



Minutes

Toronto Transit Commission Audit & Risk Management Committee

Meeting No.: 30

Meeting Date: Thursday, June 1, 2023

A meeting of the TTC Audit & Risk Management Committee was held by video conference on Thursday, June 1, 2023, commencing at 8:37 a.m. The meeting recessed at 10:11 a.m. to meet as the Committee of the Whole. The Board reconvened the public session at 10:44 a.m.

Present at Committee of the Whole

R. Lalonde (Chair), F. Jagdeo, and J. Osborne (Members), M. Atlas, K. Campbell, G. Downie, A. Gibson, B. Hasserjian, J. La Vita, F. Monaco, R. Wong, V. Chandrakanthan, J. Montagnese, D. Shanmuganayagam, C. Finnerty and J. Ishak were present.

A. Agudelo (Live Media) was also present

R. Lalonde was in the Chair.

Present at Public Session

Commissioners:

R. Lalonde (Chair), F. Jagdeo, and J. Osborne (Members)

Staff:

M. Atlas (General Counsel), K. Campbell (Chief Diversity and Culture Officer), G. Downie (Chief Capital Officer), A. Gibson (Chief Strategy and Customer Officer (Acting)), B. Hasserjian (Chief Safety Officer), J. La Vita (Chief Financial Officer), F. Monaco (Chief Operations and Infrastructure Officer), N. Poole-Moffatt (Chief of Corporate Affairs), R. Wong (Chief Transportation and Vehicles Officer), A. Cassar (Director – Budgets, Costing and Financial Reporting), V. Chandrakanthan (Head - Audit, Risk and Compliance), S. Currie (Senior Advisor – Strategy and User Experience/Customer Experience), A. Kargutkar (Manager, SH&E Policy and Strategy), C. Leach (Senior Director – Audit, Risk and Compliance), J. Montagnese (Executive Director - Finance), N. Scarcello (Manager - Financial Statements), D. Shanmuganayagam (Chief Information Officer), A. Sidhu (Head - Revenue Protection), S. To (Manager, Accounting Policy & Standards), C. Triggs (Director,

Safety, Health, & Environment), C. Finnerty (Director - Commission Services) and J. Ishak (Administrator - Secretariat Services) were present.

S. Del Mastro, K. Travers and R. Travers (KPMG) and A. Agudelo (Live Media) were also present.

R. Lalonde was in the Chair.

Land Acknowledgement

R. Lalonde requested C. Finnerty to acknowledge that the TTC Board was meeting on the traditional territory of many nations including the Mississaugas of the Credit, the Anishnabeg, the Chippewa, the Haudenosaunee and the Wendat peoples and is now home to many diverse First Nations, Inuit and Métis peoples. C. Finnerty also acknowledged that Toronto is covered by Treaty 13 signed with the Mississaugas of the Credit.

Declaration of Interest - Municipal Conflict of Interest Act

Nil

Closed Session

That the Audit & Risk Management Committee recess in-camera to consider the following confidential items:

Security of the property of the municipality or local board

9. Presentation: TTC Cybersecurity Program Update

Minutes of the Previous Meeting

Commissioner Jagdeo moved that the Audit & Risk Management Committee approve the minutes of Meeting 29 held on Monday, February 13, 2023.

The motion by Commissioner Jagdeo carried.

Public Presentations

Nil

Presentations/Reports/Other Business

1. KPMG LLP Audit Findings Report on the Toronto Transit Commission Consolidated Financial Statements for the Year Ended December 31, 2022

S. Del Mastro, K. Travers and R. Travers (KPMG) delivered a verbal presentation on this item.

Commissioner Jagdeo moved adoption of the staff recommendations as follows:

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

1. Receive the KPMG LLP Audit Findings Report on the Toronto Transit Commission Consolidated Financial Statements for the Year Ended December 31, 2022 in Attachment 1; and
2. Forward a copy of this report to the TTC Board for its meeting on June 12, 2023 and subsequently to the City Clerk for appropriate handling to the next City Audit Committee meeting.

The motion by Commissioner Jagdeo carried.

Approved

2. Draft Consolidated Financial Statements of Toronto Transit Commission for the Year Ended December 31, 2022

A. Cassar, Director – Budgets, Costing and Financial Reporting delivered a presentation on this item.

Commissioner Osborne moved adoption of the staff recommendations as follows:

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

1. Receive the appended Draft Consolidated Financial Statements of Toronto Transit Commission for the year ended December 31, 2022; and
2. Forward this report and the appended Draft TTC Consolidated Financial Statements for approval at the June 12, 2023 Board meeting and subsequently to the City Clerk for submission to the next City Audit Committee meeting.

The motion by Commissioner Osborne carried.

Approved

3. Draft Annual Report for the Toronto Transit Commission for 2022

Commissioner Jagdeo moved adoption of the staff recommendations as follows:

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

1. Approve the non-financial statement information to be published in the 2022 TTC Annual Report.

The motion by Commissioner Jagdeo carried.

Approved

4. Asset Retirement Obligations Accounting Standard Implementation: Status Update

A. Cassar, Director – Budgets, Costing and Financial Reporting delivered a presentation on this item.

Commissioner Jagdeo moved that the Audit & Risk Management Committee receive the Asset Retirement Obligations Accounting Standard Implementation: Status Update report for information.

The motion by Commissioner Jagdeo carried.

Received

5. 2022 Uncollectible Accounts Receivable

Commissioner Osborne moved that the Audit & Risk Management Committee receive the 2022 Uncollectible Accounts Receivable report for information.

The motion by Commissioner Osborne carried.

Received

6. Annual Review of TTC's Safety, Health & Environment (SH&E) Management System

B. Hasserjian, Chief Safety Officer delivered a presentation on this item.

Commissioner Osborne moved adoption of the staff recommendations as follows:

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

1. Approve the approach to continuously improving the effectiveness of the TTC's Safety, Health and Environment Management System, identifying priority safety, health and environment issues, and developing the TTC's safety, health and environment goals and objectives as described in this report.
2. Forward this report to the TTC Board for information.

The motion by Commissioner Osborne carried.

Approved

7. Audit, Risk and Compliance – Work Plan Status Update

V. Chandrakanthan, Head of Audit, Risk and Compliance delivered a verbal presentation on this item.

Commissioner Osborne moved adoption of the staff recommendations as follows:

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

1. Approve the addition of the Fare Evasion Review to the ARC – 2023 Audit Plan, attached as Attachment 1 to this report.

The motion by Commissioner Osborne carried.

Approved

8. Presentation: Auditor General Fare Evasion Recommendations – Status Update

A. Sidhu, Head - Revenue Protection delivered a presentation on this item.

Commissioner Osborne moved that the Audit & Risk Management Committee receive the Presentation: Auditor General Fare Evasion Recommendations – Status Update for information.

The motion by Commissioner Osborne carried.

Received

9. Presentation: TTC Cybersecurity Program Update

Commissioner Osborne moved adoption of the staff recommendations as follows:

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

1. Authorize that information contained in Confidential Attachment 1 remain confidential in its entirety, as it contains information related to the security of the property of the municipality or local board.

The motion by Commissioner Osborne carried.

Approved

The meeting adjourned at 10:46 a.m.