



Minutes

Toronto Transit Commission Audit & Risk Management Committee

Meeting No.: 8

Meeting Date: Thursday, February 9, 2017

A meeting of the TTC Audit & Risk Management Committee was held in the 7th Floor Executive Boardroom at 1900 Yonge Street, Toronto, Ontario, on Thursday, February 9, 2017 commencing at 1:01 p.m. The Audit and Risk Management Committee recessed at 1:23 p.m. to meet as the Committee of the Whole, and reconvened in public at 1:58 p.m.

Present at Committee of the Whole

J. Campbell (Chair), R. Byers and R. Lalonde (Members), C. Upfold, V. Rodo, S. Reed Tanaka, J. Taylor, M. Palmer, J. O'Grady, T. Bal, M. Roche, P. Buttigieg, M. Ismail, C. Leach, T. Coelho, S. Tippett, K. Lee and C. Finnerty.

C. Russell and D. Dhar (PricewaterhouseCoopers) and R. Hollis, R. Siddall and F. Stabile (Metrolinx) were present for Item 1.

K. Lillyman (Chair's Office) was also present.

J. Campbell was in the Chair.

Present at Public Session

J. Campbell (Chair), R. Byers and R. Lalonde (Members), C. Upfold (Deputy CEO & Chief Customer Officer), V. Rodo (Chief Financial & Administration Officer), S. Reed Tanaka (Chief Capital Officer), J. Taylor (Chief of Staff), J. O'Grady (Chief Safety Officer), M. Palmer (Acting Chief Operating Officer), T. Bal (Head of Audit), M. Roche (Head of Finance & Treasurer), P. Buttigieg (Director – Budgets, Costing & Financial Reporting), M. Ismail (Principal Risk Advisor), C. Leach (Manager – Audit), T. Coelho (Manager – Audit), S. Tippett (Manager – Financial Statements), K. Lee (Head - Commission Services) and C. Finnerty (Co-ordinator – Secretariat Services) were present.

Declaration of Interest - Municipal Conflict of Interest Act

Nil

Minutes of the Previous Meeting

Commissioner Byers moved that the Audit & Risk Management Committee approve the minutes of the meeting held on Wednesday, October 19, 2016.

The motion by Commissioner Byers carried.

Business Arising Out of the Minutes

Nil

Public Presentations

Nil

Presentations/Reports/Other Business

1. PRESTO Fare Payment System for TTC – Processes and Controls Assessment

It is recommended that the Audit & Risk Management Committee:

1. Receive the confidential information as set out in Confidential Attachment 1; and
2. Authorize that the information provided in the Confidential Attachment 1 remain confidential in its entirety as it contains advice which involves the security of property of the TTC.

Approved

2. TTC Audit and Risk Management Committee Terms of Reference

Chair Campbell moved the following motion:

1. That staff incorporate the following amendment to the Terms of Reference:
 - i) Modify the Terms of Reference to combine the 'Financial Reporting Process and Financial Statements' responsibilities with the "External Audit of the Financial Statements' responsibilities and call it 'Financial Reporting Process and External Audit of the Financial Statements'.
2. That staff report back on the following items:
 - i) General Counsel to provide an update to the ARMC regarding Director Indemnity and Insurance Coverage
 - ii) ERM (Disaster response) - technology impacting subway service

- iii) System of Internal Controls – semi-annual updates on management letter points/management action items
 - iv) The feasibility of implementing a process to facilitate an annual compliance confirmation of the various laws and regulations governing TTC, including details regarding the impact of significant changes in laws/regulations as they materialize
 - v) A protocol that identifies those matters that should be communicated to the Board, with consideration to a process potentially involving direct communication between the two Chairs.
3. That relevant and available risk lens information be applied to all critical Board and Committee reports (e.g. budget requests).

The motion by Chair Campbell carried and the item was adopted, as amended.

3. Internal Audit Activities – Quarterly Update: Q4 2016

The Committee received this report for information.

4. TTC Internal Audit Department – 2017 Audit Work Plan

It is recommended that:

1. The Audit & Risk Management Committee approve the attached TTC Internal Audit Department – 2017 Audit Work Plan.

Approved

5. 2014 APTA Audit – Update to Management

The Committee received this report for information.

The meeting adjourned at 2:58 p.m.