

AGENDA



AUDIT COMMITTEE

THE CORPORATION OF THE CITY OF MISSISSAUGA

MONDAY, MAY 7, 2012 – 9:00 AM

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

Members

Councillor Jim Tovey, Ward 1
Councillor Pat Mullin, Ward 2 (Chair)
Councillor Chris Fonseca, Ward 3
Councillor Ron Starr, Ward 6
Mayor Hazel McCallion, (*ex officio*)

Contact: Carmela Radice, Legislative Coordinator, Office of the City Clerk
905-615-3200 ext. 5426 Fax: 905-615-4181
carmela.radice@mississauga.ca

CALL TO ORDER

DECLARATIONS OF (DIRECT OR INDIRECT) PECUNIARY INTEREST

MINUTES OF PREVIOUS MEETING

- (a) Draft Minutes of the March 5, 2017 Audit Committee meeting.

Recommend Adoption

APPROVAL OF THE AGENDA

DEPUTATIONS

MATTERS TO BE CONSIDERED

1. Report dated April 23, 2012 from the Director of Internal Audit re: **Corporate Services Department, Information Technology Division, Information Security - Identity and Access Management Consulting Engagement.**

Recommendation

That the Information Security - Identity and Access Management Project, approved as an assurance assignment (i.e. audit) under the 2011 Internal Audit Work Plan on March 7, 2011, be switched to a consulting engagement with periodic updates to the Audit Committee on the status and progress of the engagement.

Recommend Approval

2. Report dated April 23, 2012 from the Director of Internal Audit re: **2011 Investment Audit.**

Recommendation

That the report dated April 23, 2012 from the Director of Internal Audit with respect to the 2011 Investment Audit be received for information.

Recommend Receipt

3. Report dated April 25, 2012 from the City Manager and Chief Administrative Officer re: **Status of Outstanding Audit Recommendations.**

Recommendation

That the report dated April 25, 2012 from the City Manager & Chief Administrative Officer regarding the status of outstanding audit recommendations be received for information.

Recommend Receipt

4. Report dated April 25, 2012 from the Commissioner of Corporate Services and Treasurer re: **2011 Audited Financial Statements.**

Recommendation

That the 2011 Audited Financial Statements for City of Mississauga (City), City of Mississauga Public Library Board, City of Mississauga Trust Funds, Clarkson Business Improvement Area, Port Credit Business Improvement Area, Streetsville Business Improvement Area, and Enersource Corporation be received.

Recommend Receipt

5. Report dated April 26, 2012 from the Commissioner of Corporate Services and Treasurer re: **2011 External Audit Findings and Recommendations.**

Recommendation

That the 2011 External Audit Findings and Recommendations Report dated April 26, 2012 from the Commissioner of Corporate Services and Treasurer, which includes the Audit Findings Report from KPMG for the fiscal year 2011 for the City of Mississauga, be received for information.

Recommend Receipt

6. Memorandum dated April 30, 2012 from the Director of Culture Division re: **Culture Grant Policy.**

Recommend Receipt

CLOSED SESSION

- (a) Pursuant to the *Municipal Act*, Section 239. (2)
 - (i) The security of the property of the municipality or local board re:
**Final Audit Report: Community Services Department,
Recreation Division – Mississauga Spectator Arena Complex
(Hershey Centre) Management Agreement Audit – Phase I**

INQUIRIES

ADJOURNMENT

Minutes



AUDIT COMMITTEE

THE CORPORATION OF THE CITY OF MISSISSAUGA

MONDAY, MARCH 5, 2012 – 9:04 AM

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

Members Present

Councillor Jim Tovey, Ward 1

Councillor Pat Mullin, Ward 2 (Chair)

Councillor Chris Fonseca, Ward 3

Mayor Hazel McCallion, (*ex officio*) (arrived at 9:14 a.m.)

Absent

Councillor Ron Starr, Ward 6 (Other Municipal Business)

Janice Baker, City Manager

Kevin Travers, Partner, KPMG, external auditors

Staff Present

Brenda R. Breault, Commissioner, Corporate Services and Treasurer

Martin Powell, Commissioner, Transportation and Works

Sally Eng, Director, Internal Audit, City Manager's Office

Patricia Elliot-Spencer, Director of Finance

Carmela Radice, Legislative Coordinator, Office of the City Clerk

CALL TO ORDER - 9:04 a.m. (Pat Mullin)

DECLARATIONS OF (DIRECT OR INDIRECT) PECUNIARY INTEREST - Nil

MINUTES OF PREVIOUS MEETING

(a) Draft Minutes of the November 21, 2011 Audit Committee meeting.

Recommendation:

AC-0001-2012

That the Audit Committee minutes of November 21, 2011 be approved as presented.

Approved (C. Fonseca)

APPROVAL OF THE AGENDA

That the agenda be approved as presented.

Motion: Moved by: J. Tovey

Carried

DEPUTATIONS - Nil

MATTERS TO BE CONSIDERED

1. That the report dated February 28, 2012, from the Director of Internal Audit, re: **Final Audit Reports:**

1. Transportation & Works Department, Transit Division, Mississauga Transit Coin Room Audit.

Keith Kamino, Senior Internal Auditor provided highlights of the Mississauga Transit Coin Room Audit. Councillor Tovey asked about the operation of the parking meters. Mr. Kamino indicated that the audit did include the operation of the parking meters. Martin Powell, Commissioner of Transportation and Works advised that staff have a meeting with the supplier to review the issue with the parking meters.

2. Corporate Services Department, Revenue, Materiel Management and Business Services Division – Cash Receipt Forms Audit.

The Mayor arrived at 9:14 am during the presentation on the Corporate Services Department, Revenue, Materiel Management and Business Services Division – Cash Receipt Forms Audit.

Barbara Webster, Senior Internal Auditor provided an overview of the Cash Receipt Forms Audit.

Councillors Tovey, Fonseca enquired about staff training and testing on policies and processes. They further enquired if the Committee would receive a follow up report. Ms. Webster spoke to the recommendation in the report for staff training and testing. Sally Eng, Director of Internal Audit advised that there will be a follow up report presented to the Committee in November 2012. Brenda Breault, Commissioner of Corporate Services indicated that there would be e-learning training modules for staff and supervisors.

Councillor Fonseca asked for clarification on the CLASS system. Stu Taylor, Acting Director of Recreation and Parks indicated that CLASS is used for individual registration and Iceland is working on how to use CLASS for team registrations.

The Mayor asked if this specific audit had been performed before and asked what training was done and what are the new training strategies. Ms. Eng indicated that this specific audit had not been performed as this audit was strictly on cash receipts. She also indicated that the problem was that new staff was being trained by staff that was improperly trained. The new strategies for training are the e-learning training modules for all staff.

Recommendation:

AC-0002-2012

That the report dated February 28, 2012 from the Director of Internal Audit with respect to final audit reports:

1. Transportation & Works Department, Transit Division, Mississauga Transit Coin Room Audit, and
2. Corporate Services Department, Revenue, Materiel Management and Business Services Division – Cash Receipt Forms Audit be received for information.

Approved (C. Fonseca)

2. That the report dated February 21, 2012, from the Director of Internal Audit, re: **Internal Audit Work Plan for 2012.**

Sally Eng, Director of Internal Audit presented the internal audit work plan for 2012. Committee Members had no questions on the audit work plan for 2012.

Recommendation:

AC-0003-2012

That the report dated February 21, 2012 from the Director of Internal Audit, with respect to the Internal Audit work plan for 2012 be approved.

Approved (J. Tovey)

CLOSED SESSION - Nil

INQUIRIES

(a) Internal Auditing

The Mayor enquired if the City of Mississauga's internal auditors have the right to review external auditor reports or statements on behalf of the City, such as reports or statements provided with an agreement that the City has entered into. In addition, are the reports or statements being forwarded to the internal auditor's division for review, comments or questions. Sally Eng, Director of Internal Audit advised that Internal Audit does receive copies of management reports that are sent to Council, so if there are any weaknesses or control issues the internal auditor's would raise concerns. External statements and audits are quality controlled by the Institute of Chartered Accountants of Ontario (ICAO). Brenda Breault, Commissioner of Corporate Services indicated that our Internal Audit division focuses on our internal organization. The division makes sure that the City has the internal controls in place and manages the City's costs as effectively as possible. Ms. Breault indicated that when the City receives an audited report or statement they were not forwarded to Internal Audit, but it is possible to direct them to Internal Audit.

Chair Mullin asked about the Living Arts Centre (LAC) and does Council review their audited statements or reports. Ms. Eng indicated that LAC has their own audit committee and the internal audit division had been invited once by LAC's audit committee. Otherwise LAC is not part of the internal audit's purview. The Mayor indicated that the Internal Audit staff are reviewing the Hershey Centre. Ms. Eng indicated that the division was performing an audit on the Hershey Centre as it is owned by the City and a report would come forward in May 2012.

The Mayor spoke to the adoption of the budget and that no projects should precede that were not included in the budget unless approved by Council. She also indicated that she would like to see the monitoring reports come to the Audit Committee. Ms. Breault indicated that monitoring reports are presented to Council on both the operating and capital budgets twice a year providing Council with an overview of how projects are progressing against the budget. Chair Mullin suggested that those reports should be more frequent to the Committee to have a broader discussion and then proceed to General Committee for further discussion if need be. Ms. Breault indicated that given the limited number of Audit Committee meetings during the year and the schedule for these meetings, it did not seem that tabling all the current and capital monitoring reports here before proceeding to General Committee would be workable but she would review this request and report back.

