

## **Audit Committee**

### **Date**

March 7, 2016

### **Time**

9:03 a.m.

### **Location**

Council Chamber, 2<sup>nd</sup> Floor, Civic Centre, 300 City Centre Drive, Mississauga, ON L5B3C1

### **Members Present**

Mayor Bonnie Crombie	(arrived at 9:06 a.m.)
Councillor Jim Tovey	Ward 1
Councillor Karen Ras	Ward 2
Councillor Ron Starr	Ward 6 (Chair)
Councillor Matt Mahoney	Ward 8

### **Members Absent**

### **Staff Present**

Janice Baker, City Manager and Chief Administrative Officer  
Martin Powell, Commissioner of Transportation and Works  
Paul Mitcham, Commissioner of Community Services  
Jeff Jackson, Director of Finance and Treasurer  
Mark Beuparlant, Manager of Corporate Financial Services  
Sally Eng, Director, Internal Audit  
Kevin Travers, Partner, KPMG, External Auditor  
Carmela Radice, Legislative Coordinator, Office of the City Clerk

### **Find it online**

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

1. **CALL TO ORDER** - 9:03 a.m.

2. **APPROVAL OF AGENDA**

That the agenda be approved as presented.

Motion: Moved by: (K. Ras)

3. **DECLARATION OF CONFLICT OF INTEREST** - Nil

4. **MINUTES OF PREVIOUS MEETING**

4.1. That the Audit Committee minutes of November 16, 2015 be approved as presented.

Approved (M. Mahoney)

5. **DEPUTATIONS** - Nil

6. **MATTERS TO BE CONSIDERED**

Mayor arrived at 9:06 a.m.

6.1. Report dated February 22, 2016, from the Director of Internal Audit re: **Final Audit Reports: Final Reports: 1. Community Services Department, Recreation Division - Mississauga SportZone Cash Handling Audit, 2. Transportation and Works Department, Engineering and Construction Division, Capital Works Section - Capital Works Contracts Audit, and 3. Corporate Services Department, Finance Division, Investments Section - 2015 Investment Audit.**

Sally Eng, Director of Internal Audit indicated that the Corporate Service Department, Finance Division Investments Section - 2015 Investment Audit all objectives have been met. She further indicated that Al Steinbach, Senior Internal Auditor will be presenting the other two audits.

Al Steinbach, Senior Internal Auditor provided a summary of the Community Services Department, Recreation Division - Mississauga SportZone Cash Handling Audit. He further indicated that the audit resulted in fifteen recommendations and twelve of the recommendations were specific to Mississauga SportZone and involve update to fees and charges, monitoring and collection of revenues and compliances to Divisional procedures. The remaining

three recommendations address the need to review and update current Corporate and/or Divisional procedures to reflect good business practices and strengthen controls. Management agreed with all the recommendations and have completed four to date with seven expected to be completed by January 31, 2016, three by March 31, 2016 and remaining one by December 31, 2016. Mayor Crombie inquired about unclaimed property. Paul Mitcham, Commissioner of Community Services indicated that unclaimed property is a City wide problem. Janice Baker, City Manager and Chief Administrative Officer indicated that the City has a policy of lost and found and staff will take a look at the issue. Martin Powell, Commissioner of Transportation and Works indicated that he will follow up with staff. Councillor Ras inquired about the donations of the unclaimed property. Mr. Steinbach indicated that they are donated to charities. She further inquired about the playing privileges of staff while on and off duty. Ms. Eng indicated that that recommendation has been completed and needed to be documented.

Al Steinbach, Senior Internal Auditor provided a summary of the Transportation and Works Department, Engineering and Construction Division, Capital Works Section - Capital Works Contracts Audit. He further indicated that the audit resulted in six recommendations and three of the recommendations are related to compliance with clarification of corporate requirements, two are for safeguarding of assets and information and the remaining one recommendation deals with operational control and financial reporting. Management indicated that one will be completed by March 31, 2016, one by September 30, 2016, three by December 31, 2016 and all recently completed projects will be reviewed for recoveries by February 28, 2017. Councillor Tovey inquired about recoveries performed by third parties. Mr. Steinbach indicated that the recoveries performed were from Enersource and Region of Peel. Martin Powell, Commissioner of Transportation and Works indicated that recoveries are requested from governments, utility companies and Regions. Janice Baker, City Manager and Chief Administrative Officer indicated that right now we have two staff to help with the administrative work and if the City needs to hire another staff it will be looked at. Mayor Crombie inquired about the carry-over of funding. Mr. Powell indicated that this is a recommendation that needs to be worked on with finance staff. Jeff Jackson, Director of Finance indicated that Council approves phases instead of the entire projects. Councillor Starr spoke to the high priority of the six recommendations. Mr. Martin indicated that once there is better reporting and the new system will have to make the project managers more accountable.

Recommendation

AC-0001-2016

That the report dated February 22, 2016 from the Director of Internal Audit with respect to final audit reports: 1. Community Services Department, Recreation Division – Mississauga SportZone Cash Handling Audit; 2. Transportation and Works Department, Engineering and Construction Division, Capital Works Section – Capital Works Contracts Audit; and 3. Corporate Services Department, Finance Division, Investments Section – 2015 Investment Audit, be received for information.

Received (J. Tovey)

- 6.2. Report dated February 22, 2016, from the Director of Internal Audit re: **Internal Audit Work Plan for 2016 to 2017.**

Sally Eng, Director of Internal Audit spoke about the Internal Audit Work Plan for 2016 to 2017. Ms. Eng indicated that the 2016 and 2017 work plan has been updated to incorporate audits that have been postponed from 2015 and to reflect changing needs, priorities and resource allocations. She further indicated that a progress report will be provided to the Audit Committee at the September meeting and the work plan will be refreshed at the beginning of 2017.

Recommendation

AC-0002-2016

That the report dated February 22, 2016 from the Director of Internal Audit, with respect to the Internal Audit Work Plan for 2016 to 2017 be approved.

Approved (Mayor Crombie)

7. **INQUIRIES** - Nil
8. **CLOSED SESSION** - Nil
9. **ADJOURNMENT** - 9:41 a.m. (M. Mahoney)