



**MINUTES
AUDIT COMMITTEE**

**January 19, 2023, 9:30 AM
ENGINEERING TRADITIONS COMMITTEE ROOM**

PRESENT: Councillor R. Pootmans, Chair
Councillor E. Spencer, Vice-Chair
Councillor T. Wong
Councillor J. Wyness
Public Member L. Caltagirone (Remote Participation)
Public Member M. Lambert
Public Member K. Kim (Remote Participation)

ALSO PRESENT: City Manager D. Duckworth
City Solicitor and General Counsel J. Floen
Chief Financial Officer C. Male
General Manager C. Arthurs
General Manager K. Black
General Manager D. Morgan
City Auditor L. Ormsby
Executive Advisor C. Smillie
Legislative Advisor S. Lancashire
Legislative Advisor D. Williams

1. CALL TO ORDER

Councillor Pootmans called the meeting to order at 9:31 a.m.

ROLL CALL

Councillor Spencer, Councillor Wong, Councillor Wyness, Public Member Caltagirone, Public Member Lambert, Public Member Kim, and Councillor Pootmans

2. OPENING REMARKS

Councillor Pootmans provided opening remarks.

Public Member Caltagirone provided a traditional land acknowledgment.

3. CONFIRMATION OF AGENDA

Moved by Public Member Kim

That the Agenda for today's meeting be amended by:

- Setting Item 7.1 Annual Principal Corporate Risk Report, AC2023-0011 to be heard prior to Item 6.1 2022 Law Audit Report, AC2022-1273.
- Setting Item 7.6 Selection Process for Seeking an External Auditor for 2024-2028, AC2023-0029 to be heard in the Closed Meeting portion of the Agenda.

MOTION CARRIED

Moved by Public Member Kim

That the Agenda for the 2023 January 19 Regular Meeting of the Audit Committee be confirmed, **as amended**.

MOTION CARRIED

4. CONFIRMATION OF MINUTES

4.1 Minutes of the Regular Meeting of the Audit Committee, 2022 November 17

Moved by Councillor Spencer

That the Minutes of the 2022 November 17 Regular Meeting of the Audit Committee be confirmed.

MOTION CARRIED

Committee then dealt with Item 7.1.

5. CONSENT AGENDA

5.1 DEFERRALS AND PROCEDURAL REQUESTS

None

6. POSTPONED REPORTS

6.1 2022 Law Audit Report, AC2022-1273

This item was dealt with following Item 7.1.

A presentation entitled "Law's Annual Audit Committee Report, AC2022-1273" was distributed with respect to Report AC2022-1273.

By General Consent, Committee modified the lunch recess to begin following the completion of Item 6.1.

By General Consent, Committee modified the lunch recess from 60 minutes to 40 minutes.

Moved by Public Member Lambert

That with respect to Report AC2022-1273, the following be approved:

That the Audit Committee recommend that Council receive this report for the Corporate Record.

For: (7): Councillor Pootmans, Councillor Spencer, Councillor Wong, Councillor Wyness, Public Member Caltagirone, Public Member Lambert, and Public Member Kim

MOTION CARRIED

Committee recessed at 12:05 p.m. and reconvened at 12:50 p.m. with Councillor Pootmans in the Chair.

ROLL CALL

Councillor Spencer, Councillor Wong, Councillor Wyness, Public Member Caltagirone, Public Member Lambert, Public Member Kim, and Councillor Pootmans

Committee then dealt with Item 7.2.

7. ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

7.1 Annual Principal Corporate Risk Report, AC2023-0011

This item was dealt with following Item 4.1.

Moved by Councillor Wong

That with respect to Report AC2023-0011, the following be approved:

That the Audit Committee recommends that Council receive Report AC2023-0011 and the presentation for the Corporate Record pursuant to Audit Committee Bylaw 33M2020, Section 5 (c).

For: (7): Councillor Pootmans, Councillor Spencer, Councillor Wong, Councillor Wyness, Public Member Caltagirone, Public Member Lambert, and Public Member Kim

MOTION CARRIED

Committee then dealt with Item 6.1.

7.2 Real Estate and Development Services - Enhanced Rationalization Program Audit, AC2023-0049

This item was dealt with following Item 6.1.