Councillor Tovey inquired if auditing was being conducted on external groups that apply for grants with regard to the composition of the board of directors and their terms of reference. He further asked if the City had a policy as to how these groups conduct themselves ethically and their board composition. Ms. Eng indicated that the division has not audited an external group who applied for grants unless a request was made by either Corporate Finance or financial services in the Community Services department as these areas review applications for grants. Ms. Breault indicated that from a finance perspective we do not look at the board composition, code of conduct or ethics of a board, those would fall under Community Services. It is not under my area but would inquire about it for the Committee.

Councillor Fonseca indicated that the Cultural Division is working on a corporate policy on the grant process. As for the monitoring reports presented to Council could those reports come to the Committee before being presented to Council.

There was further discussion about the role of the Committee and frequency of meetings.

Councillor Tovey requested that at the next Audit Committee meeting that Culture Division staff present a draft of the policy they are composing on the grant process.

Direction was given to staff for Audit Committee to review the monitoring reports before they are presented to Council and that staff from the Cultural Division present a draft of the policy they are composing on the grant process.

ADJOURNMENT - 9:49 a.m. (C. Fonseca)



Corporate Report

Clerk's Files

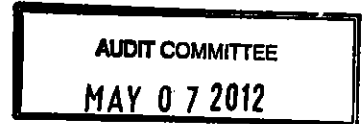
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DATE: April 23, 2012

TO: Audit Committee
Meeting Date: May 7, 2012

FROM: Sally P. Eng, Director, Internal Audit

SUBJECT: **Corporate Services Department, Information Technology
Division, Information Security - Identity and Access Management
Consulting Engagement**



RECOMMENDATION: That the Information Security - Identity and Access Management Project, approved as an assurance assignment (i.e. audit) under the 2011 Internal Audit Work Plan on March 7, 2011, be switched to a consulting engagement with periodic updates to the Audit Committee on the status and progress of the engagement.

BACKGROUND: The 2011 Internal Audit Work Plan was approved by the Audit Committee on March 7, 2011. Included in the Work Plan was an Information Security Audit regarding identity and access management.

The City of Mississauga utilizes technology and the access to computer systems as an integral part of doing business. Results from management's assessment of Corporate Risks conducted in 2010 showed that the inherent risks associated with technology and information resources were considered high. Over the years, participation on limited-life projects and ad hoc committees; routine information exchange; and providing advice to staff and management have become part of Internal Audit's consulting activities in relation to information technology. As technology becomes more integrated with the business processes in the City, Internal Audit's focus has also shifted, particularly to issues in relation to infrastructure, security and data management. An Active Directory Audit was completed in September 2011 and planning for an Identity and Access Management

Audit commenced in the fall of 2011.

The Identity and Access Management (IAM) Audit was intended to focus on standards, guidelines, policies, procedures, implementation and governance of IAM activities within the City technology infrastructure. In practical terms, the audit's purpose was to assess whether technical and procedural measures to establish user identification, implementation of authentication and enforcement of access rights are deployed. The objectives and evaluation criteria for the Audit were defined based on guidelines established by CoBIT (Control Objectives for Information and related Technology) to answer four basic questions:

- Are we doing the right things?
- Are we doing them the right way?
- Are we getting them done?
- Are we realizing the intended benefits?

COMMENTS:

Corporate and Information Technology Initiatives

The Identity and Access Management Audit commenced in late 2011 with the gathering of information through review of documentation and discussions with IT staff to get an understanding of the standards and practices in place. During this phase of the audit, we came across a number of Corporate and IT initiatives which Management have started and which could directly or indirectly influence the Identity and Access Management standards, practices, monitoring and reporting within the City's technology and staff environment. The list of initiatives and a brief description of each are shown in Appendix 1. Appendix 2 is our attempt to illustrate the inter-relationship between these initiatives and the audit objectives we have originally established for the review of the IAM processes. Based on our preliminary analysis, we have concluded that results of all the initiatives would have an impact on a large number of the audit objectives.

Change in Internal Audit Approach

The Internal Audit Charter (adopted by By-law 0240-2004) states that "*Internal Audit is an independent, objective assurance and consulting activity, which is established to add value and improve the City's operations*". The Institute of Internal Auditors defines "Consulting Activities" as "*Advisory and related client service activities, the nature and scope of which are agreed with the client and which are intended to add value and improve an organization's governance, risk management, and control processes without the internal auditor assuming management responsibility. Examples include counsel,*

advice, facilitation, and training". The focus of Internal Audit's work is to **"add value and improve the City's operations"**. The work could be carried out through auditing or consulting activities.

Since Management have determined that improvements and enhancements are required and have commenced their own review and assessment in various areas that would affect Identity and Access Management, further discussion with senior management has led to Internal Audit re-evaluating the timing and approach to the IAM audit. Given the work that Management have undertaken at this time, we feel that it would be more productive and efficient for Internal Audit to take on an advisory role in a select number of the Corporate and IT initiatives (listed in Appendix 1) and provide proactive consultation to the Steering Committees and Project Teams. Audit would participate in the discussion at Steering Committee and Project Team levels as appropriate and comment on relevant documentation prepared by the Project Team to ensure that proper identity and access management standards and practices are established. Any concerns identified would be brought to the attention of the Steering Committee/Project Team and be addressed on a timely basis.

In selecting the initiatives for participation, priorities will be given to those which would likely affect all the Audit Objectives originally established (as shown in Appendix 2), i.e.

- Security Access (990) Form Business Process Review and Re-Engineering;
- IT Security and Risk Management Project; and
- Identity and Password Management Application Review.

As time permits, other initiatives would be added to the review upon discussion with IT management.

The consulting engagement on Identity and Access Management will be conducted in accordance with the International Standards for the Professional Practice of Internal Auditing. Regular updates will be provided to the Audit Committee on the status of the selected initiatives and the advice provided.

FINANCIAL IMPACT: None

CONCLUSION: Planning for an Identity and Access Management Audit commenced in the fall of 2011, during which time a number of Corporate and IT initiatives which could affect the IAM processes came to our attention.

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Further discussion with senior management led to a re-evaluation of the approach taken and resulted in the proposal to switch the engagement from audit to consultation. The consulting engagement will be conducted in accordance with the International Standards for the Professional Practice of Internal Auditing for Consulting Services, and the Objectives and Criteria originally established for the IAM audit will be used as a guide to assess the deliverables of selected initiatives. Regular updates will be provided to the Audit Committee on the status of the engagement and the advice provided to management.

ATTACHMENTS:

- Appendix 1: Corporate and IT Initiatives Impacting Identity and Access Management
- Appendix 2: Inter-relationship between Corporate and IT Initiatives and Engagement Objectives



Sally P. Eng, CA, CMA
Director, Internal Audit

*Prepared By: Craig Emick, BES, CISA, CISM, CRISC, MCSE
Information Technology Auditor*

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**Corporate Services Department
Information Technology Division
Information Security - Identity and Access Management
Consulting Engagement
Corporate and IT Initiatives Impacting Identity and Access Management**

Initiative	Description	Division
Information Technology E3 Report and Recommendations	This is a Corporate E3 Review to assess the opportunities, strategies and value related to Information Technology.	City Strategy and Innovations – Business Improvement, Information Technology
IT Security and Risk Management Project	This project is to establish a comprehensive Information Technology Security and Risk Management program that will address elements to protect the City’s information infrastructure and obtain and sustain Payment Card Industry (PCI) Compliance.	Information Technology
Human Resources Staffing Process Review	This is a recruitment and termination procedures review including HR practices in these areas and the integration of monitoring and reporting through SAP HCM.	Human Resources, Information Technology
Security Access (990) Form Business Process Review and Re-Engineering	<p>The key objectives of this project are:</p> <ul style="list-style-type: none"> • To improve the efficiency of the service requests that are being channelled though the 990 form by identifying and distributing the requests to the appropriate IT teams; and • To improve the audit trail of the various IT service requests, especially the system and application security requests. 	Information Technology, Business Units
Identity and Password Management Application Review	This project is to review and investigate applications related to IAM specifically password management.	Information Technology
Network and Technical Security Infrastructure Review and Replacement	This is an “end-of life” replacement program for network and security infrastructure components.	Information Technology
Wireless and Remote Systems Access and Field Computing Initiatives	This is a technical design review for Wireless network and security infrastructure components.	Information Technology, Business Units
Electronics Records Management	The objective of ERM is to develop services to support the management of electronic records through their retention cycle and classification. The deliverables include document management using SharePoint,	Office of the City Clerk, Information Technology

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**Corporate Services Department
Information Technology Division
Information Security - Identity and Access Management
Consulting Engagement
Corporate and IT Initiatives Impacting Identity and Access Management**

Initiative	Description	Division
	end user and records staff training, a steering committee, and performance metrics.	
Workplace Collaboration, Microsoft Sharepoint 2010 and Microsoft Exchange 2010	This is the design, configuration and deployment of Sharepoint 2010 and Microsoft Exchange 2010 infrastructure to support document management, records retention practices and online collaboration activities.	Information Technology, Business Units
Microsoft Windows 7 and Office 2010 Productivity Tools	This project involves Windows Operating System and Office application assessment, configuration and deployment to enhance desktop security. It includes disk and storage device encryption, peripheral device controls and system administrative controls.	Information Technology, Business Units
Corporate "Bring Your Own Device" BYOD Review	This project examines the opportunity to allow staff to bring their own mobile devices, such as smartphones, tablets and PDAs, into the workplace for use and connectivity.	Information Technology

Inter-relationship Between Corporate and IT Initiatives and Consulting Engagement Objectives

Ongoing Corporate and Information Technology Initiatives

Identity and Access Management Consulting Engagement Objectives

		IT Review and Recommendations	IT Security and Risk Management Project	Human Resources Staffing Process Review	990 Form File Engineering Process	Identity and Password Management Application Review	Network and Security Infrastructure Replacement	Wireless and Remote Systems Access and Field Computing Initiatives	Electronic Records Management	Workplace Collaboration, SharePoint and Microsoft Exchange 2012	Windows 7 and Office 2012 Productivity Tools	BYOP Initiative (Bring Your Own Device)
A	Identity Management process is in alignment with IT architecture and is supported by Corporate Policies and procedures											
B	Application authentication is validated through the Identity Management system											
C	User Authentication methodology is based on risk											
D	User IDs and access rights are maintained in a secure repository											
E	Users and their related activity on IT systems are uniquely identifiable											
F	System access policies are established and enforced											
G	User provisioning processes are documented, managed, monitored and access rights are in alignment with the user's job requirements											
H	User access is managed appropriately for staff transfers and terminations											
I	Violation reports are routinely generated, monitored, reviewed and corrective action is initiated											



Corporate Report

Clerk's Files

Originator's
Files

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DATE: April 23, 2012

TO: Chairperson and Members of the Audit Committee
Meeting Date: May 7, 2012

FROM: Sally P. Eng, CA CMA
Director, Internal Audit

SUBJECT: **2011 Investment Audit**

AUDIT COMMITTEE
MAY 07 2012

RECOMMENDATION: That the report dated April 23, 2012 from the Director of Internal Audit with respect to the 2011 Investment Audit be received for information.

