



Minutes

Toronto Transit Commission Audit & Risk Management Committee

Meeting No.: 33

Meeting Date: Wednesday, June 5, 2024

A meeting of the TTC Audit & Risk Management Committee was held in the 7th Floor Executive Board Room, 1900 Yonge Street and by video conference on Wednesday, June 5, 2024, commencing at 10:04 a.m. The meeting recessed at 11:27 a.m. and reconvened at 11:33 a.m. The meeting recessed at 12:28 p.m. and reconvened at 1:00 p.m. The meeting recessed into Committee of the Whole at 1:48 p.m. and reconvened at 2:14 p.m.

Present at Closed Session

Commissioners: D. Saxe (Chair), F. Jagdeo, L. Kim, and J. Osborne (Members)

Staff: M. Atlas, J. La Vita, B. MacGregor, F. Monaco, V. Chandrakanthan, C. Leach, D. Shanmuganayagam, A. Srivastava, C. Finnerty, L. Soto Maya and J. Ishak were present.

T. Anderson (Auditor General), S. Ali (Assistant Auditor General, IT & Strategy), and J. Darmody (Live Media) were also present.

D. Saxe was in the Chair.

Present at Public Session

Commissioners: D. Saxe (Chair), F. Jagdeo, L. Kim, and J. Osborne

Staff: B. Macgregor (Deputy Chief Executive Officer), K. Campbell (Chief Diversity and Culture Officer), G. Downie (Chief Capital Officer), B. Hasserjian (Chief Safety Officer), J. La Vita (Chief Financial Officer), F. Monaco (Chief Operations and Infrastructure Officer), S. Naraine (Chief People Officer), N. Poole-Moffatt (Chief of Corporate Affairs), W. Reuter (Chief Strategy and Customer Officer (Acting)), R. Wong (Chief Transportation and Vehicles Officer), J. Taylor (Special Advisor, CEO Office), V. Chandrakanthan (Head - Audit, Risk and Compliance), A. Dixon (Head – Transit Control (Acting)), A. Gibson (Executive Director - Fare Technology and System Stewardship (Acting)), D. Shanmuganayagam (Chief Information Officer), A. Srivastava (Chief Information Security Officer), C. Leach (Senior Director - Audit, Risk and Compliance), J. Montagnese

(Executive Director - Finance), S. To (Manager, Financial Statements), C. Finnerty (Director - Commission Services), L. Soto Maya (Coordinator, Secretariat Services) and J. Ishak (Administrator - Secretariat Services) were present.

T. Anderson (Auditor General), E. Lu (Senior Audit Manager), S. Ali (Assistant Auditor General – IT Audit and Strategy), K. Travers (KPMG - Lead Audit Engagement Partner), S. Del Mastro (KPMG), V. Zolotko (KPMG), and J. Darmody (Live Media) were also present.

D. Saxe was in the Chair.

Land Acknowledgement

D. Saxe acknowledged that the Audit & Risk Management Committee 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. D. Saxe 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

Chair Saxe moved that the Audit and Risk Management Committee recess in-camera to consider the following confidential item:

Information related to the security of the property of the municipality or local board

10. Presentation: TTC Cybersecurity Program Update

The motion by Chair Saxe carried.

Minutes of the Previous Meeting

Commissioner Jagdeo moved that the Audit and Risk Management Committee approve the minutes of Meeting 32 held on Tuesday, March 19, 2024.

The motion by Commissioner Jagdeo carried.

Presentations/Reports/Other Business

1. KPMG LLP Audit Findings Report on the Toronto Transit Commission Consolidated Financial Statements for the Year Ended December 31, 2023

K. Travers, Audit Partner, KPMG, and S. Del Mastro, KPMG, provided a presentation on this item.

Commissioner Jagdeo moved adoption of the staff recommendations as follows:

It is recommended that the TTC Audit & 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, 2023 in Attachment 1; and
2. Forward a copy of this report to the TTC Board for its meeting on June 19, 2024 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, 2023

J. La Vita, Chief Financial Officer, provided a verbal introduction to the item.

J. Montagnese, Executive Director – Finance, provided a presentation on the Financial Statements of Toronto Transit Commission for the Year Ended December 31, 2023.

Commissioner Kim moved adoption of the staff recommendations as follows:

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

1. Receive the appended Draft Consolidated Financial Statements of Toronto Transit Commission for the year ended December 31, 2023; and
2. Forward this report and the appended Draft TTC Consolidated Financial Statements for approval at the June 19, 2024 Board meeting and subsequently to the City Clerk for submission to the next City Audit Committee meeting.

