Town of Newmarket

Minutes

Audit Committee

Date:	Monday, January 27, 2020
Time:	2:00 PM
Location:	Mulock Room Municipal Offices 395 Mulock Drive Newmarket, ON L3Y 4X7
Members Present:	Michael Tambosso, Chair Deputy Mayor & Regional Councillor Vegh, Vice-Chair Councillor Bisanz Councillor Morrison Rebecca Mathewson Tom Mungham
Staff Present:	J. Sharma, Chief Administrative Officer E. Armchuk, Commissioner of Corporate Services M. Mayes, Director of Financial Services/Treasurer D. Schellenberg, Manager of Finance & Accounting M. Wigmore, Director, Information Technology L. Peppiatt, Deputy CEO, Newmarket Public Library A. Walkom, Legislative Coordinator J. Grossi, Legislative Coordinator
Guests:	Pina Colavecchia, Deloitte Canada (by telephone) Antonio Bianchi, Acting Director of Audit Services, York Region Travis Waite, Senior Internal Auditor, York Region

The meeting was called to order at 2:00 PM.
Michael Tambosso in the Chair.

1. Additions and Corrections to the Agenda

None.

2. Declarations of Pecuniary Interest

None.

3. Approval of Minutes

3.1 Audit Committee Meeting Minutes of October 7, 2019

Moved by: Tom Mungham

Seconded by: Councillor Morrison

1. That the Audit Committee Meeting Minutes of October 7, 2019 be approved.

Carried

4. Items

4.1 Presentation by Internal Auditor: Overview of Internal Audit Process and 2020 Workplan

Antonio Bianchi, Acting Director of Audit Services, York Region provided the Audit Committee with a presentation regarding an Overview of the Internal Audit Process and 2020 Workplan. He outlined the identified risk factors including susceptibility of fraud, and sensitivity of personal information, and advised that the 2020 workplan would focus on high risk areas. These areas include water and wastewater, engineering services, IT, and customer care.

The Members of the Audit Committee discussed their role in relation to the Internal Auditor, setting objectives and recommendations for the 2020 workplan, and the relationship between internal and external audits. They queried the auditors regarding the 2019 workplan, and asked for an update on various projects.

4.2 Management Letter Follow-Up

Pina Colavecchia of Deloitte Canada provided an update on the Management Letter presented to the Audit Committee previously and provided comment on some the items listed within. Staff advised that most of the items had been fully addressed.

The Members of the Audit Committee queried the Auditor and Staff regarding the responses to the management letter from IT Services related to password authentication policy settings, and the history of the identified items.

The Director of IT Services advised the Committee of new internal processes to segregate duties related to JD Edwards software, as recommended by the Auditors.

4.3 Items Deferred by the Previous Term of the Audit Committee

4.3.1 Report to the Audit Committee by the External Auditor

Pina Colavecchia of Deloitte Canada reported back to the Audit Committee regarding extra time spent on the audit, as requested by the Members at the June 18, 2019 Audit Committee Meeting. She summarized the management additional time and efforts incurred, the additional sampling audit approach, and audit adjustments related to capital grants. She further advised that a total of 84 additional hours were recorded and $15,000 was spent to cover the additional hours.

The Members of the Audit Committee queried Deloitte Canada on their satisfaction of the audit, capital grants, and funds from other levels of government.

4.3.2 Audit Committee Mandate

The Members of the Audit Committee discussed the Audit Committee Mandate which was revised as part of the Committee Structure Review approved by Council at the May 6, 2019 Council Meeting. They discussed the role of the Committee in the selection of the external auditor, and queried Staff regarding the potential for management influence on the selection process.

The Chief Administrative Officer provided an overview of the external auditor selection process, as a collaboration among the Northern Six municipalities of York Region. He explained that the Town of Newmarket had participated in the process, but had not selected the same firm as the other municipalities. Committee Members discussed including a possible role in the selection process in a future review of the Committee's mandate. The CAO stated that staff would propose a process to involve the Audit Committee if the Town were to deviate from a decision being made

by the N6 with respect to the selection of the auditor, and to bring that proposed process to the Audit Committee.

5. New Business

None.

6. Closed Session

The Chair advised there was no requirement for a Closed Session.

7. Adjournment

The meeting adjourned at 3:16 PM.

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Michael Tambosso, Chair

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Date