

# MINUTES



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## AUDIT COMMITTEE

THE CORPORATION OF THE CITY OF MISSISSAUGA

<http://www.mississauga.ca>

**MONDAY, NOVEMBER 24, 2008 – 9:00 A.M.**

**COMMITTEE ROOM “B” – SECOND FLOOR, CIVIC CENTRE  
300 CITY CENTRE DRIVE, MISSISSAUGA, ONTARIO L5B 3C1**

### Members

Councillor Frank Dale, Ward 4  
Councillor Eve Adams, Ward 5 (Chair)  
Councillor Katie Mahoney, Ward 8  
Mayor Hazel McCallion, (*ex officio*)

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**Members Present**

Councillor Frank Dale, Ward 4  
Councillor Eve Adams, Ward 5 (Chair)  
Councillor Katie Mahoney, Ward 8

**Members Absent**

Mayor Hazel McCallion (*ex-officio*)

**Staff Present**

Janice Baker, City Manager and Chief Administrative Officer  
Brenda R. Breault, Commissioner of Corporate Services and Treasurer  
Sally Eng, Director, Internal Audit  
Roberto Rossini, Director, Finance  
Mark Beauparlant, Manager, Financial Services, Finance Division  
Debbie Sheffield, Legislative Coordinator, Office of the City Clerk

**Others Present**

Kevin Travers, Associate Partner, KPMG

## **INDEX - AUDIT COMMITTEE – NOVEMBER 24, 2008**

### **CALL TO ORDER**

### **DECLARATIONS OF (DIRECT OR INDIRECT) PECUNIARY INTEREST**

### **PRESENTATIONS/DEPUTATIONS**

### **MATTERS CONSIDERED**

1. Minutes of the Audit Committee Meeting held on September 29, 2008
2. Status of Audit Recommendations
3. 2008 Statutory Audit Letter of Engagement and 2008 Audit Planning Report
4. Date of Next Meeting: March 9, 2009 @ 9:00 a.m., Committee Room “B”

### **ADJOURNMENT**

**CALL TO ORDER @ 9:00 a.m.****DECLARATIONS OF (DIRECT OR INDIRECT) PECUNIARY INTEREST**

Nil

**PRESENTATIONS/DEPUTATIONS**

Nil

**MATTERS CONSIDERED**

1. Minutes of the Audit Committee Meeting held on September 29, 2008

Councillor Katie Mahoney moved a verbal motion to approve the minutes as presented for the Audit Committee Meeting held on September 29, 2008 which was voted on and carried.

APPROVED

Recommendation AC-0014-2008 (Councillor Katie Mahoney)  
MG.24.Audit

2. Status of Audit Recommendations

Corporate Report dated November 13, 2008 from the City Manager and Chief Administrative Officer with respect to the Status of Audit Recommendations.

RECOMMENDATION:

That the report dated November 13, 2008 from the City Manager & Chief Administrative Officer regarding the status of audit recommendations be received for information.

Janice Baker, City Manager and Chief Administrative Officer advised that all Audit recommendations were on track and that the seven (7) incomplete recommendations were delayed due to the implementation of systems or related documentation of corporate requirements. She stated that the outstanding projects pose no significant risks.

Councillor Frank Dale inquired if the incomplete projects were related to workload issues. Janice Baker clarified that workload was not the reason for the delays. She pointed out that documentation of corporate requirements and system implementations are time consuming.

Sally Eng, Director, Internal Audit noted that most outstanding recommendations are in progress. She explained that although a recommendation may target one portion of a policy, the entire policy is reviewed in order to ensure other issues are also addressed. Ms. Eng confirmed that logical reasons exist for all outstanding items.

A verbal motion moved by Councillor Frank Dale was voted on and carried, to approve the recommendation for receipt as outlined in the Corporate Report dated November 13, 2008 from the City Manager and Chief Administrative Officer with respect to the Status of Audit Recommendations.

