



**MINUTES
AUDIT COMMITTEE**

**January 28, 2021, 9:30 AM
IN THE COUNCIL CHAMBER**

PRESENT: Councillor E. Woolley, Chair
Councillor J. Farkas, Vice-Chair (Remote Participation)
Councillor D. Colley-Urquhart (Remote Participation)
Councillor J. Davison (Remote Participation)
Citizen Representative L. Caltagirone (Remote Participation)
Citizen Representative K. Kim (Remote Participation)
Citizen Representative M. Lambert (Remote Participation)

ALSO PRESENT: City Manager D. Duckworth (Remote Participation)
Chief Financial Officer C. Male (Remote Participation)
A/City Auditor L. Ormsby (Remote Participation)
External Auditor H. Gill (Remote Participation)
External Auditor T. Nakka (Remote Participation)
Executive Assistant C. Smillie
Legislative Coordinator M. A. Cario
Legislative Advisor J. Palaschuk

1. CALL TO ORDER

Councillor Woolley called the Meeting to order at 9:31 a.m.

2. OPENING REMARKS

Councillor Woolley provided opening remarks and welcomed the newest Citizen Representative of the Audit Committee, Karen Kim.

ROLL CALL

Citizen Representative Caltagirone, Citizen Representative Kim, Citizen Representative Lambert, Councillor Colley-Urquhart, Councillor Farkas, and Councillor Woolley.

Absent for Roll Call: Councillor Davison.

3. CONFIRMATION OF AGENDA

Moved by Councillor Farkas

That the Agenda for the 2021 January 28 Regular Meeting of the Audit Committee be confirmed.

MOTION CARRIED

Moved by Citizen Representative Caltagirone

That pursuant to Section 6(1) of the Procedure Bylaw 35M2017, Section 78(2)(a) be suspended in order for Committee to complete the agenda prior to the lunch recess.

MOTION CARRIED

4. CONFIRMATION OF MINUTES

4.1 Minutes of the Regular Meeting of the Audit Committee, 2020 November 19

Moved by Councillor Farkas

That the Minutes of the 2020 November 19 Regular Meeting of the Audit Committee be confirmed.

MOTION CARRIED

5. CONSENT AGENDA

5.1 DEFERRALS AND PROCEDURAL REQUESTS

None

5.2 BRIEFINGS

None

6. POSTPONED REPORTS

None

7. ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

7.1 Annual Principal Corporate Risk Report - AC2021-0037

A presentation entitled "Annual Principal Corporate Risk Report", dated 2021 January 28, was distributed with respect to Report AC2021-0037.

Councillor Davison joined the Remote Meeting at 9:57 a.m.

Moved by Citizen Representative Lambert

That with respect to Report AC2021-0037, the following be approved:

That the Audit Committee:

1. Receive Report AC2021-0037 and the presentation for the Corporate Record and discussion, pursuant to Audit Committee Bylaw 33M2020, Section 5 (c); and
2. Recommend that Council receive Report AC2021-0037 for the Corporate Record.

For: (7): Councillor Woolley, Councillor Farkas, Councillor Colley-Urquhart, Councillor Davison, Citizen Representative Caltagirone, Citizen Representative Kim, and Citizen Representative Lambert

MOTION CARRIED

7.2 External Auditor 2019 Management Letter Update - AC2021-0043

Councillor Woolley left the Chair at 10:38 a.m. and Vice Chair Farkas assumed the Chair (Remotely).

Councillor Woolley resumed the Chair at 10:40 a.m. and Councillor Farkas returned to his regular seat in Committee.

Moved by Citizen Representative Caltagirone

That with respect to Report AC2021-0043, the following be approved:

That the Audit Committee:

1. Receive Report AC2021-0043 and Attachment for the Corporate Record; and
2. Recommend that Council receive this Report and Attachment for information and the Corporate Record pursuant to the Audit Committee Bylaw 33M2020, Schedule 'B', Section (d).

