

## **Audit Committee**

### **Date**

2017/09/18

### **Time**

9:00 AM

### **Location**

Civic Centre, Council Chamber,  
300 City Centre Drive,  
Mississauga, Ontario, L5B 3C1

### **Members Present**

Mayor Bonnie Crombie  
Councillor Jim Tovey           Ward 1  
Councillor Karen Ras         Ward 2  
Councillor Ron Starr         Ward 6 (Chair)  
Councillor Matt Mahoney     Ward 8

### **Members Absent – Nil**

### **Staff Present**

Janice Baker, City Manager and Chief Administrative Officer  
Gary Kent, Commissioner, Corporate Services and Chief Financial Officer  
Al Steinbach, Director, Internal Audit  
Jeff Jackson, Director of Finance and Treasurer  
Mark Beuparlant, Manager of Corporate Financial Services  
Kevin M. Travers, Partner, KPMG, External Auditor  
Sacha Smith, Legislative Coordinator, Office of the City Clerk

### **Find it online**

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

1. CALL TO ORDER – 9:01 AM
2. APPROVAL OF AGENDA  
Approved (Mayor Crombie)
3. DECLARATION OF CONFLICT OF INTEREST - Nil
4. MINUTES OF PREVIOUS MEETING
  - 4.1. Minutes of May 15, 2017  
Approved (Councillor Mahoney)
5. DEPUTATIONS
  - 5.1. Axel Breuer, resident with respect to concerns regarding the budget process.

Mr. Breuer spoke to the questions that he posed to staff; specifically he questioned the levies, staff absenteeism and early defibrillation. He expressed concern with the answers received from staff and requested that the External Auditor determine that the responses are reasonable.

Gary Kent, Commissioner, Corporate Services and Chief Financial Officer spoke to the matter and clarified loss time, employee engagement, the methodology for calculating loss time and the stormwater budget.

In response to a question from Councillor Tovey, Janice Baker, City Manager and CAO noted that the City has won a number of awards from the GFOA for the City's budget practices. She further noted that the City's budget practices have been dynamic including more engagement, performance matrix, looking at improvements and more real time data. Councillor Tovey agreed with Ms. Baker's comments and noted that the City is always looking for best practices and that he was comfortable with the work being done.

Mr. Kent further spoke to the matter and noted that staff have been transparent with the questions and answers to Mr. Breuer. Kevin Travers, KPMG spoke to best practices for budgeting process and noted that the City is moving towards it. The City is forward thinking and there is opportunity for further improvement. Councillor Mahoney noted that the City can make improvements and that he is comfortable with the work that staff have done and thanked Mr. Breuer for bringing his suggestions forward.

Received (Councillor Mahoney)

6. PUBLIC QUESTION PERIOD - Nil7. MATTERS CONSIDERED7.1. Letter dated July 21, 2017 in Response to Questions Circulated after Audit Committee in May 2017 by Mr. Axel BreuerRecommendation

AC-0013-2017

That the letter dated July 21, 2017 from Gary Kent, Commissioner, Corporate Services and Chief Financial Officer in Response to Questions Circulated after Audit Committee in May 2017 by Mr. Axel Breuer, be received.

<b>RECORDED VOTE</b>	YES	NO	ABSENT	ABSTAIN
Mayor B. Crombie	X			
Councillor J. Tovey	X			
Councillor K. Ras	X			
Councillor R. Starr	X			
Councillor M. Mahoney	X			

Received (Councillor Mahoney) (5, 0, 0)

7.2. Letter dated August 17, 2017 in Response to Questions from Mr. Axel BreuerRecommendation

AC-0014-2017

That the Letter dated August 17, 2017 from Gary Kent, Commissioner, Corporate Services and Chief Financial Officer in Response to Questions from Mr. Axel Breuer, be received.

