

# AGENDA



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## AUDIT COMMITTEE

THE CORPORATION OF THE CITY OF MISSISSAUGA

**MONDAY, SEPTEMBER 23, 2013 – 9:00 AM**

**COUNCIL CHAMBER, 2<sup>ND</sup> FLOOR, CIVIC CENTRE,  
300 CITY CENTRE DRIVE, MISSISSAUGA, ONTARIO L5B 3C1**  
<http://www.mississauga.ca>

### Members

Mayor Hazel McCallion  
Councillor Jim Tovey, Ward 1  
Councillor Pat Mullin, Ward 2 (**Chair**)  
Councillor Bonnie Crombie, Ward 5  
Councillor Ron Starr, Ward 6

Contact: Carmela Radice, Legislative Coordinator, Office of the City Clerk  
905-615-3200 ext. 5426 Fax: 905-615-4181  
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CALL TO ORDERDECLARATIONS OF (DIRECT OR INDIRECT) PECUNIARY INTERESTMINUTES OF PREVIOUS MEETING

- (a) Draft Minutes of the May 6, 2013 Audit Committee meeting.

Recommend ApprovalAPPROVAL OF THE AGENDADEPUTATIONSMATTERS TO BE CONSIDERED

1. Report dated September 13, 2013 from the Director, Internal Audit re: **Final Audit Reports: 1. Community Services Department, Library Division – Library Union Payroll Audit 2. Corporate Services Department, Information Technology Division, Planning & Integration Section – IT Hardware Inventory Audit 3. Transportation & Works Department, Transportation Project Office & Business Services Division, Rapid Transit and Parking – Paid Parking Audit**

Recommendation

That the report dated September 13, 2013 from the Director of Internal Audit with respect to final audit reports:

1. Community Services Department, Library Division – Library Union Payroll Audit,
2. Corporate Services Department, Information Technology Division, Planning & Integration Section – IT Hardware Inventory Audit, and
3. Transportation & Works Department, Transportation Project Office & Business Services Division, Rapid Transit and Parking – Paid Parking Audit  
be received for information.

Recommend ReceiptCLOSED SESSION

- (a) Pursuant to the *Municipal Act*, Section 239 (2)
- (i) The security of the property of the municipality or local board re: **Final Audit Report: Community Services Department, Recreation Division – Mississauga Spectator Arena Complex (Hershey Centre) Management Agreement – Phase 2 Event Revenue Audit.**

INQUIRIES

ADJOURNMENT

# MINUTES



## AUDIT COMMITTEE

THE CORPORATION OF THE CITY OF MISSISSAUGA

**MONDAY, MAY 6, 2013 – 9:09 AM**

**COUNCIL CHAMBER, 2<sup>ND</sup> FLOOR, CIVIC CENTRE,  
300 CITY CENTRE DRIVE, MISSISSAUGA, ONTARIO L5B 3C1  
<http://www.mississauga.ca>**

### Members Present

Mayor Hazel McCallion  
Councillor Jim Tovey, Ward 1  
Councillor Pat Mullin, Ward 2 (Chair)  
Councillor Bonnie Crombie, Ward 5  
Councillor Ron Starr, Ward 6

### Staff Present

Janice Baker, City Manager and Chief Administrative Officer  
Brenda R. Breault, Commissioner, Corporate Services and Treasurer  
Mark Beauparlant, Manager of Corporate Financial Services  
Sally Eng, Director, Internal Audit  
Patricia Elliot-Spencer, Director of Finance  
Kevin M. Travers, Partner, KPMG, external auditors  
Carmela Radice, Legislative Coordinator, Office of the City Clerk

CALL TO ORDER – 9:09 a.m.

DECLARATIONS OF (DIRECT OR INDIRECT) PECUNIARY INTEREST

MINUTES OF PREVIOUS MEETING

That the Audit Committee minutes of March 4, 2013 be approved as presented.

Approved (J. Tovey)

APPROVAL OF THE AGENDA

That the agenda be approved as presented.

Motion: Moved by: R. Starr

Carried

DEPUTATIONS - Nil

MATTERS TO BE CONSIDERED

1. Report dated March 12, 2013 from the Director, Internal Audit re: **2012 Investment Audit**.

Sally Eng provided a summary of the 2012 Investment Audit. Councillor Tovey thanked staff for a job well done.

Recommendation

AC-0007-2013

That the report dated March 12, 2013 from the Director of Internal Audit with respect to the 2012 Investment Audit be received for information.

Received (R. Starr)

2. Report dated April 11, 2013 from the Commissioner of Corporate Services and Treasurer re: **2012 Audited Financial Statements.**

Brenda R. Breault Commissioner of Corporate Services and Treasurer highlighted the 2012 Audited Financial Statements. Members of the Committee posed questions on Enersource Corporation, Enerpower Corporation, investments, policy on account receivables, labour adjustments, recovery charges and building improvements. Kevin M. Travers Partner, KPMG, external auditor indicated that Enersource was required to adopt the International Financial Reporting Standards (IFRS) and that Enerpower is a third party organization that Enersource uses. Ms. Breault indicated that the City's investments are monitored. Mr. Travers indicated that the audit will identify any amounts that were outstanding concerning the account receivables. Sally Eng, Director of Internal Audit indicated that the auditors look at the process and whether the amounts are collectible. Ms. Breault indicated that most of the receivables are from other levels of government. Mr. Travers indicated that they are liability estimates for the labour related adjustments. Patricia Elliot-Spencer, Director of Finance indicated the recovery adjustments come from the other levels of government. Janice Baker, City Manager and CAO explained that the City applies for the funds and the recovery charges are a receivable from the government. Ms. Elliot-Spencer spoke to the process of building improvements.

