



THE REGIONAL MUNICIPALITY OF PEEL

AUDIT AND RISK COMMITTEE

MINUTES

ARC - 2/2018

The Region of Peel Audit and Risk Committee met on April 19, 2018 at 10:36 a.m., in the Regional Council Chamber, 5th Floor, Regional Administrative Headquarters 10 Peel Centre Drive, Suite A, Brampton, Ontario.

Members Present: F. Dale; C. Fonseca; G. Miles; K. Ras; A. Thompson

Members Absent: R. Starr, due to a personal matter

Also Present: D. Szwarc, Chief Administrative Officer; Lorraine Graham-Watson, Commissioner of Corporate Services; P. O'Connor, Regional Solicitor; J. Smith, Commissioner of Public Works; N. Polsinelli, Commissioner of Health Services; S. Pace, Acting Commissioner of Human Services; S. Nagel, Treasurer and Director of Corporate Finance, Acting Commissioner of Finance and Chief Financial Officer; M. Morris, Director, Internal Audit; A. Macintyre, Acting Regional Clerk; Dr. J. Hopkins, Medical Officer of Health; J. Jones, Committee Clerk; D. Obaseki, Legislative Assistant

Chaired by Chris Fonseca.

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

2. **APPROVAL OF AGENDA**

RECOMMENDATION ARC-3-2018:

That the agenda for the April 19, 2018 Audit and Risk Committee meeting, be approved.

* See text for arrivals

◆ See text for departures

3. DELEGATIONS

- 3.1. **Stephanie Nagel, Treasurer and Director of Corporate Finance, Region of Peel,** Presenting the Outstanding Agency Accreditation Achievement Award by the National Institute for Governmental Procurement to the Purchasing Division of Finance at the Region of Peel

Received

Stephanie Nagel, Treasurer and Director of Corporate Finance, recognized staff for their commitment to leadership in the public procurement profession through the implementation of best practices. She announced that the Region of Peel has received the Outstanding Agency Accreditation Achievement Award for four consecutive terms and, with each accreditation term lasting three years, the Region has remained accredited for 12 consecutive years.

- 3.2. **Trevor Ferguson, Audit Partner, Deloitte LLP,** Presenting the 2017 Deloitte Audit Results Report

Received

Trevor Ferguson, Audit Partner, Deloitte, provided a high level overview of the 2017 Deloitte Year-end Communication Report for the external audit of the financial statements of the Regional Municipality of Peel and the Peel Housing Corporation. He summarized that no significant deficiencies were identified.

In response to a question from Councillor Ras with regard to Deloitte obtaining calculations from experts regarding future liability, Trevor Ferguson stated that he works with the Region of Peel's actuary to make sure that information provided is tested to ensure it is complete, accurate and reasonable and ensures that the actuary is in good standing with the Canadian Institute of Actuaries.

4. REPORTS

- 4.1. **2017 Region of Peel Consolidated Financial Statements**

Received

Councillor Fonseca advised that there is a correction on page 18 of Appendix I - 2017 Region of Peel Consolidated Financial Statements. The total for the 2016 Net Long-Term Debt should be \$1,518,501 instead of \$1,524,656.

4.2. **2017 Peel Housing Corporation Financial Statements**

Received

4.3. **2017 Deloitte Audit Results Report**

Received

4.4. **2017 Region of Peel Debt Retirement and Sinking Funds Financial Statements**

Received

In response to a question from Councillor Ras, Stephanie Nagel, Treasurer and Director of Corporate Finance, stated that the Sinking Funds Financial Statement is a requirement of having funds available to retire the debt over time and it must be maintained separately. She clarified that the sinking fund Committee has both internal representation and external representation from the Treasurers of the three municipalities.

4.5. **2017 Region of Peel Trust Funds Financial Statements**

Received

4.6. **New Procurement By-Law**

Presentation by Patricia Caza, Acting Director, Procurement

Received

RECOMMENDATION ARC-4-2018:

That a revised Procurement By-law, as generally described in the report of the Commissioner of Finance and Chief Financial Officer, titled "New Procurement By-law", be presented to Regional Council for enactment.

Patricia Caza, Acting Director, Procurement, provided an overview of the proposed revisions to the Procurement By-law noting that the focus of the review was to ensure alignment with Regional policies and legislative requirements; to modernize the Region's procurement practices; and to enhance clarity and transparency.

In response to a question from Councillor Ras with regard to proposed provincial legislation to set pay rates for workers under government contracts, Patricia Caza stated that staff will review the Bill to determine if there may be any implications for municipal government.

In response to a question from Councillor Ras with regard to the use and challenges of Best and Final Offer (BAFO) processes, Patricia Caza stated that BAFO is used when flexibility is required to negotiate terms and conditions within some industries and for certain very large processes and projects. The challenge with the BAFO process is to maintain confidentiality and

transparency. She noted that the use of a Fairness Advisor may be considered for very large projects using the BAFO process. A Fairness Advisor would monitor the confidential meetings and at the end of the process sign off that the Region ran a fair procurement process.

In response to a question from Councillor Fonseca with regard to the process for tied bids, Patricia Caza stated that the proposed Procurement By-law provides the option of a coin toss to settle tied bids. She noted that a coin toss is the current practice in public procurement and is supported by the Ontario General Contractors Association.

4.7. Board of Health Financial Controls Checklist

Received

5. COMMUNICATIONS

- 5.1. **Rick Grimm, Chief Executive Officer, The Institute for Public Procurement,** Regarding the Region of Peel's Outstanding Agency Accreditation Achievement Award from the National Institute for Governmental Procurement.

Received

6. IN CAMERA MATTERS - Nil

7. OTHER BUSINESS - Nil

8. NEXT MEETING

The next meeting of the Audit and Risk Committee is scheduled for June 7, 2018 at 11:00 a.m. to 12:30 p.m. in the Council Chamber, 5th floor, Regional Administrative Headquarters, Suite A, 10 Peel Centre Drive, Brampton, Ontario.

Please forward regrets to Jill Jones, Committee Clerk, and (905) 791-7800 ext. 4330 or at jill.jones@peelregion.ca.

9. ADJOURNMENT

The meeting adjourned at 11:23 a.m.