BACKGROUND: In accordance with the Terms of Reference for the Audit Committee (By-law 0321-2010), the Committee is responsible for “reviewing reports from the Director of Internal Audit identifying audit issues and the steps to resolve them, [and] reviewing the adequacy of the management responses to audit concerns, having regard to the risks and the costs involved.”

COMMENTS: Internal Audit has completed finalization of the 2011 Investment Audit. The audit was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing.

The 2011 Investment Audit covered activities from January 1st to December 31st, 2011. The objectives of the audit were:

- A. Compliance – Investments are in compliance with legislation, Council By-laws and City policy and procedures;

- B. Effectiveness - Return on investment is reasonable, having regard to constraints imposed by legislation, Council By-laws and City policy;
- C. Control – There are proper controls over the investment process;
- D. Cash flow - Investment commitments do not interfere with the required cash flow and that sufficient working funds are maintained;
- E. Follow up – Follow up on the status of audit recommendations from the previous investment audit report.

Based on the audit work performed, we found that the objectives stated above were met and there were no major concerns or recommendations resulting from the current audit. Continuous improvement is required to ensure that the various documents recording and confirming the investment activities are assembled and filed on a more timely basis to facilitate review.

FINANCIAL IMPACT: Not applicable.

CONCLUSION: The 2011 Investment Audit is now complete. No major concerns or recommendations arose out of the audit.



Sally P. Eng, CA CMA
Director, Internal Audit

Prepared By: Keith Kamino, CGA, Senior Internal Auditor



Corporate Report

Clerk's Files

Originator's Files

AUDIT COMMITTEE
MAY 07 2012

DATE: April 25, 2012

TO: Chairperson and Members of Audit Committee
Meeting Date: May 7, 2012

FROM: Janice M. Baker, FCA
City Manager & Chief Administrative Officer

SUBJECT: **Status of Outstanding Audit Recommendations**

RECOMMENDATION: That the report dated April 25, 2012 from the City Manager & Chief Administrative Officer regarding the status of outstanding audit recommendations be received for information.

BACKGROUND: The Terms of Reference for the Audit Committee (By-law 0321-2010) requires the submission of an annual report from the City Manager & Chief Administrative Officer summarizing progress made in implementing recommendations from the Internal Audit Division and the City's External Auditor. At the November 2011 meeting, the Audit Committee requested that the submission of the status of audit recommendations be done on a bi-annual basis.

COMMENTS: A summary of recommendations which were outstanding as of September 30, 2011 (the effective date of the previous report to the Audit Committee) and new recommendations which were scheduled for completion from October 1, 2011 to March 31, 2012 is attached as Appendix 1. This report does not include recommendations which are scheduled for implementation after March 31, 2012.

Eight (8) of the thirty-four (34) recommendations which were previously outstanding as at September 30, 2011 have since been completed. In addition, there are seventy-eight (78) new recommendations that were due between October 1, 2011 and March 31, 2012, of which forty-six (46) have been implemented.

Previously Outstanding Recommendations

Status and comments relating to the twenty-six (26) recommendations which were outstanding as of September 30, 2011 and which remained outstanding as of March 31, 2012 are shown in Appendix 2. These recommendations could be grouped under four (4) main categories:

- Computer System Implementation or Upgrade – four (4) recommendations
- Review and Update to Corporate Policies – thirteen (13) recommendations
- Update of Security Profiles – five (5) recommendations
- Business Process Review and Documentation – four (4) recommendations

Implementation of these recommendations took longer than expected because of pending upgrade to computer systems; completion of comprehensive reviews in related areas; and resource issues. Six (6) of these recommendations are expected to be completed in mid-2012; six (6) by fall of 2012; and the remaining fourteen (14) by the end of the year or in January 2013.

New Recommendations

Seventy-eight (78) recommendations with due dates between October 1, 2011 and March 31, 2012 were added to the list as new recommendations. Forty-six (46) of these recommendations have been implemented; eighteen (18) will be completed by June 2012 and the remaining fourteen (14) by the end of the year.

Streetlighting Services and Acquisition of Library Materials Audits

The Streetlighting Services Audit and the Acquisition of Library Materials Audit were presented to the Audit Committee in September 2011 and November 2011 respectively. Audit Committee requested that the status of the recommendations for these two audits be specifically reported upon.

There are a total of twenty-one (21) recommendations for the Streetlighting Services Audit. As of March 31, 2012, twelve (12) recommendations have been completed and nine (9) are outstanding. With the exception of the Policy update which is awaiting the results of the Arterial Road Review with the Region of Peel, the remaining eight (8) recommendations will be implemented by June 30, 2012. Six (6) of these recommendations relate to the preparation of the "Engineering and Works Contract Cost Management Procedures" which have been completed and will be rolled out shortly. The remaining two (2) recommendations deal with protocol for documentation and retention requirements which will be established with Records Management.

The Acquisition of Library Materials audit resulted in a total of seven (7) recommendations, of which six (6) have been completed and the remaining one relating to documentation of procedures and training of staff will be done by June 30, 2012.

FINANCIAL IMPACT: None

CONCLUSION: In summary, one hundred and twelve (112) recommendations were scheduled for implementation prior to March 31, 2012, of which fifty-four (54) were completed and fifty-eight (58) are in progress. Twenty-four (24) recommendations will be completed by June 2012; six (6) by September 2012; twenty-five (25) by December 2012; and the remaining three (3) in January 2013.

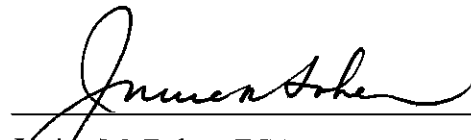
Continuous efforts are being made to implement audit

recommendations on a timely basis. Implementation of some of the recommendations was delayed due to resource issues, pending upgrade to computer systems or completion of comprehensive reviews in the related areas. Progress will be closely monitored to ensure timely implementation.

ATTACHMENT:

Appendix 1: Status of Outstanding Audit Recommendations as of March 31, 2012

Appendix 2: Status of Audit Recommendations Outstanding as of September 31, 2011 and Remained Outstanding as of March 31, 2012



Janice M. Baker, FCA
City Manager & Chief Administrative Officer

Prepared By: Barbara Webster, Senior Internal Auditor

Appendix 1

**STATUS OF OUTSTANDING AUDIT RECOMMENDATIONS
AS OF MARCH 31, 2012***

(1) Audit	(2) Date Issued	(3) Outstanding* September 30, 2011	(4) New**	(5) Implemented/ Resolved	(6) Outstanding March 31, 2012
Urban Forestry Capital Contracts	03/07	2			2
Payroll Audit, Phase 3	09/07	1			1
Transit Coin Room	08/08	1		1	
Facility Rental Revenue	09/08	9		3	6
Accounts Receivable Collection Processes	04/09	1			1
Transit Maintenance	09/09	1			1
Program Registration and Membership	11/09	4			4
Reimbursement of Expenses	04/10	3			3
Privacy	09/10	4	9	4	9
Property Tax Master Data	09/10	2			2
Health Benefits Contracts	11/10	1			1
Mobile Licensing Revenue	02/11	4	7	2	9
Development Applications	02/11	1	1	2	
I.T. Software Licensing	04/11		2	1	1
Property Tax Billing	04/11		1	1	
Compliance & Licensing Revenue	09/11		8	3	5
Active Directory	09/11		8	6	2
Streetlighting Services	09/11		20	11	9
Transit Operator Testing Fee Deposits	09/11		15	14	1
Tax Adjustments	10/11		1		1
Acquisition of Library Materials	11/11		6	6	0
TOTAL		34	78	54	58

* This chart includes only recommendations which were originally scheduled for implementation on or prior to March 31, 2012.

** Recommendations in the "New" column were originally scheduled for completion between October 1, 2011 and March 31, 2012.

**STATUS OF AUDIT RECOMMENDATIONS
OUTSTANDING AS OF SEPTEMBER 30, 2011 AND
REMAINED OUTSTANDING AS OF MARCH 31, 2012**

Category	Audit	No. of Recommendations	Comments/Status
Computer system implementation or upgrade	2007 Urban Forestry Capital Contract	2	Development of an electronic invoice verification process is delayed awaiting implementation of the recently upgraded Hansen computer system.
	2007 Payroll	1	Linking the part-time hours worked to the applicable cost centre accounts is to be addressed by the payroll computer system which was implemented in June 2010. This work is currently in progress and is expected to be completed by mid 2012.
	2009 Accounts Receivable Collection Processes	1	The business case for the accounts receivable system has been approved and development of the system is expected to begin in September 2012 with completion scheduled for the end of the year.
Review and update to Corporate Policies	2008 Facility Rental Revenue	6	Completion of these recommendations is dependent on the facility rental structure review which was completed and endorsed in principle by Council on November 23, 2011. Further work is required to finalize the review, consult the public and update the related policies. Three of the recommendations are expected to be completed by June 2012 and the remaining three by January 2013.
	2009 Transit Maintenance	1	A comprehensive review of all insurance related policies is currently in progress and is scheduled for completion by September 2012. Revision of the Corporate Policy regarding filing of vehicle insurance claim will be addressed as part of that review.
	2010 Reimbursement of Expenses	3	A revised tuition/registration fees policy framework has been approved in principle by LT and a new draft policy is expected to be presented to Council in early fall 2012. The recommendations relating to tuition/course reimbursements will be addressed in the policy.