For: (7): Councillor Woolley, Councillor Farkas, Councillor Colley-Urquhart, Councillor Davison, Citizen Representative Caltagirone, Citizen Representative Kim, and Citizen Representative Lambert

MOTION CARRIED

7.3 Shareholder Alignment Review of Wholly-Owned Subsidiaries Update - AC2021-0042

Moved by Councillor Davison

That with respect to Report AC2021-0042, the following be approved:

That the Audit Committee:

1. Approve the Terms of Reference for the Working Group on Shareholder Alignment Review of Wholly-Owned Subsidiaries (the Working Group) (Attachment 1);
2. Receive the confidential framework for the Shareholder Alignment Review of Wholly-Owned Subsidiaries (the Review) for the Corporate Record (Attachment 2);
3. Defer the workplan for the Shareholder Alignment Review of Wholly-Owned Subsidiaries to the 2021 February 25 meeting; and
4. Direct that Attachment 2, Framework for Shareholder Alignment Review of Wholly-owned Subsidiaries remain confidential pursuant to Section 24 (Advice from officials) of the Freedom of Information and Protection of Privacy Act; to be reviewed 2021 March 1.

For: (7): Councillor Woolley, Councillor Farkas, Councillor Colley-Urquhart, Councillor Davison, Citizen Representative Caltagirone, Citizen Representative Kim, and Citizen Representative Lambert

MOTION CARRIED

7.4 City Auditor's Office 4th Quarter 2020 Report - AC2021-0132

Moved by Citizen Representative Lambert

That with respect to Report AC2021-0132, the following be approved:

That the Audit Committee:

1. Receive this report for the Corporate Record; and
2. Recommend that Council receive this report for the Corporate Record.

For: (7): Councillor Woolley, Councillor Farkas, Councillor Colley-Urquhart, Councillor Davison, Citizen Representative Caltagirone, Citizen Representative Kim, and Citizen Representative Lambert

MOTION CARRIED

7.5 Control Environment Assessment Report Redesign Update (Verbal) - AC2021-0139

A presentation entitled "Control Environment Assessment Redesign Audit Committee Annual Status Update", dated 2021 January 28, was distributed with respect to Verbal Report AC2021-0139.

Moved by Citizen Representative Caltagirone

That with respect to Verbal Report AC2021-0139, the following be approved:

That the Audit Committee receive the presentation for the Corporate Record.

For: (7): Councillor Woolley, Councillor Farkas, Councillor Colley-Urquhart, Councillor Davison, Citizen Representative Caltagirone, Citizen Representative Kim, and Citizen Representative Lambert

MOTION CARRIED

7.6 Off-Site Levies Update (Verbal) - AC2021-0151

The following documents were distributed with respect to Verbal Report AC2021-0151:

- A presentation entitled "Off-Site Levy Update", dated 2021 January 28;
- A presentation entitled "Off-Site Levy Annual Reporting Audit"; and
- A letter from BILD and NAIOP

A portion of this Item was dealt with during the Closed Meeting portion of today's meeting.

Moved by Councillor Colley-Urquhart

That pursuant to Sections 17 (Disclosure to personal privacy), 24 (Advice from officials), 25 (Disclosure harmful to economic and other interests of a public body), and 26 (Testing procedures, tests and audits) of the *Freedom of Information and Protection of Privacy Act*, Committee now move into Closed Meeting at 12:03 p.m., in the Council Boardroom, to discuss confidential matters with respect to the following Items:

- Off-Site Levies Update (Verbal) - AC2021-0151
- External Auditor - Provision of Additional Services for 2020 External Audit, AC2021-0144
- External Auditor (Verbal) - AC2021-0160
- City Auditor (Verbal) - AC2021-0161

And further, that Trevor Nakka, Harman Gill, Erica Vervoort, and Ivana Cvitanusic, External Auditors (Deloitte LLP), be invited to attend the Closed Meeting.

MOTION CARRIED

Committee resumed in Public Meeting at 2:08 p.m. with Councillor Woolley in the Chair.

ROLL CALL

Citizen Representative Caltagirone, Citizen Representative Kim, Citizen Representative Lambert, Councillor Colley-Urquhart, Councillor Davison, Councillor Farkas, and Councillor Woolley.

Moved by Councillor Colley-Urquhart

That Committee rise and report.

MOTION CARRIED

People in attendance during Part 1 of the Closed Meeting discussions with respect to Verbal Report AC2021-0151:

Clerks: M.A. Cario and J. Palaschuk. Law: T. Wobeser. Advice: C. Male, L. Tocher, L. Ormsby, C. Smillie, K. Campbell, J. White, A. Bleau, and C. Cote. External Advice: T. Nakka, E. Vervoort, I. Cvitanusic, and H. Gill (Deloitte).

People in attendance during Part 2 of the Closed Meeting discussions with respect to Verbal Report AC2021-0151:

Clerks: M.A. Cario and J. Palaschuk. Advice: C. Smillie. External Advice: T. Nakka, E. Vervoort, I. Cvitanusic, and H. Gill (Deloitte).

