



MINUTES

AUDIT COMMITTEE

THE CORPORATION OF THE CITY OF MISSISSAUGA

<http://www.mississauga.ca>

MONDAY, MARCH 8, 2010 – 9:00 A.M.

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

Members Present

Councillor Carolyn Parrish, Ward 6

Councillor Sue McFadden, Ward 10

Councillor George Carlson, Ward 11 (Chair)

Mayor Hazel McCallion (*ex-officio*)

Members Absent - Nil

Staff Present

Janice Baker, City Manager and Chief Administrative Officer

Brenda R. Breault, Commissioner of Corporate Services and Treasurer

Patti Spencer-Elliott, Director, Finance

Sally Eng, Director, Internal Audit

Craig Emick, IT Auditor, Internal Audit

Keith Kamino, Senior Auditor, Internal Audit

Mark Beauparlant, Manager, Financial Services, Finance Division

Mark Waugh, Manager, Finance Division

Shalini Alleluia, Legislative Coordinator, Office of the City Clerk

John Britto, Legislative Coordinator, Office of the City Clerk

Others Present

Kevin Travers, Associate Partner, KPMG

INDEX - AUDIT COMMITTEE – MARCH 8, 2010

CALL TO ORDER

APPOINTMENT OF THE CHAIR TO AUDIT COMMITTEE FOR 2010

DECLARATIONS OF (DIRECT OR INDIRECT) PECUNIARY INTEREST - Nil

MINUTES OF PREVIOUS MEETING

MATTERS CONSIDERED

1. Information Report Re : Audit Committee Terms of Reference, Internal Audit Charter and Internal Audit Process
2. Internal Audit Interim Work Plan for 2010
3. 2009 Investment Audit
4. Date of Next Meeting: May 10, 2010 @ 9:00 a.m., Committee Room “A”

ADJOURNMENT

CALL TO ORDER

The meeting was called to order at 9:00 a.m. and the Legislative Coordinator, Shalini Alleluia, requested nominations for the position of the Chair.

APPOINTMENT OF THE CHAIR TO AUDIT COMMITTEE FOR 2010

A verbal motion by Councillor Sue McFadden to nominate Councillor George Carlson as Chair for 2010 was received and Councillor Carlson accepted the nomination.

There being no other nominations for the position of Chair, Councillor George Carlson was voted in as Chair of the Audit Committee for 2010.

Recommendation AC-0001-2010 (Councillor Sue McFadden)
MG.24.Audit

DECLARATIONS OF (DIRECT OR INDIRECT) PECUNIARY INTEREST - Nil**MINUTES OF PREVIOUS MEETING**

Minutes of the Audit Committee Meeting held on November 23, 2009 were previously circulated to all members of Council and approval was sought from the 2009 Audit Committee Members.

Approved as presented
Recommendation AC-0002-2010 (Councillor Sue McFadden)
MG.24.Audit MG.24

MATTERS TO BE CONSIDERED

1. Information Report Re : Audit Committee Terms of Reference, Internal Audit Charter and Internal Audit Process

Corporate Report dated February 24, 2010 from the Director of Internal Audit, with respect to an Information Report re : Audit Committee Terms of Reference, Internal Audit Charter and Internal Audit Process

RECOMMENDATION:

That the report Information Report regarding Audit Committee Terms of Reference, Internal Audit Charter and Internal Audit Process, dated February 24, 2010 from the Director of Internal Audit be received for information.

Sally Eng, Director, Internal Audit, explained that the purpose of this Information Report is to explain to the new members of the Audit Committee, the scope, role and responsibilities of the Audit Committee and the City's Internal Audit Division. Also, she briefly explained the role of the Audit Committee in relation to the External Auditor. Ms. Eng advised that the Internal Audit Charter is as per by-law 0240-2004 which was attached to the Agenda. Further, Ms. Eng indicated that Internal Audit is in the process of reviewing the terms of reference of the Audit Committee and is considering recommending some changes, including the composition of the Committee and the annual rotation of its membership. The report is expected to come to a Council meeting in the Spring.