**STATUS OF AUDIT RECOMMENDATIONS
OUTSTANDING AS OF SEPTEMBER 30, 2011 AND
REMAINED OUTSTANDING AS OF MARCH 31, 2012**

Category	Audit	No. of Recommendations	Comments/Status
	2010 Privacy	2	Work is in progress to address the recommendations regarding staff sign-off on confidentiality agreements and acknowledgement of the understanding and compliance with corporate policies. These are slated for completion by the end of the year.
	2011 Mobile Licensing	1	This recommendation related to confidentiality agreement and is dependent on the implementation of the recommendation from the Privacy Audit noted above.
Update of Security Profiles	2009 Program Registration and Membership	3	Implementation of the recommendations is in progress and scheduled for completion in December 2012.
	2010 Property Tax Master Data	2	A thorough review of the user roles and business profiles relating to the tax system has been completed. Rollout to production is expected in July with annual reviews completed every December.
Business Process Review and Documentation	2009 Program Registration and Membership	1	Updating of the business procedures to reflect the amendments to the Administration of the Recreation Fees Policy is expected to be completed by the end of the year.
	2010 Health Benefit Contract	1	Detail documentation relating to the management process for the Health Benefit Contract is scheduled for completion by the end of the year.
	2011 Mobile Licensing Revenue	2	Work to improve the business practices is underway. One will be completed by mid-2012 and the other by the end of the year.
Total		26	



Corporate Report

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4

DATE: April 25, 2012

TO: Chair and Members of Audit Committee
Meeting Date: May 7, 2012

FROM: Brenda R. Breault, CMA, MBA
Commissioner of Corporate Services and Treasurer

SUBJECT: **2011 Audited Financial Statements**

AUDIT COMMITTEE

MAY 07 2012

RECOMMENDATION: That the 2011 Audited Financial Statements for City of Mississauga (City), City of Mississauga Public Library Board, City of Mississauga Trust Funds, Clarkson Business Improvement Area, Port Credit Business Improvement Area, Streetsville Business Improvement Area, and Enersource Corporation be received.

REPORT SUMMARY: This report presents the following 2011 Audited Financial Statements:

- City of Mississauga
- City of Mississauga Public Library Board
- City of Mississauga Trust Funds
- Clarkson Business Improvement Area
- Port Credit Business Improvement Area
- Streetsville Business Improvement Area
- Enersource Corporation

The City of Mississauga financial statements are comprised of all organizations, committees and local boards accountable to the City for the administration of their financial affairs and resources and which are owned or controlled by the City. These include the City of Mississauga Public Library, and all the Business Improvement Areas.

The City's 90% interest in Enersource Corporation (\$224.4 million) is reported as a financial asset on the Consolidated Statement of Financial Position. The City's share of Enersource's 2011 net income (\$20.4 million) is reported as revenue on the City's Consolidated Statement of Financial Activities.

BACKGROUND:

The statutory function of our auditors, KPMG LLP, is to report to Audit Committee by expressing an opinion on the City's annual financial statements. The auditors conduct their audit in accordance with Canadian Generally Accepted Auditing Standards with the objective of expressing an opinion whether the City's annual financial statements present fairly, in all material respects, the financial position, results of operations and the cash flows of the City.

Management is responsible for the preparation and fair presentation of the City's annual financial statements in accordance with the Public Sector Accounting Board (PSAB) financial reporting framework.

One of the fiduciary responsibilities of the Audit Committee is to review the annual financial statements and audit results.

KPMG LLP has completed their third year of a 5-year audit contract for the years 2009 through 2013.

COMMENTS:

The financial statements have been audited by the City's external auditors, KPMG LLP. The City's financial statements follow the Public Sector Accounting Board (PSAB) recommendations and comply fully with Canadian Generally Accepted Accounting principles.

The financial statements must provide information on the cost of all activities, how they were financed, investing activities and the assets and liabilities of the government. The information is to reflect the full nature and extent of the government's financial affairs.

The Audited Financial Statements are a report card on the financial position, health and strength of the City of Mississauga. The 2011 financial results continue to demonstrate Mississauga's legacy of

strong leadership and excellence in financial planning and fiscal prudence.

To complement the audited financial statements, Finance is currently preparing the 2011 Annual Financial Report.

The 2011 Annual Financial Report will continue to be prepared in electronic format and will be available to all stakeholders on the City's website. No print versions of the Annual report will be produced for public and stakeholder distribution. A notice will be posted in the Mississauga News advising residents and other stakeholders that the Annual Financial Report will be posted and available on the City's website, www.mississauga.ca/finance where it can be printed or read at their convenience.

2011 Financial Statement Discussion and Analysis: Refer to Appendix 2 for detailed information and analysis on the financial statements and results.

FINANCIAL IMPACT: The total audit fees for the 2011 financial statements audit were \$131,250. The audit included the City, Mississauga Public Library Board, Trust Funds, and three Business improvement Areas.

CONCLUSION: The 2011 Financial Statements are a report on the stewardship of the City's financial affairs and the Auditor's Reports attest that they present fairly our financial position as at December 31, 2011 and the results of operations for the year then ended.

ATTACHMENTS:
Appendix 1: 2011 Audited Financial Statements
Appendix 2: 2011 Financial Statement Discussion and Analysis



Brenda R. Breault, CMA, MBA
Commissioner of Corporate Services and Treasurer

Prepared By: Mark Beauparlant, Manager, Corporate Financial Services

2011 Financial Statement Overview

The City of Mississauga's financial statements have been prepared in accordance with the Municipal Act and based on the reporting standards set by the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants.

There are four required financial statements: statement of financial position; statement of operations; statement of changes in net financial assets; and statement of cash flows. These financial statements provide information on the cost of all the City activities, how they were financed, investing activities and the assets and liabilities of the City. The information also reflects the full nature and extent of the City's financial affairs similar to a private sector financial statement presentation.

Below is a high level overview of the 2011 financial results of the City. Please refer to Appendix 1 for the audited Financial Statements.

Consolidated Statement of Financial Position (Balance Sheet)

The consolidated statement of financial position highlights four key figures that together describe the financial position of a government: (a) cash resources of the government, (b) net financial asset position calculated as the difference between financial assets and financial liabilities, (c) non-financial assets that are normally held for service provision such as tangible capital assets, (d) accumulated surplus/deficit (or in private sector terms retained earnings as there are no shareholder contributions or distributions).

Although the City continues to manage the financial operations of the City through various Funds such as the Operating Fund, the Capital Fund, and the Reserves and Reserve Funds, these funds are no longer reported in the financial statements and have been replaced by Accumulated Surplus. The Accumulated Surplus, similar to the historical Fund Balances, summarizes the Corporation's consolidated equity which identifies financial position, including tangible capital assets, and financial resources of the City.

The City's accumulated surplus for fiscal year 2011 is \$8.12 billion (2010 \$8.03 billion), an increase of \$0.9 billion. The City's accumulated surplus is made up of the following balances: investment in tangible capital assets of \$7.6 billion; unexpended capital of \$199.5 million; investment in Enersource Corporation of \$224.4 million; Operating/Current Fund of \$nil; Business Improvement Area surpluses of \$0.08 million; Reserves of \$47.3 million; Reserve Funds of \$279.7 million; offset by unfunded employee benefits and other liabilities of \$184.7 million. Refer to Note #8 in the Financial Statements for a detailed breakdown of the accumulated surplus.

The City is a 90 per cent shareholder in Enersource Corporation. The City's 2011 Investment in Enersource Corporation is \$224.4 million (2010 \$213.5 million), an increase of \$10.9 million from the prior year. This increase is attributed to the City's \$20.5 million share of Enersource net income less a \$9.6 million dividend payment received from Enersource in 2011.

In 2011, the City's Net Financial Assets balance is \$556.9 million (2010 \$630.3 million), a decrease of \$73.4 million over the prior year. Despite the decline in the past year, the City's Net Financial Assets position continues to remain financially healthy and well-positioned for the future.

The decrease in Net Financial Assets is attributed to a few key financial areas:

- Total Financial Assets as of December 31, 2011 were \$1.18 billion (2010 \$1.24 billion), a decrease of \$57 million.
 - Cash, short-term investments, and long-term investments at yearend 2011 were \$874.6 million (2010 \$917.0 million), a decrease of \$42.4 million. The City's cash and investments are being drawn down to finance increased capital expenditures as a result of Infrastructure Stimulus Funding (ISF), Recreational Infrastructure Canada Program (RinC), and other capital projects. Also more funds are being held in longer-term investments versus short-term as a strategy to maximize investment returns.
 - Taxes Receivable in 2011 were \$50.9 million (2010 \$66.6 million), a decrease of \$15.7 million. The decrease was due to a fewer receivables at yearend versus the prior year.
 - Accounts Receivable in 2011 were \$29.2 million (2010 \$38.3 million), a decrease of \$9.1 million. The decrease was due to a fewer receivables at yearend versus the prior year.
 - Investment in Enersource Corporation in 2011 was \$224.4 million (2010 \$213.5 million), an increase of \$10.9 million from the prior year.
- Total Liabilities at the end of 2011 were \$623.4 million (2010 \$606.3 million), an increase of \$17.1 million from the prior year.

