The Region of Peel Audit and Risk Committee met on Thursday, February 2, 2017 at 11:00 a.m., in the Regional Council Chamber, 5th Floor, Regional Administrative Headquarters 10 Peel Centre Drive, Suite A, Brampton, Ontario.

Members Present: C. Fonseca; G. Miles; K. Ras; R. Starr*; J. Downey, designate for A. Thompson

Members Absent: F. Dale, due to a personal matter; A. Thompson, due to other municipal business

Also Present: D. Szwarc, Chief Administrative Officer; Lorraine Graham-Watson, Commissioner of Corporate Services; P. O'Connor, Regional Solicitor; S. VanOfwegen, Commissioner of Finance and Chief Financial Officer; G. Sabat, Commissioner of Service Innovation, Information & Technology; N. Polsinelli, Commissioner of Health Services; J. Smith, Commissioner of Public Works; T. Yoon, Acting Commissioner of Human Services; M. Morris, Director, Internal Audit; A. Macintyre, Acting Regional Clerk; H. West, Committee Clerk; D. Obaseki, Acting Legislative Assistant

1. **ELECTION OF CHAIR AND VICE-CHAIR**

   **RECOMMENDATION ARC-1-2017:**

   That Councillor Fonseca be elected Chair of the Audit and Risk Committee, for a term ending November 30, 2018, or until a successor is appointed.

   **RECOMMENDATION ARC-2-2017:**

   That Councillor Ras be elected Vice-Chair of the Audit and Risk Committee, for a term ending November 30, 2018, or until a successor is appointed.

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

3. **APPROVAL OF AGENDA**

   **RECOMMENDATION ARC-3-2017:**

   That the agenda for the February 2, 2017, Audit and Risk Committee meeting be approved.

* See text for arrivals
* See text for departures
4. DELEGATIONS

5. REPORTS

5.1. Revised 2016 Internal Audit Risk Based Work Plan

Received

5.2. Revised 2016 Integrated Risk Management Work Plan

Received

5.3. 2017 Internal Audit Risk Based Work Plan

RECOMMENDATION ARC-4-2017:

That the 2017 work plan as outlined in the report of the Director, Internal Audit, titled “2017 Internal Audit Risk Based Work Plan” be approved.

In response to a question raised by Councillor Miles regarding the audit of Residential Property Management, David Szwarc, Chief Administrative Officer, stated that Internal Audit staff could potentially review Peel Housing Corporation Shareholoder Directive when it is drafted to identify risks for the Region of Peel. Councillor Miles indicated that she will seek further consultation prior to providing staff direction.

5.4. 2017 Integrated Risk Management Work Plan

RECOMMENDATION ARC-5-2017:


As a refresher to Members of the Audit and Risk Committee, Michelle Morris, Director, Internal Audit, undertook to provide a copy of the report that was presented at the May 26, 2016 Regional Council meeting titled, “Proposed Risk Appetite For The Strategic Plan and Term of Council Priorities”.

5.5. 2016 Fraud Information

Received

5.6 Long Term Care Audit

Presentation by Nancy Polsinelli, Commissioner, Health Services and Jennifer Weinman, Manager, Internal Audit

Received

Jennifer Weinman, Manager, Internal Audit, provided an overview of the Long Term Care Audit, noting that the objective of the audit was to evaluate the effectiveness and efficiency
of controls focused on collection of resident payments; managing cash, resident trust funds, supplies and inventory; and payment of vendor invoices. She stated that the process for managing prescription drugs and controlled substances have effective controls and provided opportunities for improvement in administrative areas.

Nancy Polsinelli, Commissioner, Health Services, provided information on the management action plans for improvements to the arrears and collection policies; a review of the inventory management program and inventory safeguarding measures; and, implementation of delegated authority for low value invoices.

In response to a question from Councillor Ras, Nancy Polsinelli stated that the inventory safeguarding measures will require a culture shift in finding the right balance of how many supplies to issue to clients and how much inventory is stored before it is issued.

5.7 Heart Lake Community Recycling Centre Contract Review
Presentation by Jennifer Weinman, Manager, Internal Audit and Mariano Singzon, Acting Manager, Waste Operations

Councillor Starr arrived at 11:50 a.m.

Jennifer Weinman, Manager, Internal Audit, provided an overview of the Heart Lake Community Recycling Centre (CRC) Contract Review noting that the objective of the audit was to evaluate the management controls to ensure that the vendor is meeting the expectations of the Region of Peel contract. She stated that formalized practices are in place regarding invoice review and monitoring and provided opportunities to strengthen controls around areas of the contract management process.

Mariano Singzon, Acting Manager, Waste Operations, provided information on the management action plans for improvements including: formalizing the role of the Contract Administrator; maintenance of a complaints log; monthly performance discussions between Waste Management staff and the vendor; and, developing key performance indicators and enhancing the reporting process.

In response to a question from Councillor Ras, Mariano Singzon stated that logged complaints will be transferred into a database.

Councillor Miles raised concern for impoverished people who cannot afford warm clothing noting that the CRC sells clothing. She suggested that clothing could be provided to children for free. Janette Smith, Commissioner, Public Works, undertook to review the disposal of textiles at CRC’s as part of the review of the Region’s social responsibility.

Councillor Downey suggested that staff review the Caledon Community Centre reuse store which is fully run by volunteers and has resources from the CRC for household products and clothing.

5.8 Human Resources Contractor Safety Program Risk Assessment
Presentation by Mary Killeavy, Director, Human Resources, and Anila Lalani, Advisor, Integrated Risk Management

Anila Lalani, Advisor, Integrated Risk Management, provided background information on the risk assessment of the Contractor Safety Program.
Mary Killeavy, Director, Human Resources, provided an overview of risks including: governance (non-compliance to legislation); procurement regarding operational contracts and safety requirements; procurement regarding vendor performance evaluations; and, resources for contract oversight to ensure safety practices. Mary Killeavy presented the mitigation strategies that will be incorporated to address the risks.

In response to a question from Councillor Starr, Mary Killeavy stated that the Region adheres to legislative requirements and safety standards and that the risk assessment was requested to see how improvements can be made to better formalize the Contractor Safety Program. Councillor Starr requested a follow up report be presented in 2018.

6. COMMUNICATIONS - Nil

7. IN CAMERA MATTERS - Nil

8. OTHER BUSINESS - Nil

9. NEXT MEETING

The next meeting of the Audit and Risk Committee is scheduled for Thursday, April 20th, 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.

10. ADJOURNMENT

The meeting adjourned at 12:09 p.m.