Mayor Hazel McCallion suggested that a review of how other Municipal Audit Committees operate should be included in this forthcoming report.

Further, Mayor McCallion asked if attention could be paid to a disconnect she has noted in communication between departments e.g. between the department that signs the agreement and the department that collects revenue. Mayor McCallion used the recent incident of the leases of some city facilities and the charging of utilities as a reference. In this regard, Sally Eng explained that when such a disconnect is identified in an audit, Internal Audit brings the matter to management's attention immediately. Janice Baker further confirmed that a process has now been put in place to define the roles as to who is responsible.

ReceivedRecommendation AC-0003-2010 (Councillor Carolyn Parrish)

CA.15/MG.24

2. Internal Audit Interim Work Plan for 2010

Corporate Report dated February 24, 2010 from the Director of Internal Audit, with respect to the Internal Audit Interim Work Plan for 2010

RECOMMENDATION:

That the report dated February 24, 2010 from the Director of Internal Audit, with respect to the Internal Audit Interim Work Plan for 2010, be received for information.

Sally Eng, Director, Internal Audit, explained that in the past, Internal Audit conducted a risk assessment across the corporation by meeting met with the Commissioners and based on a list of risk criteria, requested them to identify the high risk areas. The Audit Work Plan would then be developed and typically the plan comes to the first Audit Committee meeting of the year. Ms. Eng explained that a comprehensive Corporate Risk Assessment project was launched in the late 2009 and is currently underway. The goal of the project is to bring forward a multi year work plan as well as provide a better understanding of risks to management.

Sally Eng also explained the Interim Work Plan. She explained that as a result of special assignments in 2009, and increased time allotted for consulting activities, some projects have to be carried over to 2010. A few new projects are also included in the interim work plan.

Received

Recommendation AC-0004-2010 (Councillor Sue McFadden)

CA.11.Wor

3. 2009 Investment Audit

Corporate Report dated February 24, 2010 from the Director of Internal Audit, with respect to the 2009 Investment Audit.

RECOMMENDATION:

That the report dated February 24, 2010 from the Director of Internal Audit, with respect to the 2009 Investment Audit be received for information.

Keith Kamino, Senior Internal Auditor, advised that the 2009 Audit found that the objectives were met and there were no major concerns or recommendations. The 2008 Audit had identified the need for the procedural manual to be updated to reflect operational changes and this recommendation has now been implemented.

Mayor Hazel McCallion enquired about the City's Investment policies and was advised that very comprehensive investment policies were in place.

Received

Recommendation AC-0005-2010 (Mayor Hazel McCallion)

CA.15.

4. Date of Next Meeting: May 10, 2010 at 9:00 a.m., Committee Room "A"

ADJOURNMENT – 9:40 a.m.

REPORT 1– 2010

TO: THE MAYOR AND MEMBERS OF COUNCIL

The Audit Committee presents its first report of 2010 and recommends:

AC-0001-2010

That Councillor George Carlson be appointed as Chair of the Audit Committee for a term of office to November 30, 2010 or until a successor is appointed.

MG.24.Audit

AC-0002-2010

That the minutes of the Audit Committee meeting held on November 23, 2009, be approved as presented.

MG.24.Audit

AC-0003-2010

That the report Information Report regarding Audit Committee Terms of Reference, Internal Audit Charter and Internal Audit Process, dated February 24, 2010 from the Director, Internal Audit, be received for information.

CA.15/MG.24

AC-0004-2010

That the report dated February 24, 2010 from the Director, Internal Audit, with respect to the Internal Audit Interim Work Plan for 2010, be received for information.

CA.11.Wor

AC-0005-2010

That the report dated February 24, 2010 from the Director, Internal Audit, with respect to the 2009 Investment Audit be received for information.

CA.15.