The Region of Peel Audit and Risk Committee met on Thursday, October 6 at 11:02 a.m., in the Regional Council Chamber, 5th Floor, Regional Administrative Headquarters 10 Peel Centre Drive, Suite A, Brampton, Ontario.

**Members Present:**  C. Fonseca; M. Medeiros; K. Ras; R. Starr; A. Thompson*

**Members Absent:**  F. Dale, due to a personal matter

**Also Present:**  D. Szwarc, Chief Administrative Officer; Lorraine Graham-Watson, Commissioner of Corporate Services; P. O’Connor, Regional Solicitor and Director of Legal Services; S. VanOfwegen, Commissioner of Finance and Chief Financial Officer; J. Smith, Commissioner of Health Services; D. Labrecque, Commissioner of Public Works; J. Sheehy, Commissioner of Human Services; M. Morris, Director, Internal Audit; K. Lockyer, Regional Clerk and Director of Clerk’s; H. West, Committee Clerk; D. Obaseki, Acting Legislative Assistant

*Chaired by Councillor C. Fonseca.*

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

2. **APPROVAL OF AGENDA**

   **RECOMMENDATION ARC-9-2016:**

   That the agenda for the October 6, 2016, Audit and Risk Committee meeting be approved.

   *Councillor Thompson arrived at 11:04 a.m.*

3. **DELEGATIONS**

   3.1 **Trevor Ferguson, Partner, and Scott Finkel, Audit Manager, Deloitte,** Presenting the 2016 External Audit Service Plan

   *Received*

   *See also Reports - Item 4.1*
Trevor Ferguson, Partner, Deloitte, introduced Scott Finkel, Audit Manager. Trevor Ferguson provided an overview of the 2016 Audit Service Plan for the Region of Peel and Peel Housing Corporation. Scott Finkel highlighted significant audit risks to be reviewed noting that they are consistent with all municipal audits that are performed. Trevor Ferguson stated that a year-end report will be prepared in February, 2017.

4. REPORTS

4.1. Deloitte 2016 Audit Service Plan

Received

See also Delegations - Item 3.1

4.2. Community Investment Program (Oral)
Presentation by Sonia Pace, Director, Community Partnerships and Beth Storti, Manager, Community Development, Human Services

Received

Sonia Pace, Director, Community Partnerships, provided an overview of the Community Investment Program (CIP) including the different funding streams, controls that are incorporated in the application process, the review and contract process, and the achievements of the non-profit sector. She noted that the program was implemented in spring of 2013 to provide a capacity building framework, shifting away from direct program funding to investing at the organizational level. The program funds core agency positions to allow for leadership to focus on program system delivery.

Beth Storti, Manager, Community Partnerships, provided information on the sustainability fund, organizational effectiveness fund, and collaboration fund. She highlighted non-profit organizations which have received funds through the CIP program and provided examples of the impacts that have resulted within the community.

In response to a question raised by Councillor Ras, Beth Storti stated that the Region of Peel is a unique funder that focuses solely on providing capacity building core grants to non-profit organizations.

Councillor Ras suggested that the presentation be shared with Regional Council.

Councillor Starr requested clarification regarding the approximate number of non-profit agencies in relation to the high number of residents that have been supported, noting that there seems to be an imbalance. Beth Storti explained that the agencies provide information on the number of clients served but that there may be duplication of individuals who require support from more than one agency. She undertook to review the data and investigate how it can be presented differently.

Councillor Thompson suggested that an overlay map or chart be utilized to determine the system impact on vulnerable citizens in the Region of Peel.

David Szwarc, Chief Administrative Officer, stated that staff will undertake to provide a revised CIP presentation to Regional Council prior to the end of 2016.

4.3 Employee Expense Claims and Tuition Assistance Program Audit
Joan Appleton, Manager, Internal Audit, provided an overview of the Employee Expense Claims and Tuition Assistance Program Audit noting that the objective of the audit was to evaluate the effectiveness and efficiency of processes and controls to ensure that risks associated with employee expense reimbursements are mitigated. She stated that the process for monitoring business expense claims is effective; however the process to reimburse employees remains a manual process and therefore is not efficient.

Joan Appleton also provided an overview of the assessment of the Tuition Assistance Program to determine if the program is meeting the objectives to provide opportunities for employees to develop skills for career opportunities within the Region of Peel. She noted that the current tuition assistance program is not fully meeting the employees’ needs and provided administrative opportunities to strengthen the program.

Monique Hynes, Manager, Accounting Services, provided information on the management action plans for improvements to the employee expense claims which includes additional communication to all staff and automating the expense claims process.

Mary Killeavy, Director, Human Resources, provided information on the management action plan to review and assess the Tuition Assistance Program which will be a part of the Human Resources policy review, noting that recommendations will be forthcoming for program revisions.

In response to a question raised by Councillor Starr, Monique Hynes stated that expense claims are reviewed by the immediate supervisor. David Szwarc also stated that he receives a quarterly report for expense claims for travel outside of the Province which includes travel, accommodation, food and beverage.

In response to a further question raised by Councillor Starr, Michelle Morris, Director, Internal Audit, stated that management action plans are tracked twice a year to monitor progress and that a report is brought to the Audit and Risk Committee on an annual basis in the spring.

Counsellor Fonseca suggested that staff review presenting the information in a different format to depict what action plans have been completed and which plans are still outstanding.

4.4 Requests for Proposal Procurement Process Audit

Presentation by Jennifer Weinman, Manager, Internal Audit and Kristin Misurka, Manager, Purchasing

Jennifer Weinman, Manager, Internal Audit, provided an overview of the Requests for Proposal (RFP) Procurement Process Audit noting the objective of the audit was to determine if controls are in place to help ensure that the RFP procurement process is transparent and consistently applied; that the RFP procurements comply with the Purchasing By-law; and, that training and support to clients is effective and consistently provided. She stated that training and support to clients is effective and she presented opportunities for improvement.
Kristin Misurka, Manager, Purchasing, provided information on the management action plans and provided examples of the work to be undertaken, including: development of procedures regarding invitational bidders list; developing guidelines for a two envelope evaluation process; and, development of a trend analysis to support operational transparency and objectivity.

In response to a question from Councillor Starr, Kristin Misurka stated that vendor bids are reviewed by a Committee consisting of technical analysts and Purchasing staff.

4.5 Establishing Energy Procurement Risk Tolerance

Presentation by Jeremy Schembri, Acting Manager, Energy and Environment Management

Received

RECOMMENDATION ARC-10-2016:


Jeremy Schembri, Acting Manager, Energy and Environment Management, provided an overview of the energy procurement risk framework noting the purpose of the framework is to align energy market conditions with the Region’s financial and economic risk appetite as set by Regional Council. He demonstrated risk appetites, risk tolerance and market conditions using an example of the natural gas market. Jeremy Schembri noted that staff’s hedge analysis to enter into a fixed contract with set prices is reviewed by a working group of financial and Purchasing staff.

5. COMMUNICATIONS - Nil

6. IN CAMERA MATTERS - Nil

7. OTHER BUSINESS - Nil

8. NEXT MEETING

The next meeting of the Audit and Risk Committee is scheduled for Thursday, February 2, 2017 at 11:00 a.m. in the Council Chamber, 5th floor, Regional Administrative Headquarters, Suite A, 10 Peel Centre Drive, Brampton, Ontario.

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

9. ADJOURNMENT

The meeting adjourned at 12:18 p.m.