#### Recommendation

AC-0008-2013

That the 2012 Audited Financial Statements for the City of Mississauga (City), City of Mississauga Public Library Board, City of Mississauga Trust Funds, Clarkson Business Improvement Area, Port Credit Business Improvement Area, Streetsville Business Improvement Area and Enersource Corporation be received.

Received (Mayor McCallion)

3. Report dated April 18, 2013 from the Commissioner of Corporate Services and Treasurer re: **2012 External Audit Findings Report.**

Kevin M. Travers, Partner, KPMG, external auditors provided a highlighted summary of the 2012 External Audit Findings Report. Mayor McCallion inquired about the charge back system and asked staff to come back with a report. Janice Baker, City Manager and CAO and Patricia Elliot-Spencer, Director of Finance indicated that the new system will provide a more actual account.

Recommendation

AC-0009-2013

That the 2012 External Audit Findings Report dated April 18, 2013 from the Commissioner of Corporate Services and Treasurer, which includes the Audit Findings Report from KPMG for the fiscal year 2012 for the City of Mississauga, be received for information.

Received (R. Starr)

4. Report dated April 23, 2013, from City Manager & Chief Administrative Officer re: **Status of Outstanding Audit Recommendations as of March 31, 2013.**

Members of the Committee posed questions on the length of time recommendations are being completed. Howie Dayton, Acting Commissioner of Community Services indicated that the Facility Rental Revenue Policy will be completed by September 30, 2013. Janice Baker, City Manager and CAO indicated that staff will be coming back with a report to Council on the Hershey Centre. Ms. Baker further indicated that the outstanding recommendations were in the process of being completed and would take some due to updating of corporate policies, enhancement of security profiles, business processes, computer systems, training of staff and purchasing of products. Councillor Starr asked that staff compare the services of each community centre. Ms. Baker indicated that Community Service Department would focus in on the comparisons during their budget servicing presentation.

Recommendation

AC-0010-2013

That the report dated April 23, 2013 from the City Manager & Chief Administrative Officer regarding the status of outstanding audit recommendations as of March 31, 2013 be received for information.

Received (J. Tovey)INQUIRIES - NilADJOURNMENT - 10:21 a.m.



# Corporate Report

Clerk's Files

Originator's  
Files

R-1

**DATE:** September 13, 2013

**TO:** Chair and Members of Audit Committee  
Meeting Date: Monday, September 23, 2013

**FROM:** Sally P. Eng, CPA, CA, CMA  
Director, Internal Audit

AUDIT COMMITTEE  
Sept 23, 2013

**SUBJECT:** **Final Audit Reports:**

- 1. Community Services Department, Library Division – Library Union Payroll Audit,**
- 2. Corporate Services Department, Information Technology Division, Planning & Integration Section – IT Hardware Inventory Audit,**
- 3. Transportation & Works Department, Transportation Project Office & Business Services Division, Rapid Transit and Parking – Paid Parking Audit**

**RECOMMENDATION:** That the report dated September 13, 2013 from the Director of Internal Audit with respect to final audit reports:

1. Community Services Department, Library Division – Library Union Payroll Audit,
2. Corporate Services Department, Information Technology Division, Planning & Integration Section – IT Hardware Inventory Audit, and
3. Transportation & Works Department, Transportation Project Office & Business Services Division, Rapid Transit and Parking – Paid Parking Audit

be received for information.

**BACKGROUND:** In accordance with the Terms of Reference for the Audit Committee (By-law 0321-2010), the Committee is responsible for “reviewing reports from the Director of Internal Audit identifying audit issues and



the steps to resolve them, [and] reviewing the adequacy of the management responses to audit concerns, having regard to the risks and the costs involved.”

**COMMENTS:**

Internal Audit has completed finalization of three audits, being:

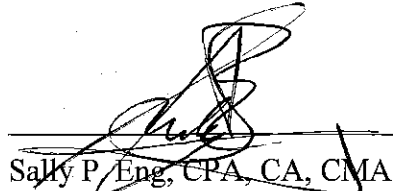
1. Community Services Department, Library Division – Library Union Payroll Audit,
2. Corporate Services Department, Information Technology Division, Planning & Integration Section – IT Hardware Inventory Audit, and
3. Transportation & Works Department, Transportation Project Office & Business Services Division, Rapid Transit and Parking – Paid Parking Audit.

The three audit reports are separately bound and are hereby submitted to the Audit Committee for consideration.

**FINANCIAL IMPACT:** Not applicable

**CONCLUSION:**

The Community Services Department, Library Division – Library Union Payroll Audit; Corporate Services Department, Information Technology Division, Planning & Integration Section – IT Hardware Inventory Audit; and Transportation & Works Department, Transportation Project Office & Business Services Division, Rapid Transit and Parking – Paid Parking Audits are now complete and are submitted for consideration by the Audit Committee.



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Sally P. Eng, CPA, CA, CMA  
Director, Internal Audit

*Prepared By: Sally P. Eng, Director, Internal Audit*