Moved by Councillor Wyness

That with respect to Report AC2023-0049, 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 Pootmans, Councillor Spencer, Councillor Wong, Councillor Wyness, Public Member Caltagirone, Public Member Lambert, and Public Member Kim

MOTION CARRIED

7.3 Supplier Conflict of Interest Continuous Auditing Project, AC2023-0050

Moved by Councillor Spencer

That with respect with Report AC2023-0050, 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 Pootmans, Councillor Spencer, Councillor Wong, Councillor Wyness, Public Member Caltagirone, Public Member Lambert, and Public Member Kim

MOTION CARRIED

7.4 City Auditor's Office 4th Quarter 2022 Report, AC2023-0048

Moved by Councillor Wong

That with respect to Report AC2023-0048, 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 Pootmans, Councillor Spencer, Councillor Wong, Councillor Wyness, Public Member Caltagirone, Public Member Lambert, and Public Member Kim

MOTION CARRIED

7.5 External Auditor 2021 Management Letter Update, AC2023-0028

Moved by Councillor Spencer

That with respect to Report AC2023-0028, the following be approved:

That the Audit Committee:

1. Receives this Report and Attachment for the Corporate Record; and
2. Recommends that Council receive this Report and Attachments for information and the Corporate Record pursuant to the Audit Committee Bylaw 33M2020, Schedule 'B', Section (d).

For: (7): Councillor Pootmans, Councillor Spencer, Councillor Wong, Councillor Wyness, Public Member Caltagirone, Public Member Lambert, and Public Member Kim

MOTION CARRIED

Committee then dealt with Item 10.

7.6 Selection Process for Seeking External Auditor for 2024-2028, AC2023-0029

This item was dealt with following the Rise and Report motion.

Administration in attendance during the Closed Meeting discussions with respect to Report AC2023-0029:

Clerks: J. Palaschuk, S. Lancashire, and D. Williams. Law: J. Floen Advice: C. Male, L. Ormsby, C. Smillie, G. Wiebe, L. Kerr, A. Raja, S. Campbell, and L. Tochor.

Moved by Councillor Wyness

That with respect to Report AC2023-0029, the following be approved,

That Audit Committee:

1. Appoint the following members of Audit Committee to a Working Group of Audit Committee to oversee the process to select an External Auditor for The City for the fiscal years 2024 – 2028 as follows:
 - **Councillor Wyness (Chair)**
 - **Councillor Spencer (Vice-Chair)**
2. **Appoint a Citizen Member at the 2023 February 15 Regular Meeting of the Audit Committee;**
3. Approve the Terms of Reference for the Working Group on External Auditor Selection (Attachment 1);
4. Direct that the Working Group report to Audit Committee with its recommendation for appointment of an External Auditor for the fiscal years 2024-2028, no later than 3rd Quarter 2023; and
5. Direct that the Closed Meeting discussions remain confidential pursuant to Sections 16 (Harmful to business interest of a third party) and 24 (Advice from officials) of the *Freedom of Information and Protection of Privacy Act*.

For: (5): Councillor Pootmans, Councillor Spencer, Councillor Wyness, Public Member Lambert, and Public Member Kim

MOTION CARRIED

Committee then dealt with Item 10.1.1.

8. ITEMS DIRECTLY TO COMMITTEE

8.1 REFERRED REPORTS

None

8.2 NOTICE(S) OF MOTION

None

9. URGENT BUSINESS

None

10. CONFIDENTIAL ITEMS**Moved by** Public Member Lambert

That pursuant to Sections 16 (Disclosure harmful to business interests of a third party), 17 (Disclosure harmful to personal privacy), 19 (Confidential evaluations), and 24 (Advice from officials) of the *Freedom of Information and Protection of Privacy Act*, Committee now move into Closed Meeting, at 1:42 p.m. in the Engineering Traditions Committee Room, to discuss confidential matters with respect to the following Items:

- 7.6 Selection Process for Seeking External Auditor for 2024-2028, AC2023-0029
- 10.1.1 2021-2022 Audit Committee Self-Assessment Survey, AC2022-1194
- 10.1.2 Audit Forum (Verbal), AC2023-0030
- 10.1.3 External Auditor - Update on the 2022 Audit (Organizational Realignment), AC2023-0071
- 10.1.4 External Auditor (Verbal), AC2023-0031
- 10.1.5 City Auditor (Verbal), AC2023-0032
- 10.1.6 City Auditor 2022 Performance Evaluation (Verbal), AC2023-0033

And further, that the following be authorized to attend the Closed Meeting with respect to Items 10.1.3 and 10.1.4. Harman Gill, Ivana Cvitanusic, Sanjeev Rajani, and Simona Milojevik, External Auditors (Deloitte LLP)

MOTION CARRIED

Committee reconvened in public meeting at 4:35 p.m. with Councillor Pootmans in the Chair.

ROLL CALL

Public Member Lambert, Councillor Spencer, Councillor Wyness, Public Member Kim, and Councillor Pootmans

Absent from Roll Call: Public Member Caltagirone, and Councillor Wong

Moved by Councillor Spencer

That Committee rise and report.

MOTION CARRIED

Committee then dealt with Item 7.6.

10.1 ITEMS FROM OFFICERS, ADMINISTRATION AND COMMITTEES

- 10.1.1 (Postponed) 2021 - 2022 Audit Committee Self-Assessment Survey, AC2022-1194

This item was dealt with following Item 7.6.