Non-financial assets were \$7.6 billion as of December 31, 2011 (2010 \$7.4 billion), an increase of \$0.2 billion.

- The increase relates to an increase in the investment in tangible capital assets primarily resulting from ISF/RinC project work as well as the acquisition of equipment and land acquisitions and improvements.
 - Non-Financial Assets consist of the following: tangible capital assets of \$7.6 billion, inventory of supplies of \$7.6 million, and prepaid expenses of \$1.9 million.

4(e)

Consolidated Statement of Operations (Income Statement)

The consolidated statement of operations reports the annual surplus/deficit from operations during the accounting period. The statement shows the cost of providing the City's services, the revenues recognized in the period and the difference between them.

Revenues:

Total revenues in 2011 were \$785.6 million (2010 \$785.8 million), a decrease of \$0.2 million.

- Taxation revenues (property taxes and taxation from other governments) in 2011 were \$353.6 million (2010 \$329.0 million), an increase of \$24.6 million.
 - Assessment growth of 1.3 percent and a 5.8 percent property tax rate increase on the City portion of the total tax bill, which includes a one percent infrastructure levy, resulted in a 1.6 percent City property tax increase on the 2011 total tax bill.
- User charges in 2011 were \$155.2 million (2010 \$146.5 million), an increase of \$8.7 million from the prior year.
 - Transit fares represent 40 per cent of total user charges. Transit Fares in 2011 were \$65.9 million (2010 \$59.2 million), an increase of \$6.7 million from the prior year. Total 2011 revenue riders were 32.86 million versus the 2010 restated total of 31.08 million, which resulted in approximately \$3.5 million of additional revenue. The City received a one-time payment of \$1.1 million from TTC for a misallocation of prior year's payments to York Region. The 2011 introduction of the Presto fare card increased revenues by \$0.8 million. As well, the UTM student pass price increased and a summer pass was introduced in 2011, adding another \$0.6 million to revenues.
 - Rents and concession fees represent 14 per cent of total user charges. Rents and concession fees in 2011 were \$21.9 million (2010 \$21.5 million), an increase of \$0.4 million from the prior year.
 - Licence and permit revenues represent 7 per cent of total user charges. Licence and permit revenues in 2011 were \$11.0 million (2010 \$10.4 million), an increase of \$0.6 million from the prior year. Building permit revenues in 2011 were \$6.6 million (2010 \$6.1 million), an increase of \$0.5 million due to some increase in building construction.
 - Provincial offence revenues in 2011 were \$8.3 million (2010 \$8.0 million), an increase of \$0.3 million from the prior year.
- Recovery charges in 2011 were \$28.1 million (2010 \$3.1 million), an increase of \$25.0 million from the prior year. This increase relates to increased third party capital recoveries (i.e. Bus Rapid Transit (BRT) development) for project work completed in 2011.
- Development and other government contributions applied in 2011 were \$81.0 million (2010 \$148.2 million), a decrease of \$67.2 million from the prior year.
 - Expenditures on development-related projects in 2011 slowed down which resulted in lower development contributions being applied and recognized as revenue from the deferred revenue-obligatory reserve funds in 2011.

4(f)

- Penalties and interest earnings from over-due tax accounts in 2011 were \$9.3 million (2010 \$10.0 million), a decrease of \$0.7 million from the prior year.
- Other revenues in 2011 were \$5.0 million (2010 \$18.3 million), a decrease of \$13.3 million from the prior year. The decrease results in fewer one-time miscellaneous revenues in 2011 versus 2010.
- Contributed Assets in 2011 were \$32.0 million (2010 \$13.8 million), an increase of \$18.2 million from the prior year. Contributed assets include land under roads, land under infrastructure, as well as general infrastructure (storm sewers, roads, pathways, streetlights, etc.) assumed by the City through development agreements. In 2011, the City assumed \$22.0 million in land under roads/infrastructure, and \$10.0 million in general infrastructure through development agreements.
- The City's share of Enersource Corporation net income in 2011 was \$20.5 million (2010 \$15.9 million), an increase of \$4.6 million from the prior year.
 - From this net income amount, the City was paid a dividend of \$9.6 million in 2011 (2010 \$9.5 million).

Expenses:

Expenses are broken down into major expense categories: labour and benefits, materials and supplies, contracted services, rents and financial expenses, transfer payments, and amortization. Total expenses in 2011 were \$700.4 million (2010 \$649.5 million), an increase of \$50.9 million.

- Labour costs (salaries, wages and benefits, and PSAB labour related adjustments) in 2011 were \$404.9 million (2010 \$379.2 million), an increase of \$25.7 million from the prior year. The significant variances are broken down as follows:
 - Salary, wage, and benefit costs in 2011 were \$388.7 million (2010 \$377.2 million), an increase of \$11.5 million (3.0%). Growth in the City's labour force for new and expanded services, labour contract settlements and pay adjustments, and increased benefit costs contributed to this increase. Performance increases for non-union staff were frozen in 2011 as a cost saving initiative.
 - PSAB labour related accounting adjustments for actuarial WSIB and post-employment, retirement, and sick-leave liabilities in 2011 were \$14.8 million (2010 \$1.0 million), an increase of \$13.8 million from the previous year. This adjustment reflects the change in actuarial assessment, assumptions, and estimates from the previous year.
 - Labour costs charged to capital projects in 2011 of \$1.9 million (2010 \$0.9 million), did not qualify as tangible capital asset costs in 2011.
- Materials and supplies in 2011 were \$52.2 million (2010 \$44.8 million), an increase of \$7.4 million from the prior year.
 - Diesel fuel costs for 2011 were \$17.0 million (2010 \$13.4 million), an increase of \$3.6 million from the prior year primarily due to an increase in the average price per litre of diesel.

4(g)

- Transportation and maintenance related costs in 2011 were \$26.9 million (2010 \$23.2 million), an increase of \$3.7 million. Vehicle rental and leases accounted for \$2.6 million of this increase.
- Contracted services in 2011 were \$70.3 million (2010 \$66.7 million), an increase of \$3.6 million from the prior year.
 - Contracted services for standby winter control in 2011 were \$13.9 million (2010 \$12.3 million), an increase of \$1.6 million over the previous year.
 - The remaining difference is made of various contract cost related increases.
- Rent and financial expenses in 2011 were \$56.6 million (2010 \$53.4 million), an increase of \$3.2 million from the prior year.
 - Property tax related adjustments in 2011 were \$5.4 million (2010 \$3.8 million), an increase of \$1.6 million over the prior year.
 - Insurance related costs in 2011 were \$7.6 million (2010 \$7.3 million), an increase of \$0.3 million
 - Hydro costs in 2011 were \$15.2 million (2010 \$14.1 million), an increase of \$1.1 million.
 - Other miscellaneous financial cost increases accounted for the difference.
- Amortization of Tangible capital assets in 2011 was \$109.8 million (2010 \$100.3 million), an increase of \$9.5 million from the prior year.
- Loss on disposal of assets in 2011 was \$3.1 million (2010 \$1.0 million), an increase of \$2.1 million.

Consolidated Statement of Change in Net Financial Assets

The statement of change in net financial assets (net debt) explains the difference between a municipality's surplus or deficit for the reporting year and its change in accumulated surplus in the same reporting year. This statement provides for the reporting of the acquisition of tangible capital assets and other significant items that impact the difference between the annual surplus/ (deficit) and the change in net financial assets (net debt).

Consolidated Statement of Cash Flows

The statement of cash flows reports changes in cash and short-term investments resulting from operations and shows how the City financed its activities during the year and met its cash requirements.

Tangible Capital Assets Overview:

All City assets as at the end of 2011 have been inventoried, valued, and recorded in an Asset Registry for accounting and reporting purposes. The City's net book values of tangible capital assets at the end of 2011 was \$7.6 billion (2010 \$7.4 billion) an increase of \$0.2 billion from the prior year. Refer to Note #7 in the financial statements for a detailed breakdown of tangible capital asset activity for 2011.

2011 Capital Project Highlights:

Some of the major capital projects undertaken in 2011 include:

- Infrastructure Stimulus Fund (ISF) and Recreational Infrastructure Canada Program (RinC) contributed funding towards a total of 153 projects including the redevelopment of the Civic Square, four branch libraries (Lakeview, Lorne Park and Port Credit libraries, Burnamthorpe), two new community centre pools (Malton and Clarkson Community Centres), paving and lighting of park pathways, noise walls, roads, sidewalks and a storm water facility, all of which were complete in 2011.
- Installed new LED lighting technology in the Cawthra Parking lot, Live Cuisine Restaurant and the Hershey sign, replacing existing inefficient lights and reducing power consumption by 50 to 70%.
- Installed various energy retrofits such as ground source heating at Fire Station 116, and solar water heating at Huron Park Community Centre.
- Incorporated accessible upgrades into all major redevelopment and new construction projects, including various accessibility improvements at Erin Mills Twin Arena, Lakefront Marina Centre, Meadowvale Village, Hershey Sports Complex, Civic Centre and various other city facilities.
- Leslie Log House opened to the public in May 2011.
- Fire Station 116 previously located in a leased facility on Telford Way was relocated to 6825 Tomken Road, a facility jointly shared with the Region of Peel Paramedic Services.
- Renovations were completed at Fire Station 105. Peel Paramedic Services also co-located a satellite station at this location.
- The City acquired 8.5 ha (21 acres) of park and greenbelt lands.
- Improvements and redevelopment were completed at the following parks-Lakeside Park, Sandford Farm Park, Madill Common Jim Murray Park, Tobias Mason Park, Lisgar Fields Park, and Churchill Meadows Community Common Park.
- O'Connor Park, Community Common, and Harold E Kennedy Memorial Park were officially opened.
- Over 14,000 native trees and shrubs were planted on City land in 2011 by community volunteers as a result of community partnerships coordinated by Urban Forestry.
- Mississauga Valley Spray Pad expansion and picnic shelter installation were completed.
- Construction of Huron Heights Spray Pad completed.
- Applewood Hills Trail Bridge replacement was completed.
- Four additional intersections were equipped with pedestrian countdown timers (total of 79 intersections City-wide); twenty-seven intersections are communicating wirelessly and four signals near railway crossings were equipped with uninterruptable power supply devices
- 1,863 m of new noise walls were installed.
- The "Bus Only" lane from southbound Hurontario Street to Rathburn Road westbound was completed and opened in August.
- The construction of the roundabout was completed and it was opened in late August, just prior to the opening of the new Sheridan College campus.

