geovanni Mosquera, Director, Information Systems and Technology Services provided information on management's response to the Audit, stating that a revised comprehensive strategic policy has been drafted, processes and tools are being developed to facilitate device administration and awareness of security issues will be strengthened.

Councillor Thompson arrived at 9:45 a.m.

Councillor Starr inquired if Internal Audit staff reviewed the distribution and usage of the devices to confirm cost effectiveness. Joan Appleton responded that monitoring tools are being developed which will allow management to monitor how effectively devices are being used.

Councillor Fonseca inquired how the user awareness training will be provided. Geovanni Mosquera responded that a strategy is being developed to implement training which will be offered through the Region of Peel's Intranet site, emails and video training.

Councillor Whitehead requested that Internal Audit provide an interim follow up report to monitor the progress being made and that the report identify how costs savings can be achieved. Joan Appleton undertook to provide a report at the February 7, 2013 Audit Committee meeting.

b) Revised 2012 Internal Audit Risk Based Work Plan

RECOMMENDATION AC-7-2012:

That the changes to the 2012 Work Plan outlined in the report of the Acting Director, Internal Audit, dated September 20, 2012, titled "Revised 2012 Internal Audit Risk Based Work Plan", be approved.

Regional Chair Kolb inquired what the scope of the Development Charge (DC) Audit will be. Jennifer Weinman, Manager, Internal Audit responded that the Development Charge Audit is cyclical to ensure that the area municipalities are transferring the correct funds at the right time. In response to a further inquiry by Regional Chair Kolb, Norma Trim, Chief Financial Officer and Commissioner of Corporate Services indicated that the DC Audit should commence shortly after the 2012 'year end'.

Councillor Whitehead noted that Internal Audit focuses on financial and risk management audits and inquired how the Region of Peel audits program operations. David Szwarc, Chief Administrative Officer responded that it is the responsibility of the program staff to ensure that the program is producing the outcomes that is intended. When changes are required to program delivery, a report is brought forward to Regional Council. Councillor Whitehead requested that the Executive Office provide a report on how the efficiencies at the Region of Peel is monitored. David Szwarc undertook to provide a report to Regional Council regarding the structure of program delivery.

Councillor Whitehead further requested staff to provide a report regarding the process that is taken by the Region of Peel in collaboration with the area municipalities when reviewing development charges. Norma Trim undertook to provide a report to the Audit Committee.

c) 2013 Internal Audit Risk Based Work Plan

RECOMMENDATION AC-8-2012:

That the 2013 work plan as outlined in the report of the Acting Director, Internal Audit, dated September 20, 2012, titled "2013 Internal Audit Risk Based Work Plan", be approved.

d) Risk Management - Third Party Risk Transfer Framework

Presentation by John McDonald, Acting Manager, Risk Management

Received

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

John McDonald, Acting Manager, Risk Management provided an overview of the Third Party Risk Transfer Framework including risk management techniques; transfer clauses used in contracts; factors to consider in setting insurance requirements; the type and amounts of insurance required and verification of what level of insurance vendors provide to the Region of Peel.

Regional Chair Kolb raised concern about construction liens that are placed on easements and the time it takes to release bonds in order to pay subcontractors who have registered a construction lien. He requested staff to investigate if there is an insurance policy that would provide coverage for the Region of Peel regarding working easements. John McDonald undertook to inquire about bond issuance and insurance coverage with the Region of Peel Insurance Broker and provide a response to Regional Chair Kolb.

5. COMMUNICATIONS

6. IN CAMERA MATTERS

7. OTHER BUSINESS

8. NEXT MEETING

The next meeting of the Audit Committee is scheduled for February 7, 2013, 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 10:42 a.m.