

MINUTES



AUDIT COMMITTEE

THE CORPORATION OF THE CITY OF MISSISSAUGA

MONDAY, SEPTEMBER 23, 2013 – 9:04 AM

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

Members Present

Mayor Hazel McCallion (arrived at 9:12 a.m.)
Councillor Pat Mullin, Ward 2 (Chair)
Councillor Bonnie Crombie, Ward 5
Councillor Ron Starr, Ward 6

Members Absent

Councillor Jim Tovey, Ward 1

Staff Present

Janice Baker, City Manager and Chief Administrative Officer
Gary Kent, Commissioner, Corporate Services and Chief Financial Officer
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– 9:04 a.m.

DECLARATIONS OF (DIRECT OR INDIRECT) PECUNIARY INTEREST - Nil

MINUTES OF PREVIOUS MEETING

(a) That the Audit Committee minutes of May 6, 2013 be approved as presented.

Approved (R. Starr)

APPROVAL OF THE AGENDA

That the agenda be approved as presented.

Motion: Moved by: B. Crombie

Carried

DEPUTATIONS - Nil

MATTERS 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**

Sally Eng Director of Internal Audit provided an overview of the Library Division, Library Union Payroll Audit. She indicated that a total of five recommendations resulted from the audit. Management agreed that all recommendations would be completed by September 30, 2013. Councillors Crombie and Starr inquired about the use of the monitoring system and the tracking of employees. Rose Vespa, Director of Library indicated that the libraries are using two monitoring systems. Ms. Eng indicated that the libraries are using the payroll system to track time and attendance.

Heidi Bryck, Audit Associate, provided an overview of the IT Hardware Inventory Audit. Mayor McCallion and Members of the Committee inquired about the departmental procedures, life cycle management of IT Hardware, recording, monitoring and reconciling of IT Hardware in the IT asset management system. Shawn Slack, Director of IT spoke to the rapid changes in technology and that the assets are documented using a tracking record. He further indicated that some of the items that are outdated are donated to the libraries or local schools and any asset that can be reused will be. Ms. Bryck indicated that documenting procedures will be consistently imputed into the IT Asset Management System which will improve the quality of information and assist in reporting and monitoring of the assets. She further indicated that a total of ten recommendations resulted from the audit and management has agreed to all the recommendations and scheduled two for completion by September 30, 2013, four completed by January 1, 2014 and the remaining four recommendations to be completed by March 31, 2014.

Barbara Webster, Senior Internal Auditor provided an overview of Rapid Transit and Parking Paid Parking Audit. Mayor McCallion and Members of the Committee inquired about Precise Parklink Inc. (Precise), requested a meeting with the company and about the processes on termination or transfers of City employees. Members of the Committee inquired about the receipt, sale and tracking of parking passes and multi-visit cards, reporting, monitoring and reconciliation of credit card transactions and the keyscan system. Geoff Wright, Director of Transportation Project indicated that he would arrange for a meeting with Precise and that staff have requested the daily reports from them. He further indicated that the contract with Precise is for seven years and the City is in their fifth year. Janice Baker, City Manager and CAO indicated that there is a process on termination and would need to investigate further on the transfer process. She further indicated that the City would need to present a business case when the contract ended with Precise. Tomasz Brzeziak, Parking Coordinator spoke to the credit card adjustment, cancellation, refund and the payment of credit card revenue questions. Ms. Webster indicated that the City has controls around their business processes although there is a need to tighten some of the controls around the process and it is essential that Precise cooperates. She further indicated that there were 35 recommendations as a result of the audit report. Martin Powell, Commissioner of Transportation and Works, indicated that 80% of the recommendations have been implemented and the remaining 20% will be completed by April 2014 as staff is waiting for Precise to provide information.

Recommendation

AC-0011-2013

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.
4. That Transportation and Works staff be directed to arrange a meeting with Precise.
5. That staff be directed to provide the process on termination or transfer of employees.

Received (R. Starr)

CLOSED SESSION moved by (Mayor McCallion)

Audit Committee moved into Closed Session at 10:24 a.m. Audit Committee moved out of Closed Session at 10:53 a.m. The following recommendation was passed pursuant to the Closed Session:

- (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.** Mayor McCallion look at having all members of Council be on the Audit Committee.

Paul Mitcham, Commissioner of Community Services provided an update on the Final Audit Report: Community Services Department, Recreation Division - Mississauga Spectator Arena Complex (Hershey Centre) Management Agreement – Phase 2 Event Revenue Audit. Mayor McCallion and Members of the Committee inquired about the Mississauga Spectator Arena Complex (Hershey Centre) Management Agreement – Phase 2 Event Revenue Audit. Stu Taylor, Director Manager of North East, Janice Baker, City Manager and CAO and Mr. Mitcham responded to the inquires.

Recommendation

AC-0012-2012

That the report dated September 13, 2013 from the Director of Internal Audit with respect to final audit report, Community Services Department, Recreation Division – Mississauga Spectator Arena Complex (Hershey Centre) Management Agreement – Phase 2 Event Revenue Audit be received for information.

Approved(R. Starr)

INQUIRIES(a) Audit Committee

Mayor McCallion inquired as to why not all Members of Council sit on the Audit Committee. Janice Baker, City Manager and CAO indicated that all Members of Council receive the Audit Committee agendas and the results of the Committee Structure Review indicated that Members of Council believed that the Audit Committee was being run efficiently. Councillor Crombie inquired on the number of audits conducted a year. Sally Eng, Director of Internal Audit indicated staff generates ten to twelve audit reports a year. She further indicated that staff focus on high risk areas which are identified in conjunction with the Commissioners, Directors and staff. Ms. Baker further indicated that staff will report back to Governance Committee on the issue of all Members of Council being on Audit Committee.

ADJOURNMENT- 10:58 a.m.