Moved by Councillor Colley-Urquhart

That with respect to Verbal Report AC2021-0151, the following be approved:

That the Audit Committee:

1. Direct the External Auditor (Deloitte LLP) to engage with the Off-Site Levy Governance Committee and stakeholders to understand and evaluate concerns, including those raised by industry representatives in their letter dated 2021 January 26, addressed to Councillor Evan Woolley and Members of Audit Committee, pursuant to Council's direction to Audit Committee contained in Motion Arising PFC2021-0035;
2. Direct the External Auditor to return to Audit Committee on 2021 February 25 with the timing, scope and fees associated with the assurance procedures and reporting on the work performed that satisfactorily responds to the issues and concerns raised;
3. Receive the presentation for the Corporate Record; and
4. Direct that the closed meeting discussions remain confidential pursuant to Section 24 (Advice from officials) of the *Freedom of Information and Protection of Privacy Act*, until 2036 January 28.

MOTION CARRIED

8. ITEMS DIRECTLY TO COMMITTEE

8.1 REFERRED REPORTS

None

8.2 NOTICE(S) OF MOTION

None

9. URGENT BUSINESS

None

10. CONFIDENTIAL ITEMS

10.1 ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

10.1.1 External Auditor - Provision of Additional Services for 2020 External Audit, AC2021-0144

People in attendance during the Closed Meeting discussions with respect to Report AC2021-0144:

Clerks: M.A. Cario and J. Palaschuk. Advice: C. Smillie. External Advice: T. Nakka, E. Vervoort, I. Cvitanusic, and H. Gill (Deloitte).

Moved by Citizen Representative Kim

That with respect to Report AC2021-0144, the following be approved:

That the Audit Committee:

1. Approve the Recommendations contained in Confidential Report AC2021-0144;

2. That Council receive this report and attachment for the Corporate Record; and
3. Direct that Report AC2021-0144, Attachment, Recommendations, and Closed Meeting discussions remain confidential pursuant to Sections 24 (Advice from officials) and 26 (Testing procedures, tests and audits) of the *Freedom of Information and Protection of Privacy Act*, until 2021 April 20.

MOTION CARRIED

10.1.2 Audit Forum (Verbal) - AC2021-0159

No report given.

10.1.3 External Auditor (Verbal) - AC2021-0160

People in attendance during the Closed Meeting discussions with respect to Report AC2021-0160:

Clerks: M.A. Cario and J. Palaschuk. Advice: C. Smillie. External Advice: T. Nakka, E. Vervoort, J. Cvitanusic, and H. Gill (Deloitte).

Moved by Citizen Representative Galtagirone.

That with respect to Verbal Report AC2021-0160, the following be approved:

That the Audit Committee direct that the Closed Meeting discussions remain confidential pursuant to Section 24 (Advice from officials) of the *Freedom of Information and Protection of Privacy Act*.

MOTION CARRIED

10.1.4 City Auditor (Verbal) - AC2021-0161

People in attendance during the Closed Meeting discussions with respect to Report AC2021-0161:

Clerks: M.A. Cario and J. Palaschuk. Advice: L. Ormsby, A. Bleau, and C. Smillie.

Moved by Councillor Farkas

That with respect to Verbal Report AC2021-0161, the following be approved:

That the Audit Committee direct that the Closed Meeting discussions remain confidential pursuant to Sections 17 (Disclosure to personal privacy) and 24 (Advice from officials) of the *Freedom of Information and Protection of Privacy Act*.

MOTION CARRIED

10.2 URGENT BUSINESS

None

11. ADJOURNMENT

Moved by Councillor Colley-Urquhart

That this meeting adjourn at 2:12 p.m.

MOTION CARRIED

The following Items have been forwarded to the 2021 February 8 Combined Meeting of Council:

CONSENT:

- Annual Principal Corporate Risk Report, AC2021-0037
- External Auditor 2019 Management Letter Update, AC2021-0043
- City Auditor's Office 4th Quarter 2020 Report, AC2021-0132
- External Auditor - Provision of Additional Services for 2020 External Audit, AC2021-0144

The next regular meeting of the Audit Committee is scheduled to be held on 2021 February 25 at 9:30 a.m.

CONFIRMED BY COMMITTEE ON

CHAIR

ACTING CITY CLERK