RECEIVED

Recommendation AC-0015-2008 (Councillor Frank Dale)

CA.15

3. 2008 Statutory Audit Letter of Engagement and 2008 Audit Planning Report

Corporate Report dated October 20, 2008 from the Commissioner of Corporate Services and Treasurer with respect to the 2008 Statutory Audit Letter of Engagement and 2008 Audit Planning Report.

RECOMMENDATION:

1. That the report dated October 20, 2008 from the Commissioner of Corporate Services & Treasurer with respect to the 2008 Statutory Audit Letter of Engagement and the 2008 Audit Planning Report, be received for information.
2. That the Audit Committee approve the letter of engagement for the City's 2008 statutory audit, attached as Appendix 1 to this report.
3. That the Audit Committee approve the audit planning report for the City's 2008 statutory audit, attached as Appendix 2 to this report.
4. That the Chair of the Audit Committee and City Manager sign and execute the letter of engagement on behalf of the City.

Brenda Breault, Commissioner of Corporate Services and Treasurer advised that the 2008 Statutory Audit Letter of Engagement was standard in nature. Ms. Breault noted the requirement in 2009 for tangible capital asset reporting and the need to gear up to ensure the availability of comparable data.

Kevin Travers of KPMG addressed Committee to discuss the 2008 Audit Planning Report (Appendix 2 of the Corporate Report). He advised that the City is working towards adopting capital asset reporting for 2009 and noted the plan to continue working with management as they move towards compliance. Mr. Travers mentioned a change from last year with respect to the requirement for Financial Statements and disclosing certain operational data by "segment". He noted the new requirement for the 2008 Financial Statement to disclose revenues and indicated that no issues were expected in this regard. Mr. Travers spoke to milestones and deliverables which he indicated were the same as last year with no anticipated problems with respect to meeting timelines. Mr. Travers discussed reporting materiality for planning purposes which was established at \$2.9M for the current year, which he explained was derived from guidance provided through the CICA. He stated that the Audit Findings Report will communicate to the Audit Committee all corrections of misstatements identified as well as uncorrected differences that are noted and will be presented to the Audit Committee at a future date to be determined. Mr. Travers pointed out that Page 9 of Appendix 2 of the Corporate Report outlines the Service Team and noted the continuity and familiarity of the team with the City. He also pointed out that the Audit Planning Report provides an outline of the audit process and resources for Committee's information.

Councillor Frank Dale made a verbal motion to approve the recommendation as outlined in the Corporate Report dated October 20, 2008 from the Commissioner of Corporate Services and Treasurer with respect to the 2008 Statutory Audit Letter of Engagement and 2008 Audit Planning Report, which was voted on and carried.

APPROVED

Recommendation AC-0016-2008 (Councillor Frank Dale)

CA.25

4. Date of Next Meeting: March 9, 2009 at 9:00 a.m., Committee Room "B"

The date, time and location of the next Audit Committee Meeting were confirmed.

**ADJOURNMENT @ 10:15 a.m.**

REPORT 4 – 2008

TO: THE MAYOR AND MEMBERS OF COUNCIL

The Audit Committee presents its fourth report of 2008 and recommends:

AC-0014-2008

That the minutes of the Audit Committee meeting held on September 29, 2008, be approved as presented.

MG.24.Audit

AC-0015-2008

That the report dated November 13, 2008 from the City Manager & Chief Administrative Officer regarding the status of audit recommendations be received for information.

CA.15

AC-0016-2008

4. That the report dated October 20, 2008 from the Commissioner of Corporate Services & Treasurer with respect to the 2008 Statutory Audit Letter of Engagement and the 2008 Audit Planning Report, be received for information.

5. That the Audit Committee approve the letter of engagement for the City's 2008 statutory audit, attached as Appendix 1 to this report.

6. That the Audit Committee approve the audit planning report for the City's 2008 statutory audit, attached as Appendix 2 to this report.

4. That the Chair of the Audit Committee and City Manager sign and execute the letter of engagement on behalf of the City.

CA.25