4(i)

- Widening of 1.7 kilometres of Tenth Line West from Derry Road West to Battleford Road to accommodate bike lanes and a new sidewalk is complete.
- One hundred streets were resurfaced as part of the 2011 Resurfacing Program.
- Six routes were added to Mississauga Transit's fully accessible routes, bringing the total up to 54 (of 86) or 63% fully accessible. Upgrades to stops, shelters, bus pads and sidewalk connections form part of this accessible goal. All MT terminals/hubs within the City are fully accessible.
- Installation of AODA "Next Stop" equipment on the entire MiWay bus fleet has been completed. Miway customers receive both audio and visual "Next Stop" announcement information.
- All 43 New Flyer low-floor Xcelsior buses were put into service at the beginning of December 2011.
- In partnership with Credit Valley Conservation and the Peel District School Board, the reconstruction of Elm Drive (between Kariya and Joan Drives) is complete. This innovative project includes on-street bicycle lanes, parking lay-bys constructed with permeable pavers and natural drainage augmented by a series of rain gardens located on school property.
- New cycling facilities completed during the year total 8.7 kilometres of on road facilities and 14.1 kilometres of off road, multi-use trails.
- Construction of the BRT east from Rathburn Road at Hurontario Street, along the Highway 403 corridor and Eastgate Parkway corridor to Fieldgate Drive, is currently underway. All stations are being constructed and approximately two kilometres of the guideway is paved. Construction of bridge structures is on-going.
- A total of 64 Pay and Display machines were installed in the Celebration South (Central Library), Celebration North (Civic) and LAC garages, including the parking management system and directional use of equipment signage.
- Two municipal parking lots (total of 352 spaces) were constructed to serve the Sheridan College campus, along with public parking. Construction included the use of permeable asphalt, permeable pavers, and new and efficient lighting technology parking equipment.

Reserves and Reserve Funds Overview:

Although Reserves and Reserve funds are not formally reported directly in the financial statements, they are a key area in the financial management and operations of the City. Reserves and Reserve Fund balances are consolidated within the Accumulated Surplus position on the Consolidated Statement of Operations. Refer to Note #8 in the financial statements for more Reserve and Reserve Fund information.

Reserves and Reserve Funds are established by Council. These funds are set aside to help offset future capital needs, obligations, pressures and costs. They are drawn upon to finance specific purpose capital and operating expenditures as designated by Council, to minimize tax rate fluctuations due to unanticipated expenditure and revenue shortfalls, and to fund ongoing programs (i.e. insurance and employee benefits).

4(j)

Reserves and Reserve Funds balances at the end of 2011 totalled \$327.0 million (2010 \$379.5 million), a decrease of \$52.5 million from the prior year. The Reserves and Reserve Fund total does not include development charges and senior government grants that are reported as deferred revenue-obligatory reserve funds on the Statement of Financial Position.

Reserves:

Reserves, which are discretionary in nature, are generally used to offset major fluctuations in operating costs/revenues or to fund future contingent liabilities. Total Reserves in 2011 were \$47.3 million (2010 \$48.0 million), a decrease of \$0.7 million.

Reserve Funds:

Reserve Funds are non-discretionary, segregated and restricted to meet specific identified purposes for the municipality. Total Reserve Funds in 2011 were \$279.7 million (2010 \$331.5 million), a decrease of \$51.8 million from the prior year. This decrease is the result of the drawdown of Reserve Funds to finance capital projects. This drawdown is greater than funds being transferred or deposited into the Reserve Funds. The reduction in capital reserves has been presented for many years as part of the City's capital forecast.

The Reserve and Reserve Funds will help the City meet the projected expenditure needs in the upcoming years. However, draws on Reserve and Reserve Funds in future years to support our growing capital infrastructure and maintenance needs will reduce these balances and therefore reduce total accumulated surplus. This has been anticipated for many years, recognizing that as the City matured, infrastructure renewal would require increased funding. Additional funding support is needed from senior levels of government as well as ongoing increased annual contributions from the operating funds, in order to help sustain and invest in new and replacement infrastructure.



Corporate Report

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5

DATE: April 26, 2012

TO: Chair and Members of Audit Committee
Meeting Date: May 7, 2012

FROM: Brenda R. Breault, CMA, MBA
Commissioner of Corporate Services and Treasurer

SUBJECT: **2011 External Audit Findings and Recommendations**

AUDIT COMMITTEE
MAY 07 2012

RECOMMENDATION: That the 2011 External Audit Findings and Recommendations Report dated April 26, 2012 from the Commissioner of Corporate Services and Treasurer, which includes the Audit Findings Report from KPMG for the fiscal year 2011 for the City of Mississauga, be received for information.

BACKGROUND: The Audit Committee's Terms of Reference (Bylaw #0321-2010) establishes the role and responsibilities of the Audit Committee. The assigned responsibilities of the Committee include reviewing and making recommendations to Council regarding the external audit function, internal audit function, financial reporting, internal controls, and compliance.

The Audit Committee is responsible for reviewing any reports and correspondence from the External Auditor relating to the City of Mississauga (City) and any local boards or agencies which may be created. For fiscal year 2011, local boards and agencies include the Mississauga Public Library Board and the Business Improvement Area Boards.

COMMENTS:

KPMG have now completed the statutory audit for the fiscal year 2011 and have issued an Audit Findings Report for information.

The 2011 External Audit Findings and Recommendations Report assist the Audit Committee in the review of the consolidated financial statements and provides an overview and summary of the findings and an assessment of the completed audit.

The report also provides information and comments regarding the following areas:

- significant audit, accounting and reporting matters
- any corrected or uncorrected audit items
- control deficiencies and business improvement observations
- an Independence Letter

The Control Deficiencies and Business Improvement Observations section provides auditor comments and recommendations relating to the design or effectiveness of internal controls, and/or enhancements to financial accounting and reporting.

In 2011, KPMG had two business improvements observations:

1. KPMG recommends that the amortization rates used to calculate amortization during the year be verified to the amortization rates assigned in the Tangible Capital Asset Accounting and Reporting Policy before being applied.

Management Response: Management agrees with the recommendation. The Asset Registry System will be updated to include all amortization rates for each category and sub-category. Staff will also do an amortization rate review prior to the finalization of the asset entries.

2. KPMG recommends that the financial statements and regulatory filings of each BIA be thoroughly reviewed prior to KPMG commencing the audit.

Management Response: Management agrees with the recommendation. The Finance Division currently has processes in place to review and support the BIAs with their accounting and financial reporting. BIA's must submit financial information to the

City at the end of June and September of each year for City review. Staff also performs site visits to BIA between September and December if the BIA has any financial concerns or questions. BIA finances are generally managed by an unpaid volunteer with minimal accounting experience which contributes to errors. City staff will discuss KPMG's observation with all BIAs and explore opportunities to improve their financial recording and reporting procedures, including a requirement to utilize qualified accountants to maintain their financial records on an on-going basis throughout the year.

Last year, at the conclusion of the 2010 external audit, KPMG recommended one business improvement observation. The recommendation related to the allocation of overhead costs to tangible capital assets and recommended that the allocation model and rates be reviewed and updated for current business conditions. Staff agreed with the recommendation and requested that the recommendation be deferred to the 2012 workplan due to other departmental priorities in 2011. This recommendation will be addressed in 2012.

The Independence Letter identifies any professional services provided by our external auditors, KPMG, to the City during the year. It also identifies any relationships with the City that may reasonably be thought to bear on auditor independence. The Independence Letter confirms KPMG's independence throughout the audit and year.

FINANCIAL IMPACT: There are no financial implications to the City from the Auditors report.

CONCLUSION: The 2011 External Audit Findings and Recommendations Report is a by-product of the financial statement audit.

The 2011 External Audit Findings and Recommendations Report provides an overview of the 2011 audit process and findings and identifies only those matters during the audit that should be brought to the Audit Committee's attention.

The Independence Letter summarizes the relationship and independence between the City and our external auditors (KPMG).

