

Audit Committee

Date

2018/03/05

Time

9:03 AM

Location

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

Members Present

Mayor Bonnie Crombie
Councillor Dave Cook Ward 1
Councillor Karen Ras Ward 2
Councillor Ron Starr Ward 6
Councillor Matt Mahoney Ward 8

Members Absent

Nil

Staff Present

Gary Kent, Commissioner, Corporate Services and Chief Financial Officer
Jeff Jackson, Director of Finance and Treasurer
Mark Beauparlant, Manager of Corporate Financial Services
Al Steinbach, Director, Internal Audit
Kevin M. Travers, Partner, KPMG, External Auditor
Stephanie Smith, Legislative Coordinator, Office of the City Clerk
Allyson D'Ovidio, Legislative Coordinator, Office of the City Clerk

Find it online

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

1. CALL TO ORDER – 9:03 AM
2. APPROVAL OF AGENDA – Approved (Councillor Mahoney)
3. DECLARATION OF CONFLICT OF INTEREST - Nil
4. MINUTES OF PREVIOUS MEETING
- 4.1. Audit Committee Meeting Minutes of December 4, 2017 –
Approved (Councillor Ras)
5. DEPUTATIONS
- 5.1. Craig Emick, IT Auditor, presented the Internal Audit Corporate Risk Assessment noting that the assessment is part of the Internal Audit 3-Year work plan.

Mr. Emick provided the following background information with respect to the assessment: the assessment was based on seven risk categories; this was a quantitative survey based on management’s assessment of “change”, “complexity” and “inherent risk”; the assessment was conducted on a core services basis; the exercise provided a comparative risk analysis of core services between 2013 and 2017 and lastly, Internal Audit partnered with Communiations to deliver the 2017 Corporate Risk Assessment survey electronically.

Mr. Emick noted that the summary results of the 2017 Risk Assessment exercise on 135 Core Services and 16 Service Areas was presented to the Leadership Team in January, 2018. Mr. Emick identified the following seven (7) risk categories assessed by the business units which included: Business Operations, Human Resources, Financial, Physical Assets, Technology, Confidentiality and Public Profile. Mr. Emick noted the high degree of change in management and persons most responsible since the last assessment in 2013.

Mr. Emick spoke to the summary results and highlighted the following: increasing “change” in the areas of Business Operations, Technology and Human Resources; increasing “complexity” in the areas of Business Operations and Financial Components and lastly, an increase related to the “inherent risk” of the City’s human resources, largely due to retirements. Mr. Emick noted the results have also been presented back to the Leadership Teams of the business units.

In response to Mayor Crombie, Al Steinbach, Director, Internal Audit spoke about the effects the results will have on future applications of the audit assessments and noted

they are becoming increasingly more complex.

In response to Councillor Ras' inquiry with respect to the ongoing turnover of staff, Mr. Emick noted that the annual work plan and the frequency of surveys will be revisited as needed. Gary Kent, Commissioner of Corporate Services and Chief Financial Officer noted the trend will continue with staff turnover and further over the next 6 years, we may see another 30-40% of full time staff turnover. Mr. Kent noted the City has been investing in programs to prepare for this ongoing change for many years and has a succession management plan to allow internal candidates to move up as retirements of Leadership team members continue. Mr. Kent noted the City has invested in new technology solutions to keep up with change and further that the focus is on development to allow staff to grow their careers at the City. Mr. Emick noted the underlying results indicate 80% of the business units are experiencing change and increase in complexity over all.

In response to Councillor Starr, with respect to how to prepare for unknown change, Mr. Kent noted that we continue to modernize and transform our processes while upholding our values of trust, quality and excellence. Mr. Kent noted we continue to work with our teams and provide more engagement such as the new Diversity and Workforce Inclusion Strategy as well and the Employee Engagement Survey.

In response to Councillor Starr, Mr. Steinbach noted the risk assessments are generally conducted every 3-4 years; however, a discussion on frequency of assessments can be brought back to a future meeting of the Audit committee in the new term.

RECOMMENDATION

AC-0001-2018

That the deputation on March 5, 2018 by Craig Emick, IT Auditor, entitled Internal Audit Corporate Risk Assessment Process, be received for information.

Received (Mayor Crombie)

6. PUBLIC QUESTION PERIOD - 15 Minute Limit (5 Minutes per Speaker) - Nil

Pursuant to Section 42 of the Council Procedure By-law 0139-2013, as amended:

The Audit Committee may grant permission to a member of the public to ask a question of Audit Committee, with the following provisions:

1. The question must pertain to a specific item on the current agenda and the speaker will state which item the question is related to.

2. A person asking a question shall limit any background explanation to two (2) statements, followed by the question.
3. The total speaking time shall be five (5) minutes maximum, per speaker.

7. MATTERS CONSIDERED

7.1. Internal Audit Quality Assurance Review

Amy Truong, Senior Internal Auditor provided background information on the Assurance Assessment and its significance.

Ms. Truong identified the assessment types and noted the City chose to conduct a self-assessment with validation which reviews the conformance with Audit standards and groups them into 4 categories: governance; management; staffing and process. Ms. Truong discussed the findings of BDO, the independent auditor hired to review the City's self-assessment, noting overall the City conforms to requirements. Further that 66 of 72 assessed Internal Audit standards and best practises were classified as moderate to leading levels of maturity. Areas that were requiring change resulted in recommendations from BDO which will be consolidated and presented back to the Audit Committee in May.

In response to Councillor Ras. Ms. Truong identified examples of the recommendations from BDO, noting they would like the Internal Audit process to be more formalized amongst auditees as well as review the way Internal Audit interacts with the Audit Committee and Senior Management. In response to Councillor Ras, Ms. Truong noted the KPI's are specific to Internal Audit.

In response to Councillor Ras, Mr. Steinbach noted a variance report is conducted after each audit that identifies complexities in order to plan accordingly in the future. Councillor Ras noted her pleasure in reading the findings that the team has leading practices due to their unrestricted access to the City Manager.

Mayor Crombie noted she is very proud of the results and further that we are still leading and improving.

RECOMMENDATION

AC-0002-2018

That the report dated February 6, 2018 from Al Steinbach, Director, Internal Audit with respect to the Internal Audit Quality Assurance Review be received for information.

Recorded Vote	YES	NO	ABSENT	ABSTAIN
Mayor B. Crombie	X			
Councillor K. Ras	X			
Councillor R. Starr	X			
Councillor M. Mahoney	X			

Received (Mayor Crombie) (4, 0, 0)

7.2. **2018-2020 Internal Audit Multi-Year Work Plan Report**

Al Steinbach, Director, Internal Audit presented the 2018-2020 Internal Audit Multi-Year Work Plan Report for review and approval. Mr. Steinbach noted 20% of available audit time is spent on reviewing/consulting and further Internal Audit identifies 10 audits per year which are subject to change based on request.

RECOMMENDATION

AC-0003-2018

That the report dated February 5, 2018 from Al Steinbach, Director, Internal Audit, with respect to the 2018 to 2020 Multi-Year Internal Audit Work Plan be approved.

Recorded Vote	YES	NO	ABSENT	ABSTAIN
Mayor B. Crombie	X			
Councillor K. Ras	X			
Councillor R. Starr	X			
Councillor M. Mahoney	X			

Approved (Councillor Ras) (4, 0, 0)

8. **ENQUIRIES** - Nil9. **CLOSED SESSION** - Nil10. **ADJOURNMENT** – 9:37 A.M (Councillor Mahoney)