



## THE REGIONAL MUNICIPALITY OF PEEL

### AUDIT AND RISK COMMITTEE

#### MINUTES

ARC - 3/2019

The Region of Peel Audit and Risk Committee met on May 2, 2019 at 11:03 a.m., in the Regional Council Chambers, 5th Floor, Regional Administrative Headquarters, 10 Peel Centre Drive, Suite A, Brampton, ON.

**Members Present:** S. Dasko; N. Fairhead; C. Fonseca; K. Ras; R. Santos\*; I. Sinclair; R. Starr; H. Zuberi

**Members Absent:** N. Iannicca, due to vacation

**Also Present:** S. VanOfwegen, Acting Chief Administrative Officer, Commissioner of Finance and Chief Financial Officer; S. Baird, Commissioner of Digital and Information Services; C. Matheson, Commissioner of Corporate Services; M. Wong, Acting Regional Solicitor; A. Farr, Acting Commissioner of Public Works; N. Polsinelli, Commissioner of Health Services; S. Danos-Papaconstantinou, Acting Commissioner of Human Services; S. Nagel, Treasurer and Director of Corporate Finance; M. Morris, Director, Enterprise Risk and Audit Services; K. Lockyer, Regional Clerk and Director of Legal Services; S. Jurrius, Committee Clerk; T. Kobikrishna, Legislative Assistant

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

2. **APPROVAL OF AGENDA**

RECOMMENDATION ARC-9-2019:

That the agenda for the May 2, 2019 Audit and Risk Committee meeting, be approved.

---

\* See text for arrivals

◆ See text for departures

**3. DELEGATIONS**

**3.1. Trevor Ferguson, Audit Partner, Deloitte LLP, Presenting the 2018 Deloitte Audit Results Report**

Received

Related to 4.1, 4.2 and 4.3

Trevor Ferguson, Audit Partner, Deloitte LLP, provided a high-level overview of the 2018 Deloitte Audit Results 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.

*Councillor Santos arrived at 11:07 a.m.*

In response to a question from Councillor Sinclair regarding the change in landfill closure and post-closure liability from \$19.4M in 2017 to \$5.9M in 2018, Stephanie Nagel, Director of Corporate Finance and Treasurer, stated that in addition to Note 8 to the Consolidated Financial Statements for the year ended December 31, 2019, listed as Item 4.1 on the May 2, 2019 Audit and Risk Committee agenda, the liability was due to an additional \$3.8M in capital projects for the planned closure of the Caledon landfill site and related capital and operating costs for closed landfill sites.

Councillor Sinclair requested that staff provide him with information as to how the landfill closure and post-closure liability related to the Town of Caledon were calculated.

In response to a question from Member Zuberi regarding the acquisition of investments from the consolidated statement of cash flows, Stephanie Nagel stated that the Region of Peel worked with the banks on high interest savings accounts options which allow Regional staff to move money out of the operating bank account into liquid accounts that provide higher interest rates. Trevor Ferguson confirmed that the investments portfolio are in compliance with the Region's investment policies.

Stephen VanOfwegen, Acting Chief Administrative Officer, stated that Regional Council approved an active cash management strategy which includes a Treasury Oversight Committee to ensure compliance with the investment policy to take advantage of market opportunities and improve investment returns within the scope of the subject policy.

**4. REPORTS**

**4.1. 2018 Region of Peel Consolidated Financial Statements**

Received

Related to 3.1

**4.2. 2018 Peel Housing Corporation Financial Statements**

Received

Related to 3.1

**4.3. 2018 Deloitte Audit Results Report**

Received

Related to 3.1

**4.4. 2018 Region of Peel Debt Retirement and Sinking Funds Financial Statements**

Received

**4.5. 2018 Region of Peel Trust Funds Financial Statements**

Received

**4.6. Status of Management Action Plans**

Received

Member Zuberi expressed concern regarding the risk exposure of unimplemented action plans, nine of which are considered high risk, and sought clarification on the reasons for the delay in implementing the action plans. Michelle Morris, Director, Enterprise Risk and Audit Services, responded that action plan dates are determined in consultation with management. The current process is to hold the original implementation dates recognizing that certain related activities, such as a shift in departmental process or technology, may have caused the delay of implementation. The risks reported are specific to the program, service or process reviewed during the audit and does not represent a Region-wide risk.

The Director of Enterprise Risk and Audit Services was requested to report on management action plans, to the Committee, biannually.

**4.7. Roads Resurfacing Audit**

Received

**4.8. Peel Living Property Management Audit**

Presentation by Dan Labrecque, General Manager, Peel Housing; and Jennifer Weinman, Manager, Enterprise Risk and Audit Services

Received

Jennifer Weinman, Manager, Enterprise Risk and Audit Services, provided an overview of the Peel Living Property Management audit and noted that the objective of the audit was to determine if management has effective controls for providing safe and well-maintained living environments for the tenants. She advised that effective controls are in place to help ensure

properties are in compliance with relevant building law and regulations. Jennifer Weinman stated that Enterprise Risk and Audit Services are satisfied with Peel Housing's management action plans to help mitigate the risks noted for the subject audit.

Dan Labrecque, General Manager, Peel Housing, provided information on the management action plans for improvements related to preventative maintenance, asset management, regulatory requirements and vendor management. He stated that Peel Living is moving to an online platform called Megamations, an application used by the Region of Peel, for its asset maintenance and management of repairs and service requests for Peel Housing Corporation. Further as part of the management action plans, an electronic management system will be implemented to store and access notifications and ensure best practices of the Region's procurement practices into the Peel Housing portfolio.

In response to questions from Councillor Ras regarding the contractors' performance measurement and project delivery, Dan Labrecque stated that with the transition to a digital platform and depending on the type of contract being reviewed, staff will have the ability to document and validate a contractor's performance before payment is issued.

In response to questions from Councillor Fonseca regarding audit of transitional housing and emergency shelters, Jennifer Weinman stated that staff are planning for the audit of the operating contracts for the shelters. Dan Labrecque advised that Peel Living oversees the property management of all the shelters and that the same process will be applied to the shelters as with other buildings owned and operated by the Region of Peel.

In response to questions from Member Fairhead, Dan Labrecque stated that staff are supportive of the transition to a digital platform and change management plans will be in place to roll out the new system.

**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 September 19, 2019 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](mailto:jill.jones@peelregion.ca).

**9. ADJOURNMENT**

The meeting adjourned at 12:03 p.m.