50

ATTACHMENTS: Appendix 1: 2011 Audit Findings Report

Brenda R. Breault

Brenda R. Breault, CMA, MBA
Commissioner of Corporate Services and Treasurer

Prepared By: Mark Beauparlant, Manager, Corporate Financial Services

5(d)



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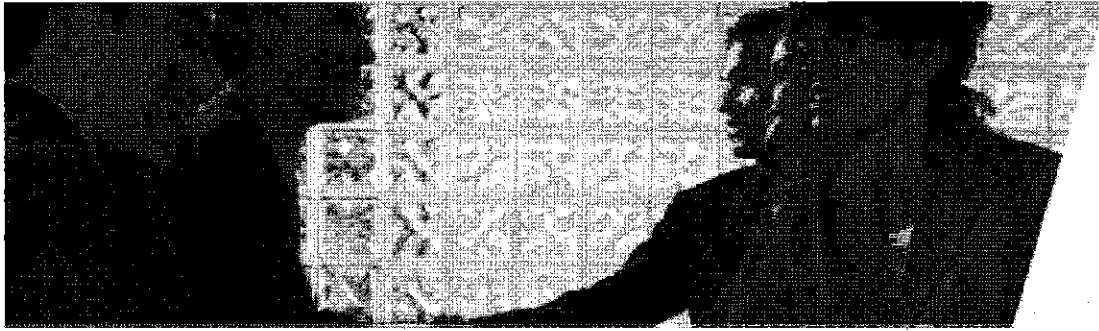
The Corporation of the City of Mississauga

Audit Findings Report to the Audit Committee
For the year ended December 31, 2011

KPMG LLP, Chartered Accountants

kpmg.ca

5(e)



Contents

Executive summary	2
Audit, accounting and reporting matters	3
Significant qualitative aspects of accounting practices.....	5
Misstatements	6
Control deficiencies.....	6
Appendices	11

5(f)



Executive summary

Overview and status

The purpose¹ of this Audit Findings Report is to assist you, as a member of the Audit Committee, in your review of the consolidated financial statements of the Corporation of the City of Mississauga for the year ended December 31, 2011.

As of the date of this report, we have completed the audit of the financial statements and received evidence of approval of the consolidated financial statements from the City Treasurer (individual delegated authority to approve the financial statements).

Our audit report is dated the date of approval of the consolidated financial statements by the Treasurer, April 26, 2012.

¹ This Audit Findings Report should not be used for any other purpose or by anyone other than the Audit Committee. KPMG shall have no responsibility or liability for loss or damages or claims, if any, to or by any third party as this Audit Findings Report has not been prepared for, and is not intended for, and should not be used by, any third party or for any other purpose.

569



Audit, accounting and reporting matters

Matters to discuss

Included in this report are matters we have highlighted for discussion at the upcoming audit committee meeting. We look forward to discussing these matters and our findings with you.

We have highlighted below other significant matters that we would like to bring to your attention:

Inventory of land

- In prior years, the City inventoried all assets as part of the implementation of tangible capital assets ("TCA"). In the current year, management recorded total land additions of \$34.4 million, of which \$7.85 million was newly inventoried. This \$7.85 million was acquired prior to the current fiscal year but not previously recorded in its financial statements.

KPMG comments [regarding effect on the audit]

- This omission of land from prior years' inventory is considered an error as the prior year's TCA balance was understated. However, given that the amount is not material to the financial statements and that the cumulative balance at the end of fiscal 2011 is correct, no entry is recorded to restate prior years.
- We also inquired as to whether the land inventory is now complete. Management has indicated that while it is possible that more additions may be found in the future they are expected to be minimal.

Contingent liabilities

- The CICA Handbook PS3300 Contingent Liabilities requires that the City recognize a liability when "...it is likely that a future event will confirm that a liability has been incurred at the date of the financial statements; and the amount can be reasonably estimated."
- At any point in time, the City is subject to a number of matters which could potentially result in the determination of a contingent liability as defined above, including, but not limited to matters such as legal claims, contract settlement accruals etc.

KPMG comments [regarding effect on the audit]

- KPMG has reviewed the City's assessments of contingent liabilities and the process employed to develop and record the related estimated liabilities. Where applicable, KPMG met with the individuals responsible for the process and is satisfied that the methodology used is rational, consistent with the approach taken in prior years and has been appropriately reviewed.
- As these items are resolved, it is possible that the final amounts recorded for these liabilities may change, however the amounts currently recorded represent management's best estimates of exposure given the information presently available.

5(c)



Significant qualitative aspects of accounting practices

Other Significant Risks	Results
Fraud and non-compliance with laws and regulations	<ul style="list-style-type: none"> • We did not identify: <ul style="list-style-type: none"> • any fraud or suspected fraud that may exist involving management, employees who have significant roles in internal control, or others where the fraud results in a material misstatement in the annual financial statements • any matters related to fraud that are, in our judgment, relevant to your responsibilities • any identified non-compliance with laws or regulations or suspected non-compliance, other than when the identified or suspected non-compliance is clearly inconsequential.
Significant unusual transactions	<ul style="list-style-type: none"> • We did not identify any significant unusual transactions.
Modifications to the audit plan	<ul style="list-style-type: none"> • We conducted our audit in accordance with our audit plan.
Related parties and related party transactions	<ul style="list-style-type: none"> • We did not identify any related party transactions outside the normal course of business that involve significant judgments made by Management concerning measurement and/or disclosure.

The following are the significant qualitative aspects of accounting practices:

Significant accounting policies	<ul style="list-style-type: none"> • There were no changes to any significant accounting policies • There was no application of any new accounting pronouncements in the current year • Refer to Appendix for current developments in accounting standards and policies
Significant accounting estimates	<ul style="list-style-type: none"> • There were no significant accounting estimates other than depreciation of capital assets, certain valuations related to tangible capital assets (primarily land) and accruals.
Significant disclosures	<ul style="list-style-type: none"> • Significant disclosures include related party transactions.



Misstatements Control deficiencies

Identification of misstatements

Misstatements identified during the audit have been categorized as follows:

- uncorrected misstatements, including disclosures – none noted
- corrected misstatements, including disclosures.

Corrected misstatements

We have communicated all misstatements to management which are listed in the representation letter included in the Appendices. We would like to highlight, however, the following corrected misstatement:

	Income effect	Financial Position	Financial Position	Financial Position
Description	(Decrease) Increase	Assets (Decrease) Increase	Liabilities (Decrease) Increase	Net Assets (Decrease) Increase
To transfer land from Work In Progress to land within TCA		5,850,000 (5,850,000)		

Uncorrected misstatements

Professional standards require that we request of management that all uncorrected misstatements be corrected.

	Income effect	Financial Position	Financial Position	Financial Position
Description	(Decrease) Increase	Assets (Decrease) Increase	Liabilities (Decrease) Increase	Net Assets (Decrease) Increase
To adjust prior period accumulated surplus for newly inventoried land	(7,850,000)			7,850,000

Background and professional standards

As your auditors, we are required to obtain an understanding of internal control over financial reporting (ICFR) relevant to the preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances for the purpose of expressing an opinion on the financial statements. Accordingly, we do not express an opinion on the effectiveness of internal control.

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Our understanding of ICFR was for the limited purpose described above and was not designed to identify all control deficiencies that might be significant deficiencies and therefore, there can be no assurance that all significant deficiencies and other control deficiencies have been identified.

Our awareness of control deficiencies varies with each audit and is influenced by the nature, timing, and extent of audit procedures performed, as well as other factors.

Identification

We did not identify any control deficiencies that we determined to be material weaknesses in ICFR.

We did not identify any control deficiencies that we determined to be significant deficiencies in ICFR.

However, based on our audit we do have a number of performance improvement observations, as follows:

Description of performance improvement observations	Potential effect and Recommendation	Management comments
<p>During the review of amortization recorded for vehicles, it was noted that the amortization rate being applied to certain vehicle categories was 12 years as opposed to 15 years.</p>	<p>The difference in recorded depreciation was not material, however it does represent an error in the application of the approved policy and had the amount of assets being depreciated been greater, the difference could have been material.</p> <p>Recommendation: KPMG recommends that the amortization rates used to calculate amortization amounts during the year be verified to the amortization rates assigned in the Tangible Capital Asset Accounting and Reporting Policy before being applied.</p>	<p>Management agrees with the recommendation. The template in the Citywide Asset System has now been updated to include all amortization rates for each category and sub-category for each asset. This update has been completed. Staff will also perform an amortization rate check on all assets and categories prior to preparing the amortization entry.</p>
<p>As part of the audit engagement with the City of Mississauga, we also issue auditors' reports on the Business Improvement Areas of Port Credit, Clarkson and Streetsville. In performing the</p>	<p>These adjustments result in additional time and cost to the BIAs. In some cases the adjustments relate to HST which had not been calculated properly or filed for on a timely basis.</p>	<p>Management agrees with the recommendation. The Finance Division currently has processes in place to review and support the BIAs with their accounting and financial reporting. The BIAs must submit financial</p>

Description of performance improvement observations	Potential effect and Recommendation	Management comments
<p>2011 audits of these entities, we encountered significant inefficiencies as a result of numerous adjusting entries being required, suggesting that these entities were not adequately prepared for the commencement of the audit.</p>	<p>Recommendation: We recommend that the financial statements and regulatory filings of each BIA be thoroughly reviewed prior to KPMG commencing the year end audit.</p>	<p>information to the City at the end of June and September of each year for review. Staff also performs site visits to BIAs between September and December if the BIA has any financial concerns or questions. BIA finances are generally managed by an unpaid volunteer with minimal accounting experience which contributes to errors. City staff will discuss KPMG's observation with all BIAs and explore opportunities to improve their financial recording and reporting procedures, including a requirement to utilize qualified accountants to maintain their financial records on an on-going basis throughout the year.</p>
<p>2010 and 2009 process improvement points and update:</p>		
<p>Land Cost</p> <p>While performing procedures aimed at ensuring completeness of the inventory of tangible capital assets in 2010, we noted one parcel of land measuring approximately 12,000 m² which was not included in the City's final inventory of owned land, but for which the City does hold legal title.</p>	<p>Land was added to inventory and resulted in the recast of the 2009 financial statement figures.</p> <p>2011 update:</p> <p>As noted earlier, an additional \$7.85 million of assets was inventoried. However, management believes any future additions should be minimal.</p>	<p>Because of the size and complexity of all City assets and the short timeline to inventory and value assets, staff continue to review all assets including land to databases, agreements etc. to ensure all land and/or land sizes are captured. This will be an ongoing process for a few more years and it is expected that there will be immaterial adjustments in the future. All municipalities are facing this similar issue and challenge.</p>
<p>Allocation of costs to tangible capital assets</p> <p>During the 2009 audit, we were</p>	<p>While it is acceptable under Canadian generally accepted principles to use standard</p>	<p>Due to the departmental workload priorities and the timing to implement this</p>