<b>RECORDED VOTE</b>	YES	NO	ABSENT	ABSTAIN
Mayor B. Crombie	X			
Councillor J. Tovey	X			
Councillor K. Ras	X			
Councillor R. Starr	X			
Councillor M. Mahoney	X			

Received (Councillor Mahoney) (5, 0, 0)

7.3. Report dated September 11, 2017 from the Director of Internal Audit re: Final Audit Reports: 1. Community Services Department, Recreation Division - CLASS Facility Rentals Audit; and 2. Transportation & Works Department, Works Operations and Maintenance Division - Works Operations Payroll Audit

Amy Truong, Senior Internal Auditor provided an overview of the CLASS Facility Rentals Audit. Overall, there are ten (10) recommendations, of which six (6) address compliance with and clarification of corporate requirements, three (3) enhance operational control and financial reporting and one (1) promotes efficiency and effectiveness. Management has agreed with all of the recommendations and has committed to completing two (2) by the end of September 2017, five (5) by the end of the year and three (3) by March and June of 2018.

In response to a question from Mayor Crombie, Ms. Truong advised that no additional bookings are permitted if there are fees owing. She further noted that in discussions with Legal Services, providing there is acknowledgement by the customer either through payment or by email correspondence that it would signify an agreement to bind the contract.

Tara Zammit, Internal Auditor provided an overview of the Works Operations Payroll Audit. Overall, there are fourteen (14) recommendations, of which five (5) address compliance with and clarification of corporate requirements, one (1) relates to the safeguarding of assets and information, three (3) promote efficiency and effectiveness and five (5) enhance operational control and financial reporting. Management has agreed to all of the recommendations and one (1) has been completed, six (6) have been committed to be completed by September 2017, five (5) to be completed by November 2017 and one (1) by June 2018 with the remaining recommendation to be completed on or before December 2018.

In response to questions from Councillor Ras, Ms. Zammit advised that Works Operations management would contact the Lean Office to coordinate the timing and a project lead to conduct a lean review. She explained the process where the work orders are not created when staff are dispatched, but called back to deal with a weather event. Scott Holmes, Manager, Works Operations explained that supervisors at each yard are fully engaged in winter operations and noted that sometimes they are not properly administering the functions of the work being done to switch it over and this is something that will be worked on to ensure they understand the procedures.

In response to a question from Councillor Tovey, Mr. Steinbach explained that there has been an audit for material handling, but it is very defined.

In response to a question from Councillor Starr, Geoff Wright, Commissioner, Transportation and Works advised that there are procedures in place to ensure maximum hours of work per employee are not exceeded.

Recommendation

AC-0015-2017

That the report dated September 11, 2017 from the Director of Internal Audit with respect to final audit reports:

1. Community Services Department, Recreation Division - CLASS Facility Rentals Audit; and
2. Transportation & Works Department, Works Operations and Maintenance Division – Works Operations Payroll Audit, be received for information.

RECORDED VOTE	YES	NO	ABSENT	ABSTAIN
Mayor B. Crombie	X			
Councillor J. Tovey	X			
Councillor K. Ras	X			
Councillor R. Starr	X			
Councillor M. Mahoney	X			

Received (5, 0, 0)

7.4. Report dated September 1, 2017 from the Director of Internal Audit re: 2017 Internal Audit Work Plan Status Report

Al Steinbach, Director, Internal Audit noted that staff are on target to meet the requirements of the work plan. There will be three (3) initiatives that are ongoing: corporate risk assessment, external quality assurance review and the lean review on the Internal Audit business process.

Recommendation

That the report dated September 1, 2017 from the Director, Internal Audit, with respect to the status of the 2017 Internal Audit Work Plan be received for information.

RECORDED VOTE	YES	NO	ABSENT	ABSTAIN
Mayor B. Crombie	X			
Councillor J. Tovey	X			
Councillor K. Ras	X			
Councillor R. Starr	X			
Councillor M. Mahoney	X			

Received (Councillor Tovey) (5, 0, 0)

8. ENQUIRIES – Nil
9. CLOSED SESSION - Nil
10. ADJOURNMENT – 9:55 AM