



## Minutes

### Toronto Transit Commission Audit & Risk Management Committee

**Meeting No.:** 9

**Meeting Date:** Monday, May 29, 2017

A meeting of the TTC Audit & Risk Management Committee was held in the 7<sup>th</sup> Floor Executive Boardroom at 1900 Yonge Street, Toronto, Ontario, on Monday, May 29, 2017 commencing at 1:18 p.m. The Audit & Risk Management Committee recessed at 1:39 p.m. to meet as the Committee of the Whole, and reconvened in public at 2:00 p.m. The Audit & Risk Management Committee recessed at 3:30 p.m. to meet as the Committee of the Whole and reconvened in public at 4:22 p.m.

#### **Present at Committee of the Whole**

J. Colle (Chair), R. Byers and R. Lalonde (Members), A. Byford, M. Palmer, S. Reed Tanaka, V. Rodo, J. Taylor, J. Ross, T. Bal, T. Coelho, M. Ismail, C. Leach and C. Finnerty.

C. Russell (PricewaterhouseCoopers) was present for Items 1 and 2.

D. Campbell, M. Galea, M. MacRae, M. Mis and E. Stassen were present for Item 9.

D. Magisano (Mayor's Office) was also present.

J. Colle was in the Chair.

#### **Present at Public Session**

J. Colle (Chair), R. Byers and R. Lalonde (Members), A. Byford (Chief Executive Officer), M. Palmer (Chief Operating Officer), S. Reed Tanaka (Chief Capital Officer), V. Rodo (Chief Financial & Administration Officer), J. Taylor (Chief of Staff), J. Ross (Deputy Chief Operating Officer), T. Bal (Head of (Internal Audit), T. Coelho (Internal Audit Manager), M. Ismail (Principal Risk Advisor), C. Leach (Manager – Audit), C. Penman (Group Station Manager), R. Wong (Head of Streetcar Maintenance & Infrastructure), T. Zlotnik (Head – Materials and Procurement), W. Hafez (Risk Advisor) and C. Finnerty (Co-ordinator – Secretariat Services) were present.

## **Declaration of Interest - Municipal Conflict of Interest Act**

Nil

## **Minutes of the Previous Meeting**

Commissioner Lalonde moved that the Audit & Risk Management Committee approve the minutes of the meeting held on Wednesday, February 8, 2017 and Thursday, February 9, 2017.

The motion by Commissioner Lalonde carried.

## **Business Arising Out of the Minutes**

Nil

## **Public Presentations**

Nil

## **Presentations/Reports/Other Business**

1. PricewaterhouseCoopers LLP Audit Results Report on the Toronto Transit Commission Consolidated Financial Statement for the Year-Ended December 31, 2016

The Audit & Risk Management Committee:

1. Received the report and information provided in Closed Session; and
2. Approved forwarding a copy of the report to the TTC Board and then to the City Clerk for appropriate handling.

Approved

2. Draft Consolidated Financial Statements of Toronto Transit Commission for Year-Ended December 31, 2016

The Audit & Risk Management Committee:

1. Approved the report; and
2. Received the information provided in Closed Session; and
2. Approved forwarding a copy of the approved consolidated financial statements of the TTC to the TTC Board and then to the City Clerk for appropriate handling.

Approved

3. Draft Annual Report for the Toronto Transit Commission for 2016

It is recommended that the Audit & Risk Management Committee:

1. Approve the report.

Approved

4. Accounts Receivable Considered Uncollectible

The Committee received this report for information.

5. Auditor General's Report – Toronto Transit Commission – Results of 2017 Follow-up of Previous Audit Recommendations

B. Romeo-Beehler, Auditor General, City of Toronto delivered a PowerPoint presentation to the Committee on this item.

The Audit & Risk Management Committee:

1. Received the report; and
2. Approved forwarding a copy of the report to the TTC Board for appropriate handling.

Approved

6. Auditor General's Report – Toronto Transit Commission – Review of Toronto Transit Commission Procurement Policies and Practices: Improving Materials Management and Purchasing Policies Can Potentially Result in Significant Savings.

B. Romeo-Beehler, Auditor General, City of Toronto delivered a PowerPoint presentation to the Committee on this item.

T. Zlotnik, Head – Materials and Procurement, TTC, delivered a PowerPoint presentation to the Committee on this item.

Chair Colle moved the following motion:

That the Audit & Risk Management Committee receive this report, and approve forwarding a copy of the report along with the response from TTC management to the TTC Board.

The motion by Chair Colle carried.

7. Internal Audit Activities – Quarterly Update: Q1 2017

It is recommended that the TTC Audit & Risk Management Committee:

1. Receive Internal Audit Activities – Quarterly Update: Q1 2017 with Rolling Stock (T1 – HVAC – “Hot Cars”) attachment, and
2. Receive the confidential information and as set out in the confidential attachment on Fraud Deterrence Internal Audit Activities: Q1 2017, and the direction provided in Closed Session, noting that it is to remain confidential in its entirety as it involves the security of the property of the municipality or local board.

Approved

8. TTC Top Risks Update

The Committee received this report for information.

9. Education Session: Workforce Planning (Bus Operators)

The Committee received an in-camera training session on workforce planning, specifically related to bus operators.

The meeting adjourned at 4:23 p.m.