



## Minutes

### Toronto Transit Commission Audit & Risk Management Committee

**Meeting No.:** 17

**Meeting Date:** Monday, June 3, 2019

A meeting of the TTC Audit & Risk Management Committee was held in the 7<sup>th</sup> Floor Executive Board Room, 1900 Yonge Street on Monday, June 3, 2019 commencing at 8:30 a.m. The meeting recessed at 8:52 a.m. to meet in-camera. The Audit & Risk Management Committee re-convened the public session at 9:01 a.m. The meeting recessed at 9:55 a.m. to meet in-camera. The Audit & Risk Management Committee re-convened the public session at 10:40 a.m.

#### **Present at Closed Session**

R. Lalonde and A. Heisey, Q.C. (Members), T. Bal, C. Leach, K. Lee and C. Finnerty were present.

T. Anderson (Auditor General's Office, City of Toronto) R. Pictor and C. Russell (PricewaterhouseCoopers LLP) were present for Item 2.

G. Downie, B. Leck, F. Monaco, J. O'Grady, S. Reed Tanaka, J. Ross, K. Watson, D. Wright, A. Cassar, T. Coelho, S. Conforti, C. Leach, N. Pazzano and M. Verbeek were present for Items 8 and 9.

R. Lalonde was in the Chair.

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

R. Lalonde and A. Heisey, Q.C. (Members), G. Downie (Chief Expansion Officer), F. Monaco (Chief of Infrastructure and Engineering), J. O'Grady (Chief Safety Officer), S. Reed Tanaka (Chief Capital Officer), J. Ross (Chief Operating Officer), K. Watson (Deputy Chief Executive Officer – Operations), R. Wong (Chief Vehicle Officer – acting), D. Wright (Chief Financial Officer), T. Bal (Head of Audit, Risk and Compliance), A. Cassar (Director – Budgets, Costing and Financial Reporting), S. Conforti (Head of Finance and Treasurer), M. Ferreira (Director – Treasury Services), C. Leach (Director – Audit, Risk and Compliance), N. Pazzano (Manager – Audit, Risk and Compliance), S. Selfe (Head – Service Delivery Control), M. Verbeek (Director – Emergency Management), K. Lee (Head of Commission Services) and C. Finnerty (Co-ordinator – Secretariat Services) were present.

T. Anderson (Auditor General's Office) was present for Item 1.

C. Russell and R. Pictor (PricewaterhouseCoopers LLP) was present for Item 2.

R. Lalonde was in the Chair.

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

Nil

### **Minutes of the Previous Meeting**

Vice-Chair Heisey moved that the Audit & Risk Management Committee approve the minutes of the meeting held on Tuesday, February 26, 2019.

The motion by Vice-Chair Heisey carried.

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

Nil

### **Public Presentations**

Nil

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

1. Auditor General's Report – Toronto Transit Commission – 2019 Results of Follow-up of Previous Audit Recommendations

Tara Anderson, Director - Auditor General's Office (City of Toronto) delivered a verbal presentation on this item.

Vice-Chair Heisey moved the following motion:

That staff bring a status report to the December Audit & Risk Management Committee on timeline and forecast reporting for those items that remain outstanding.

The motion by Vice-Chair Heisey carried.

Following the presentation, the Committee approved the Auditor General's recommendation, as follows:

The Auditor General recommends that:

1. The Toronto Transit Commission Audit and Risk Management Committee receive this report for information and forward the report to the Toronto Transit Commission Board.

2. PricewaterhouseCoopers LLP Audit Results Report on the Toronto Transit Commission Consolidated Financial Statements for the Year Ended December 31, 2018

Vice-Chair Heisey moved the following motion:

That staff report back to the December Audit & Risk Management Committee on the SAP production timelines and security controls as referenced in the PricewaterhouseCoopers LLP Audit Results Report.

The motion by Vice-Chair Heisey carried.

Commissioner Heisey moved the following motion:

That the TTC Audit & Risk Management Committee:

1. Receive the report and information received in-camera;
2. Approve forwarding a copy of the report to the TTC Board and then to the City Clerk for appropriate handling.

The motion by Commissioner Heisey carried.

3. Draft Consolidated Financial Statements of Toronto Transit Commission for the Year Ended December 31, 2018

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

1. Approve this report;
2. Approve forwarding a copy of the approved consolidated financial statements to the TTC Board and then to the City Clerk for appropriate handling.

Approved

4. Draft Annual Report for the Toronto Transit Commission for 2018

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

1. Approve the report.

Approved

5. Accounts Receivable Considered Uncollectable

The Committee received this report for information.

## 6. Audit, Risk and Compliance: An Integrated Approach

Tara Bal, Head – Audit, Risk and Compliance, delivered a presentation on the departmental role and mandate.

The Committee received the presentation for information.

## 7. Annual Review of TTC's Safety, Health and Environment Management System

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

1. Approve management's approach to continuously improving the effectiveness of TTC's SH&E Management System, identifying opportunities for improvement, and developing corporate SH&E goals and objectives.
2. Direct staff to develop a quarterly report detailing compliance to SH&E regulatory orders to provide assurance that Commissioners have discharged their legal responsibilities.
3. Receive this report, the Opportunities for Improvement and the 2019 to 2021 TTC Corporate SH&E Goals and Objectives for information.
4. Forward this report, the Opportunities for Improvement and the 2019 to 2021 TTC Corporate SH&E Goals and Objectives to the TTC Board for information.

Approved

## 8. Emergency Management and Resiliency

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

1. Receive the information contained in the confidential presentation Emergency Management and Resiliency, noting that it is to remain confidential in its entirety as it contains information related to the security of TTC property.

Approved

## 9. Update on Employee Benefit Provision

It is recommended that:

1. The TTC Audit & Risk Management Committee adopt the confidential recommendations.
2. Authorize that the information provided in Confidential Attachment 1 remain confidential in its entirety, as it contains communications necessary for solicitor-client privilege.

Approved

10. Divisional Clerks: A Proposed Action Plan for Clerical Services Group

1. It is recommended that the TTC Audit and Risk Management Committee receive this report for information.

Approved

The meeting adjourned at 10:40 a.m.