

# Minutes



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## AUDIT COMMITTEE

THE CORPORATION OF THE CITY OF MISSISSAUGA

**MONDAY, MARCH 3, 2014 – 9:01 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 (arrived at 9:03 a.m.)  
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  
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  
Diana Rusnov, Manager of Legislative Services and Deputy Clerk  
Carmela Radice, Legislative Coordinator, Office of the City Clerk

CALL TO ORDER - 9:01 a.m.

DECLARATIONS OF (DIRECT OR INDIRECT) PECUNIARY INTEREST - Nil

MINUTES OF PREVIOUS MEETING

- (a) That the Audit Committee minutes of November 18, 2013 be approved as presented.

Approved (R. Starr)

APPROVAL OF THE AGENDA

That the agenda be approved as presented.

Motion: Moved by: J. Tovey

Carried

DEPUTATIONS - Nil

MATTERS TO BE CONSIDERED

1. Report dated February 21, 2014 from the Commissioner of Community Services re: **2013 Year-End Financial Report of Community Services Facilities**

Paul Mitcham, Commissioner of Community Services provided a summary of the report. Councillor Crombie spoke to the report.

Mayor McCallion arrived at 9:03 a.m.

Recommendation

AC-0001-2014

That the Corporate Report dated February 21, 2014 from the Commissioner of Community Services entitled "2013 Year-End Financial Report of Community Services Facilities", be received for information.

Received (B. Crombie)

2. Report dated January 30, 2014 from the Director of Internal Audit re: **Revised Internal Audit Work Plan for 2014 to 2016 Revised Internal Audit Work Plan for 2014 to 2016**

Sally provided an overview of the report and spoke to the amendments to the work plan as per the Committee's recommendation. Members of the Committee inquired about Prestocard, Hastus and Trapeze (iBus), streetlighting, stormwater, union payroll and Hershey Centre. Gary Kent, Commissioner of Corporate Services and Chief Financial Officer indicated that Human Resources are reviewing all city policies.

Recommendation

AC-0002-2014

That the report dated January 30, 2014 from the Director of Internal Audit, with respect to the Revised Internal Audit Work Plan for 2014 to 2016, be approved.

Approved (B. Crombie)

3. Report dated February 26, 2014 from the Director of Internal Audit re: **Final Audit Reports:**
1. **Community Services Department, Parks & Forestry Division, Parks Section – Marina Operations Audit, and**
  2. **Corporate Services Department, Finance Division, Financial Services Section – Petty Cash Audit.**

Sally Eng, Director of Internal Audit requested a change in the order of the audit report presentations speaking to , petty cash audit first and marina operations audit second. Amy Truong presented the Corporate Services Department, Finance Division, Financial Services Section – Petty Cash Audit. Ms. Truong indicated that last review of petty cash policies and procedures was conducted in 2001 with amendments over the years to reflect changes in administration and other related policies. She further indicated that a total of eight recommendations resulted from the audit and Management in Corporate Finance agreed with the recommendations and indicated that they would be completed by July 31, 2014. Members of the Committee inquired about the petty cash process and the number of non-compliance scenarios. Ms. Truong indicated that Corporate Finance is aware of the need to review the policy on administration of cash floats and petty cash fund and that that there should be an annual review of the activities of each petty cash fund. Ms. Eng indicated that the non-compliance scenarios were small purchases. Janice Baker, City Manager and Chief Administrative Officer indicated that the number of non-compliance scenarios was an average of two (2) to three (3) percent. She further indicated that all staff that handles petty cash will be required to undertake a mandatory retraining session.

Heidi Bryck, Audit Associate presented the Community Services Department, Parks & Forestry Division, Parks Section – Marina Operations Audit. Ms. Bryck indicated that the City operates two marinas Lakefront Promenade and Credit Village which have three permanent staff and seven seasonal staff who as much as possible comply with the Corporate Requirements for collecting, handling, tracking and monitoring revenue. The audit resulted in a total of 17 recommendations; seven addressed the operational controls and financial reporting; four dealt with safeguarding of assets and information; and, two were about improving the efficiency and effectiveness of the operation. Three of the recommendations have been implemented, five of the seventeen are scheduled to be completed by July 31, 2014, six by December 31, 2014 and the remaining three will be done during the coming off season and will be completed by April 30, 2015. Members of the Committee inquired about permanent slips at the marina, comparable rates and revenue allocation. Paul Mitcham, Commissioner of Community Services indicated that the marina offers 18 seasonal slips and the boats can stay up to 10 days. David Broderick, Manager of Marina Operations indicated that every year the marina compares their rates to the Greater Toronto Area. He further stated that Lakefront Promenade and Credit Village marinas are less expensive than downtown Toronto and are slightly higher than the area West. Janice Baker, City Manager and Chief Administrative Officer indicated that the revenues are allocated to the general fund before capital and to the Community Services budget.

#### Recommendation

AC-0003-2014

That the report dated February 26, 2014 from the Director of Internal Audit with respect to final audit reports:

1. Community Services Department, Parks & Forestry Division, Parks Section – Marina Operations Audit, and
2. Corporate Services Department, Finance Division, Financial Services Section – Petty Cash Audit, be received for information.

Received (J. Tovey)

## INQUIRIES

### (a) Corporate Policies

Mayor McCallion inquired about corporate policies, why is staff not adhering to them, when staff moves from department to department are they aware of the policies in that department and are contracts agreements being kept up to date. Janice Baker, City Manager and Chief Administrative Officer indicated that the corporate policies are on-line for staff to read and refer to when performing their job in whichever department they are in and some corporate policies are added to staff's personal management performance agreements. She further indicated that Legal and Clerk's will send Council a status report outlining the number of agreements in the Central Agreement Tracking System (CATS).

## CLOSED SESSION

Audit Committee moved into Closed Session at 10:03 a.m. Audit Committee moved out of closed session at 10:18 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: **Verbal – Marina Operations Audit.**

Paul Mitcham, Commissioner of Community Services provided background information on the Marina Operations Audit. Members of the Committee inquired about the Marina Operations audit. Mr. Mitcham provided responses to the inquires.

ADJOURNMENT – 10:20 a.m.