

Audit Committee

Date

May 11, 2015

Time

9:03 a.m.

Location

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

Members Present

Mayor Bonnie Crombie	(arrived at 9:56 a.m.)
Councillor Karen Ras	Ward 2
Councillor Ron Starr	Ward 6 (Chair)
Councillor Matt Mahoney	Ward 8

Members Absent

Councillor Jim Tovey	Ward 1
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Staff Present

Janice Baker, City Manager and Chief Administrative Officer
Gary Kent, Commissioner, Corporate Services and Chief Financial Officer
Jeff Jackson, Acting Director of Finance and Treasurer
Mark Beauparlant, Manager of Corporate Financial Services
Sally Eng, Director, Internal Audit
Kevin M. Travers, Partner, KPMG, External Auditor
Carmela Radice, Legislative Coordinator, Office of the City Clerk

Find it online

<http://www.mississauga.ca/portal/cityhall/auditcommittee>

Call to Order – 9:03 a.m.

Approval of the Agenda

That the agenda be approved as presented.

Motion: Moved by K. Ras

Declarations of Conflict of Interest - Nil

Minutes of Previous Meeting

That the Audit Committee minutes of September 8, 2014 be approved as presented.

Approved (K. Ras)

Deputations

(a) Orientation of Municipal Financial Statements

Kevin Travers, External Auditor provided information regarding the orientation of Municipal Financial Statements including a brief history, responsibility of setting standards and elements of the statements such as financial position, operations, changes in net financial assets, net debt and cash flow. He further spoke about the differences between municipal financial reporting and municipal budgeting. Councillor Starr inquired about dividends in Enersource. Mr. Travers described the dividend process.

Matters to be Considered

1. Report dated April 23, 2015, from the Commissioner of Corporate Services and Chief Financial Officer re: **2014 Audited Financial Statements**.

Gary Kent, Commissioner of Corporate Services and Chief Financial Officer provided an overview of the 2014 Audited Financial Statements for the City of Mississauga. Councillor Ras inquired about tangible capital assets and acquisition of inventory supplies. Jeff Jackson, Acting Director of Finance and Treasurer spoke to the tangible assets and the process of the acquisition of inventory supplies. Councillor Starr inquired about the surplus, amortization, reserved contributions and if the City benchmarks to other municipalities. Kevin M. Travers, Partner, KPMG, External Auditor indicated that every municipality's process regarding surplus, amortization and reserved contributions would be different. Janice Baker, City Manager and Chief Administrative Officer spoke about making adjustments to service levels and that would be further discussed during Budget Committee meetings.

Recommendation

AC-0005-2015

That the 2014 Audited Financial Statements for City of Mississauga (consolidated), City of Mississauga Public Library Board, City of Mississauga Trust Funds, Clarkson Business Improvement Area, Port Credit Business Improvement Area, Streetsville Business Improvement Area, Malton Business Improvement Area, and Enersource Corporation be received.

Received (K. Ras)

2. Report dated April 23, 2015 from the Commissioner of Corporate Services and Chief Financial Officer re: **2014 External Audit Findings Report.**

Kevin M. Travers, Partner, KPMG, External Auditor provided an overview of the 2014 External Audit Findings Report.

Recommendation

AC-0006-2015

That the 2014 External Audit Findings Report dated April 23, 2015 from the Commissioner of Corporate Services and Chief Financial Officer, which includes the Audit Findings Report from KPMG for the fiscal year 2014 for the City of Mississauga (City), be received for information.

Received (M. Mahoney)

3. Report dated April 29, 2015 from the City Manager and Chief Financial Officer re: **Status of Outstanding Audit Recommendations as of March 31, 2015.**

There was no discussion.

RECOMMENDATION

AC-0007-2015

That the report dated April 29, 2015 from the City Manager & Chief Administrative Officer regarding the status of outstanding audit recommendations as of March 31, 2015 be received for information.

Received (K. Ras)

4. Report dated April 23, 2015 from the Director of Internal Audit re: **Final Reports: 1. Community Services Department, Parks & Forestry Division, Parks Operations Section – Parks Work Records Audit, and 2. Corporate Services Department, Finance Division, Accounts Payable Section – One Time Vendor Payment Audit.**

Sally Eng, Director of Internal Audit introduced the two audit reports.

Thomas Kelly, Senior Internal Audit provided a summary of the Community Services Department, Parks & Forestry Division, Parks Operations Section – Parks Work Records Audit. He further indicated that the audit resulted in eight recommendations of which four address concerns with enhancing operational controls and financial reporting, three deals with safeguarding of assets and information and one for compliance with and clarification of Corporate Requirements. Management agreed with the recommendations of which three will be done before June 30, 2015; two by September 30, 2015 and the remaining three before the end of the year. Councillor Ras indicated that the audit report was well written. Councillor Starr inquired about a work record. Wesley Anderson, Manager Operational Planning and Analysis indicated that a work record is submitted by staff once work has been completed. Janice Baker, City Manager and Chief Administrative Officer indicated that the data collected is used to look for inefficiencies.

Mayor Crombie arrived at 9:56 a.m.

Tara Zammit, Audit Associate provided a summary of Corporate Services Department, Finance Division, Accounts Payable Section – One Time Vendor Payment Audit. She further indicated that the audit resulted in five recommendations; four address Compliance with and Clarification of Corporate requirements and one relates to Operational Control. One of the recommendations has been completed and two will be implemented by the end of June and the two remaining will be done by August 31, 2015. Councillor Ras requested clarification on the PCard approval process and repeat purchases. Sally Eng, Director of Internal Audit spoke to the approval process and repeat purchases. Councillor Starr inquired about the cost of a vendor. Gary Kent, Commissioner of Corporate Services and Chief Financial Officer responded to the inquiry about the cost of a vendor.

Recommendation

AC-0008-2015

That the report dated April 23, 2015 from the Director of Internal Audit with respect to final audit reports:

1. Community Services Department, Parks & Forestry Division, Parks Operations Section – Parks Work Records Audit, and
2. Corporate Services Department, Finance Division, Accounts Payable Section – One Time Vendor Payment Audit, be received for information.

Received (M. Mahoney)

Inquiries - Nil

Closed Session

Pursuant to Subsection 239 (2) of the Municipal Act, Councillor Ras moved the following motion:

Whereas the *Municipal Act, 2001*, as amended, requires Council to pass a motion prior to closing part of a meeting to the public;

And whereas the Act requires that the motion states the act of the holding of the closed meeting and the general nature of the matter to be considered at the closed meeting;

Now therefore be it resolved that a portion of the General Committee meeting to be held on May 11, 2015 shall be closed to the public to deal with the following matter:

Security of the property re: **IT Security Briefing (Verbal)**

This motion was voted on and carried at 9:58 a.m.

Returned from Closed Session at 10:44 a.m.

(i) Security of the property re: **IT Security Briefing (Verbal)**

Shawn Slack, Director of IT provided a verbal update regarding IT Security Briefing.

Recommendation

AC-0009-2015

That the IT Security Briefing presentation be received for information.

Received (Mayor Crombie)

Adjournment - 10:45 a.m. (Mayor Crombie)