

MINUTES



AUDIT COMMITTEE

THE CORPORATION OF THE CITY OF MISSISSAUGA

MONDAY, MAY 9, 2011 – 9:00 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
Councillor Ron Starr, Ward 6

Members Absent

Mayor Hazel McCallion (*ex officio*)

Staff Present

Janice Baker, City Manager and Chief Administrative Officer
Brenda R. Breault, Commissioner, Corporate Services and Treasurer
Patti Spencer-Elliott, Director, Finance Division
Sally Eng, Director, Internal Audit, City Manager's Office
Mark Beauparlant, Manager, Financial Services, Finance Division
Jessica Reid, Legislative Coordinator, Office of the City Clerk

Others Present

Kevin Travers, Partner, KPMG, external auditors

CALL TO ORDER – 9:03 a.m. (Pat Mullin)

DECLARATIONS OF (DIRECT OR INDIRECT) PECUNIARY INTEREST - Nil

MINUTES OF PREVIOUS MEETING

A. Draft Minutes of the March 7, 2011 Audit Committee meeting

AC-0005-2011

That the minutes of the Audit Committee meeting held on March 7, 2011 be approved as presented.

Approved (Jim Tovey)

APPROVAL OF THE AGENDA

MOTION: Moved by Ron Starr

That the Agenda be approved.

Carried

PRESENTATIONS/DEPUTATIONS - Nil

MATTERS CONSIDERED

1. 2010 Audited Financial Statements

Corporate Report dated April 26, 2011 from the Commissioner of Corporate Services and Treasurer

In response to inquiries from Committee members, Kevin Travers, Janice Baker and Brenda Breault explained Enersource Corporation notes on the Consolidated Statement of Operations, the decline in the net financial assets, surplus land, the decline of cash and investments, and the increase of expenditures relating to the Infrastructure Stimulus Fund programs.

Recommendation:

AC-0006-2011

That the 2010 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.

Received (Ron Starr)2. 2010 External Audit Findings and Recommendations

Corporate Report dated April 26, 2011 from the Commissioner of Corporate Services and Treasurer

In response to questions from members, Kevin Travers explained new reporting requirements on the Balance Sheet for tangible capital assets. Brenda Breault, Patti Elliot-Spencer and Mark Beauparlant explained land value, engineering fees, and Cash-in-lieu and Development Charges calculation processes.

Recommendation:

AC-0007-2011

That the 2010 External Audit Findings and Recommendations Report dated April 26, 2011 from the Commissioner of Corporate Services and Treasurer, which includes the Audit Findings Report from KPMG for the fiscal year 2010 for the City of Mississauga, be received for information.

Received for information (Chris Fonseca)3. Final Audit Reports:(i) Corporate Services Department - 2010 Investment Audit(ii) Tax Billing Audit(iii) Information Technology Software Licensing Audit

Corporate Report dated April 29, 2011 from the Director, Internal Audit

Sally Eng introduced the audit reports.

(i) Corporate Services Department - 2010 Investment Audit

Keith Kamino, Senior Internal Auditor, Internal Audit, provided an overview of this audit report.

(ii) Tax Billing Audit

Mary Ann Hipgrave, Senior Internal Auditor, advised that this report covered phase two of a three phase audit. She provided an overview of the Audit by highlighting the background, objectives and summary of the observations. Jeff Jackson responded to an inquiry regarding the property tax software access and security. Committee members requested that an education session on Information Technology be arranged for a future Audit Committee meeting.

It was noted that the next phase of this audit will cover vacancy rebates.

(iii) Information Technology Software Licensing Audit

Al Steinbach, Senior Internal Auditor, provided an overview of the Audit by highlighting the background, objectives and summary of the observations and recommendations. Committee members posed questions to staff regarding non-compliance, increased licensing costs and the possibility of consolidation.

Shawn Slack, Director, Information Technology, Janice Baker, and Brenda Breault explained the City's various software requirements. Committee requested the City's total annual licensing fees and Mr. Slack advised that annual licensing fees would be included in the budget book.

Recommendation

AC-0008-2011

That the report dated April 29, 2011 from the Director of Internal Audit with respect to the Final Audit Reports for the Corporate Services Department - 2010 Investment Audit; Tax Billing Audit; and Information Technology Software Licensing Audit be received for information.

Received for information (Ron Starr)

CLOSED SESSION - Nil

INQUIRIES

- (a) Chris Mackey, MIRANET representative, inquired if the Committee would entertain a Public Question Period as a standing item on its Agenda. Councillor Mullin advised that she would consult with Committee members and staff regarding this request.

Subsequently, Mr. Mackey posed questions to staff regarding the Enersource Dividend and the affect it may have on a potential tax increase. Janice Baker responded to the inquiry.

ADJOURNMENT – 10:21 a.m. (Jim Tovey)