Administration in attendance during the Closed Meeting discussions with respect to Confidential Report AC2023-1194:

Clerks: J. Palaschuk, S. Lancashire, and D. Williams. Advice: L. Ormsby, and C. Smillie.

Moved by Councillor Wyness

That with respect to Confidential Report AC2022-1194, the following be approved:

That the Audit Committee:

1. Approve Recommendations 1 and 2 contained in Report AC2022-1194; and
2. Direct that the Report, Recommendations, Attachment, and Closed Meeting discussions remain confidential pursuant to Sections 19 (Confidential evaluations) and 24 (Advice from officials) of the *Freedom of Information and Protection of Privacy Act*, to be reviewed by 2037 November 17.

For: (5): Councillor Pootmans, Councillor Spencer, Councillor Wyness, Public Member Lambert, and Public Member Kim

MOTION CARRIED

10.1.2 Audit Forum (Verbal), AC2023-0030

Administration in attendance during the Closed Meeting discussions with respect to Confidential Verbal Report AC2023-0030:

Clerks: J. Palaschuk, S. Lancashire, D. Williams, and A. Degrood. Law: J. Floen. Advice: C. Male, L. Ormsby, and C. Smillie.

Moved by Councillor Wyness

That with respect to Confidential Verbal Report AC2023-0030, 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*.

For: (5): Councillor Pootmans, Councillor Spencer, Councillor Wyness, Public Member Lambert, and Public Member Kim

MOTION CARRIED

10.1.3 External Auditor – Update on the 2022 Audit (Organizational Realignment), AC2023-0071

People in attendance during the Closed Meeting discussions with respect to Confidential Report AC2023-0071:

Clerks: J. Palaschuk, S. Lancashire, D. Williams, and A. Degrood. Law: J. Floen. Advice: C. Male, L. Ormsby, C. Smillie, G. Wiebe, and L. Tochor. External: H. Gill, I. Cvitanusic, S. Milojevik, and S. Rajani.

Moved by Councillor Spencer

That with respect to Confidential Report AC2023-0071, the following be approved:

That Audit Committee recommends that Council:

1. Receive this Report and Attachment for the Corporate Record; and
2. That this Report and Attachment remain confidential pursuant to Sections 16 (Harmful to business interests of a third party) and 24 (Advice from officials) of the *Freedom of Information and Protection of Privacy Act*, to be reviewed by 2023 April 30.

For: (5): Councillor Pootmans, Councillor Spencer, Councillor Wyness, Public Member Lambert, and Public Member Kim

MOTION CARRIED

10.1.4 External Auditor (Verbal), AC2023-0031

No report given.

10.1.5 City Auditor (Verbal), AC2023-0032

No report given.

10.1.6 City Auditor 2022 Performance Evaluation (Verbal), AC2023-0033

Administration in attendance during the Closed Meeting discussions with respect to Confidential Verbal Report AC2023-0033:

Clerks: J. Palaschuk, S. Lancashire, and D. Williams.

Moved by Public Member Lambert

That with respect to Confidential Verbal Report AC2023-0033, the following be approved:

That the Audit Committee recommends:

1. That the Chair of Audit provide Council with a Closed Meeting update with respect to the City Auditor's Performance Evaluation pursuant to Schedule C, Section 1(d) of the Audit Committee Bylaw 33M2020; and
2. That the Closed Meeting discussions remain confidential pursuant to Sections 17 (Disclosure harmful to personal privacy), 19 (Confidential evaluations) and 24 (Advice from officials) of the *Freedom of Information and Protection of Privacy Act*.

For: (5): Councillor Pootmans, Councillor Spencer, Councillor Wyness,
Public Member Lambert, and Public Member Kim

MOTION CARRIED

10.2 URGENT BUSINESS

None

11. BRIEFINGS

None

12. ADJOURNMENT

Moved by Councillor Spencer

That this meeting adjourn at 4:42 p.m.

MOTION CARRIED

The following items have been forwarded on to the 2023 February 14 Regular Meeting of Council:

CONSENT

- 2022 Law Audit Report, AC2022-1273
- Annual Principal Corporate Risk Report, AC2023-0011
- Real Estate and Development Services - Enhanced Rationalization Program Audit, AC2023-0049
- Supplier Conflict of Interest Continuous Auditing Project, AC2023-0050
- City Auditor's Office 4th Quarter 2022 Report, AC2023-0048
- External Auditor 2021 Management Letter Update, AC2023-0028
- External Auditor - Update on the 2022 Audit (Organizational Realignment), AC2023-0071

The next Regular Meeting of the Audit Committee is scheduled to be held on 2023 February 15 at 9:30 a.m.

CONFIRMED BY COMMITTEE ON

CHAIR

CITY CLERK