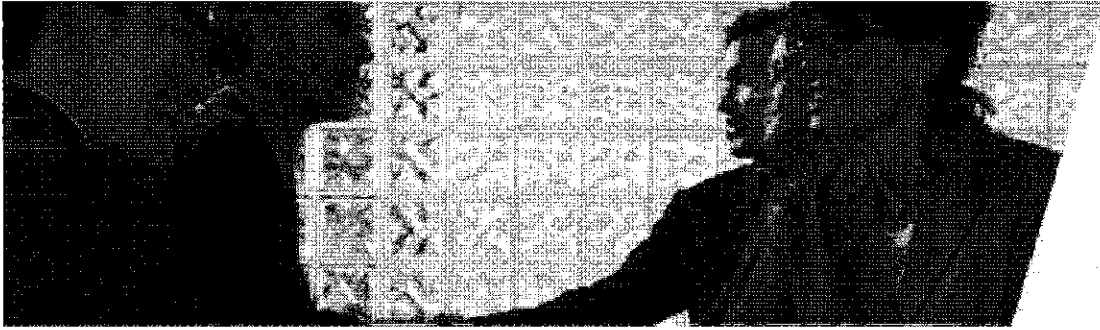
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Description of performance improvement observations	Potential effect and Recommendation	Management comments
informed that the standard rate utilized for absorption of overhead costs was based on an analysis performed in 2005.	costing, the standard rate should approximate actual. Therefore, we recommend that a formal policy be implemented to review the standard rates on a more frequent basis. 2011 update: Consistent with the prior year's response, this is a large undertaking and will be performed in fiscal 2012.	recommendation, the recommendation was deferred to the 2012 departmental work plans. Finance staff will work with each of the departments to update the chargeback rates to reflect current and up-to-date rates.

Definitions

Terminology	Definition
Deficiency in internal control	<p>A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A deficiency in design exists when: (a) a control necessary to meet the control objective is missing; or (b) an existing control is not properly designed so that, even if the control operates as designed, the control objective would not be met. A deficiency in operation exists when a properly designed control does not operate as designed or the person performing the control does not possess the necessary authority or competence to perform the control effectively.</p>
Significant deficiency in internal control	<p>A significant deficiency in internal control is a deficiency or combination of deficiencies in internal control that, in the auditor's professional judgment, is less severe than a material weakness, yet is of sufficient importance to merit the attention of those charged with governance.</p>
Material weakness in internal control	<p>A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's annual financial statements will not be prevented or detected and corrected on a timely basis.</p>

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Appendices

Independence letter

KPMG's Audit Committee resources

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Independence letter



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PRIVATE & CONFIDENTIAL

Members of the Audit Committee
The Corporation of the City of Mississauga
300 City Centre Drive
Mississauga, ON L5B 3C1

May 7, 2012

Dear Members of the Audit Committee

We have been engaged to express an opinion on the financial statements of the Corporation of the City of Mississauga ("the City") as at and for the year ended December 31, 2011.

Professional standards specify that we communicate to you in writing, at least annually, all relationships between the City (and its related entities) and our firm, that may reasonably be thought to bear on our independence.

In determining which relationships to report, we are required to consider relevant rules and related interpretations prescribed by the Institute of Chartered Accountants of Ontario and any applicable legislation or regulation, covering such matters as:

- a) provision of services in addition to the audit engagement
- b) other relationships such as:
 - holding a financial interest, either directly or indirectly, in a client
 - holding a position, either directly or indirectly, that gives the right or responsibility to exert significant influence over the financial or accounting policies of a client
 - personal or business relationships of immediate family, close relatives, partners or retired partners, either directly or indirectly, with a client
 - economic dependence on a client.

We have prepared the following comments to facilitate our discussion with you regarding independence matters arising since the date of our last letter

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Provision of Services

The following summarizes the professional services rendered by us to the Entity (and its related entities) up to the date of this letter:

- Audit of the 2011 consolidated financial statements of the City of Mississauga.
- Audit of 2011 financial statements of The City of Mississauga Public Library Board, the City of Mississauga Trust Funds, the Next Steps to Active Living Program, and the Federal Gas Tax Funds Program.
- Advisory services related to tax receipting for the mayor's gala and HST matters.
- Audit of the 2011 financial statements of Enersource Corporation and IFRS opening balance sheet.
- Tax compliance and Scientific Research and Experimental Development claim assistance for Enersource Corporation.
- Advisory services related to IFRS and private placement for Enersource Corporation.

Other Relationships

We are not aware of any relationships between our firm and the City (and its related entities) that may reasonably be thought to bear on our independence during the period January 1, 2011 to May 7, 2012.

Confirmation of Independence

Professional standards require that we confirm our independence to you in the context of the Rules of Professional Conduct/Code of Ethics of the Institute of Chartered Accountants of Ontario. Accordingly, we hereby confirm that we are independent with respect to the City (and its related entities) within the meaning of the Rules of Professional Conduct/Code of Ethics of the Institute of Chartered Accountants of Ontario as of May 7, 2012.

Other Matters

This letter is confidential and intended solely for use by those with oversight responsibility for the financial reporting process in carrying out and discharging its responsibilities and should not be used for any other purposes. No responsibility for loss or damages, if any, to any third party is accepted as this letter has not been prepared for, and is not intended for, any other purpose. This letter should not be distributed to others outside the City without our prior written consent.

We look forward to discussing with you the matters addressed in this letter as well as other matters that may be of interest to you. We will be prepared to answer any questions you may have regarding our independence as well as other matters.

Yours very truly,



Chartered Accountants, Licensed Public Accountants

What has changed from last year

Regulatory environment

- The Accessibility Standards for Customer Service (Ontario Regulation 429/07) of the Accessibility for Ontarians with Disabilities Act (AODA) has come into effect January 1, 2012. Corporations must comply with the requirements set out in the standard. Organizations with 20 or more employees have additional requirements to meet.
- Implementation of Canada's Anti-Spam Law (CASL) is not expected until mid 2012. Organizations should review the legislation and draft regulations to ensure compliance.

Accounting standards

Financial Instruments

- *PS 3450 – Financial Instruments* was approved by PSAB in March 2011.
- *Sets out principles to be used in establishing an accounting standard with respect to financial instruments and derivative instruments.*
- *Fair value measurement proposed for derivatives and portfolio investments that are equity instruments quoted in an active market. Fair value can be applied to non-equity instruments through an accounting policy choice. All other financial instruments are carried at cost or amortized cost.*
- *Transaction costs for instruments carried at fair value are expensed while transaction cost for instruments carried at cost or amortized cost are capitalized.*
- This is standard effective for fiscal years beginning on or after April 1, 2012.

Government Transfers

- PS 3410 - Government Transfers was approved in June 2011.
- Sets out recognition principles for government transfers to individuals, organizations, government from both a transferring government and receipt government perspective.
- Transferring governments recognize an expense when the transfer has been authorized and all eligibility criteria have been met by the recipient.
- Recipient governments recognize revenue when the transfer is authorized and all eligibility criteria have been met, except when a transfer gives rise to a liability.
- This standard is effective for fiscal years beginning on or after April 1, 2012.

Liability for Remediation and Mitigation of Contaminated Sites

- PS 3260 – Liability for Contaminated Sites was approved by PSAB in March 2010.
- A liability for remediation of contaminated sites should be recognized when an environmental standard exists, the contamination exceeds the environmental standard, the government is

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directly responsible or accepts responsibility, it is expected future economic benefits will be given up and a reasonable estimate of the amount can be made.

- This standard is effective for fiscal years beginning on or after April 1, 2014.

Auditing standards

- Canadian Auditing Standards ("CAS") were effective for fiscal years ending on or after December 14, 2010 making them consistent with the clarified International Auditing Standards
- No changes to auditing standards in the current year.

KPMG's Audit Committee resources

General

- *Ten To-Do's for Audit Committee in 2012*, Audit Committee Institute (Feb 2012) <http://www.kpmg.com/Ca/en/Hidden/Documents/ACI-ten-to-dos-2012-English.pdf>
- *What is the role of audit committee*, Audit Committee Institute (Jan 2012) <http://www.kpmg.com/Ca/en/WhatWeDo/SpecialInterests/AuditCommittee/Pages/Publications-surveys-and-resources.aspx>
- Audit Committee Roundtables held each spring and fall, Audit Committee Institute <http://www.kpmg.com/Ca/en/WhatWeDo/SpecialInterests/AuditCommittee/Pages/Roundtables.aspx>
- *Accountability e-Lert* – periodic electronic newsletter. Subscribe at www.kpmg.ca/accountability
- Audit Committee Institute Web site – www.kpmg.ca/auditcommittee
- KPMG's Not for Profit Web site - <http://www.kpmg.com/Ca/en/WhatWeDo/Industries/PublicSector/Pages/Not-for-Profit.aspx>

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Memorandum



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TO: Chair and Members of the Audit Committee
FROM: Susan Burt, Director, Culture Division
DATE: April 30, 2012
SUBJECT: Culture Grant Policy

AUDIT COMMITTEE

MAY 07 2012

It is my understanding that at the March 5, 2012 meeting of the Audit Committee, a request was made for the Culture Division to attend the next meeting for the purpose of presenting a draft culture grant policy to the Committee.

Development of a culture grant policy is on the Division's 2012 work plan, but is currently schedule to begin later this year. Once the policy is drafted, it will be forwarded to General Committee for review and comment prior to being finalized, as is the City's standard practice.

Sincerely,

Susan Burt,
Director, Culture Division

- c. Janice Baker, City Manager
- Paul Mitcham, Commissioner, Community Services
- Sally Eng, Director, Internal Audit