The motion by Commissioner Kim carried.

Approved

3. Draft Annual Report for the Toronto Transit Commission for 2023

Commissioner Jagdeo moved adoption of the staff recommendations as follows:

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

1. Approve the non-financial statement information to be published in the 2023 TTC Annual Report.

The motion by Commissioner Jagdeo carried.

Approved

4. 2023 Uncollectible Accounts Receivable

Commissioner Osborne moved to receive this report for information.

The motion by Commissioner Osborne carried.

Received

5. Toronto Transit Commission 2024 Follow-up – Status of Previous Auditor General’s Recommendations

T. Anderson, Auditor General, and E. Lu, Senior Audit Manager, Auditor General’s Office, provided a verbal presentation on the item.

Commissioner Jagdeo moved adoption of the staff recommendations 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 (the Board).
2. The Board direct that the confidential information contained in Confidential Attachment 1 remain confidential in its entirety, as it involves the security of property belonging to the TTC.
3. The Board forward this report to City Council for information through the City’s Audit Committee.

The motion by Commissioner Jagdeo carried.

Approved

6. Audit of the Toronto Transit Commission's Streetcar Overhead Assets: Auditor General Recommendations Progress Update

F. Monaco, Chief of Operations and Infrastructure, and P. Horvat, Head – Streetcar Infrastructure, delivered a presentation on Progress Report on Management Action Plans in response to the Audit of Streetcar Overhead Assets.

Commissioner Kim moved adoption of the staff recommendations as follows:

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

1. Receive this report for information.

The motion by Commissioner Kim carried.

Approved

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

V. Chandrakanthan, Head - Audit, Risk and Compliance, provided a verbal introduction on the item.

K. Campbell, Chief Diversity and Culture Officer, delivered a presentation on Transit Operators - Hiring, Onboarding and Retention Review: Internal Audit Report.

Staff provided presentation materials to committee members on Review of Transit Control, and Transit Security Review: Strengthening Response to Security Incidents.

Commissioner Kim moved adoption of the staff recommendations as follows:

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

1. Receive this report for information.

The motion by Commissioner Kim carried.

Approved

8. TTC's Draft Innovation and Sustainability Framework

Chair Saxe moved an amending motion as follows:

Replace the staff recommendations with the following:

1. Approve the TTC's Draft Innovation and Sustainability Framework, with the following amendment:
 - a. Engage next generation riders, customers, and the public under Workstream 1.1 – Innovation Challenges rather than through an open intake under 1.3 Open Intake Process and further, make clear in the Innovation and Sustainability Strategy, that ideas put forward by employees and private/non-for-profit organizations be screened to pursue only those that align with the TTC's

Corporate Plan and to provide the Board a measure of scale for the investment required to administer Workstream 1.3.

2. Direct staff to incorporate feedback from the Audit & Risk Management Committee into the Innovation and Sustainability Strategy, and submit it to the September meeting of the TTC Board for its consideration.

The motion by Chair Saxe carried.

Chair Saxe moved adoption of the item as amended, as follows:

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

1. Approve the TTC's Draft Innovation and Sustainability Framework, with the following amendment:
 - a. Engage next generation riders, customers, and the public under Workstream 1.1 – Innovation Challenges rather than through an open intake under 1.3 Open Intake Process and further, make clear in the Innovation and Sustainability Strategy, that ideas put forward by employees and private/non-for-profit organizations be screened to pursue only those that align with the TTC's Corporate Plan and to provide the Board a measure of scale for the investment required to administer Workstream 1.3.
2. Direct staff to incorporate feedback from the Audit & Risk Management Committee into the Innovation and Sustainability Strategy, and submit it to the September meeting of the TTC Board for its consideration.

The motion by Chair Saxe carried.

Amended

9. Annual Review Safety Health & Environment (SH&E) Management System 2024

Commissioner Jagdeo moved adoption of the staff recommendations as follows:

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

1. Re-affirm support for the approach to continuously improving the effectiveness of the TTC's Safety, Health & 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 Jagdeo carried.

Approved

10. Presentation: TTC Cybersecurity Program Update

Commissioner Osborne moved adoption of the staff recommendations as follows:

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

1. Receive the in-camera presentation, noting that it is to remain confidential in its entirety, as it contains information related to the security of the property of the municipality or local board.
2. Direct 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

On a motion by Commissioner Kim, the meeting adjourned at 2:16 p.m.