

Approved: March 5, 2012

Minutes



AUDIT COMMITTEE

THE CORPORATION OF THE CITY OF MISSISSAUGA

MONDAY, NOVEMBER 21, 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
Brenda R. Beault, Commissioner, Corporate Services and Treasurer
Paul Mitcham, Commissioner, Community Services
Sally Eng, Director, Internal Audit, City Manager's Office
Craig Emick, Information Technology Auditor, City Manager's Office
Carmela Radice, Legislative Coordinator, Office of the City Clerk

Others Present

Kevin Travers, Partner, KPMG, external auditors

CALL TO ORDER - 9:05 a.m. (Pat Mullin)

DECLARATIONS OF (DIRECT OR INDIRECT) PECUNIARY INTEREST - Nil

MINUTES OF PREVIOUS MEETING

(a) Draft Minutes of the September 26, 2011 Audit Committee meeting.

AC-0012-2011

That the Audit Committee minutes of September 26, 2011 be approved as amended as follows:

To reflect that Al Steinbach, Senior Internal Auditor provided an overview of the Transportation & Works Department, Engineering & Works Division – Streetlighting Services Audit.

Approved (J. Tovey)

APPROVAL OF THE AGENDA

That the agenda be approved as presented.

Motion: Moved by: C. Fonseca
Carried

DEPUTATIONS - Nil

MATTERS TO BE CONSIDERED

(a) Report dated October 24, 2011, from the Commissioner of Corporate Services & Treasurer, re: **2011 Statutory Audit Letter of Engagement and 2011 Audit Planning Report.**

Brenda Beault , Commissioner of Corporate Services and Treasurers and Kevin Travers, Partner of KPMG, external auditor provided an overview of the 2011 Statutory Audit and Letter of Engagement and 2011 Audit Planning Report by highlighting the background, objectives and summary of the observations.

Chair Mullin and Councillor Tovey posed questions to Mr. Travers with respect to the 2011 Audit Planning Report.

In response to the questions posed by Chair Mullin and Councillor Tovey, Mr. Travers indicated that the consolidated financial statements presented fairly, as of December 31, 2011.

Recommendation

AC-0013-2011

1. That the report dated October 24, 2011 from the Commissioner of Corporate Services & Treasurer with respect to the 2011 Statutory Audit Letter of Engagement and the 2011 Audit Planning Report, be received for information.
2. That the Chair of the Audit Committee and City Manager sign and execute the 2011 Statutory Audit Letter of Engagement (Appendix 1) on behalf of the City.
3. That the Audit Committee approves the Audit Planning Report (Appendix 2) for the City's 2011 statutory audit.

Approved (R. Starr)

- (b) Report dated November 10, 2011, from the City Manager & Chief Administrative Officer, re: **Status of Audit Recommendations.**

Janice Baker, City Manager provided the report of the Status of Audit Recommendations by highlighting the background, objectives and summary of the observations and recommendations.

Councillors Fonseca and Starr asked questions on the work plan program of internal audits.

Sally Eng, Director of Internal Audit responded to the questions indicating that there is a three year work plan that is followed although if a recommendation requires a audit to be conducted or a manager requests an audit to be conducted sooner it will be added to the work plan.

Recommendation

AC-0014-2011

That the report dated November 10, 2011 from the City Manager & Chief Administrative Officer regarding the status of audit recommendations, be received for information.

Approved (J. Tovey)

- (c) Reported dated November 10, 2011, from the Director of Internal Audit, re: **Revenue and Cash Handling Audits.**

Sally Eng, Director, Internal Audit provided an overview of the Revenue and Cash Handling Audits by highlighting the background, objectives and summary of the observations and recommendations.

There was no discussion on this matter.

Recommendation

AC-0015-2011

That the report dated November 10, 2011 from the Director, Internal Audit, with respect to Revenue and Cash Handling Audits, be received for information.

Received for information (J. Tovey)

- (d) Report dated November 15, 2011, from the Director of Internal Audit, re: **Final Audit Reports:**

1. Community Services Department, Library Division – Acquisition of Library Material Audit.

Keith Kamino, Senior Internal Auditor, provided an overview of the Acquisition of Library Material Audit report.

Chair Mullin and Councillors Star and Fonseca expressed concern about the range of the discounts on the material that is being purchased and how do you account for books that have not been returned.

Debbie MacDonald, Manager of Shared Services and Betty Mansfield, Area Manager of Library Services responded to the questions indicating that the discounts are applied by the vendor. and a better computer system is being installed with a better tracking the materials.

Councillors Tovey and Starr expressed concerns on the practices that the library is using and how are materials accounted for that have not been returned.

Debbie MacDonald, Manager of Shared Services and Betty Mansfield, Area Manager of Library Services responded to the questions indicating that staff will be better trained on tracking books and a better computer system to track materials and also there is a collection agency that assist us retrieving materials back to the library.

Councillor Fonseca asked if the library has compared the discounts from vendors with other municipalities and how are donated books valued.

Debbie MacDonald, Manager of Shared Services it has been consistent within the publishing industry without municipalities and the public libraries

Chair Mullin asked why there was no competitive bidding and can you provide examples. Debbie MacDonald, Manager of Shared Services indicated that National Geographic and the National Film Board are examples of material that is sole purchasing.

Janice Baker, City Manager suggested that the restructuring of the bidding process can be looked at. Paul Mitcham, Commissioner of Community Services agreed with Ms. Baker's suggestion on looking at the restructuring of the bidding process.

2. Corporate Services Department, Revenue & Materiel Management Division – Property Tax Adjustment Audit.

Barbara Webster, Senior Internal Auditor, provided an overview of this audit report.

Councillor Tovey asked about the breakdown between the industrial and commercial taxes. Janice Baker, City Manager indicated the breakdown to be 68% residential and 32% commercial and industrial.

Councillor Starr asked about the vacant unit rebate program, the charity rebate program and the dismantling of the grow labs. Jeff Jackson, Director of Revenue and Material Management indicated there is a 30% reduction to the owner of the vacant unit rebate program. Mr. Jackson indicated that the charity rebate program is given to the charity not the owner of the rent property, as the charity needs to attest to being a registered charity. Mr. Jackson indicated that the police and fire department would conduct work on clearing out the grow lab in the house and would bill the owner and if the departments could not collect from the owner the bill would be attached to their property tax roll.

Councillor Tovey asked about the residential tax assistance program and if a house was demolished how would the City assess the property tax. Jeff Jackson, Director of Revenue and Material Management indicated that the amount from the residential tax assistance program is \$400.00 and residents who apply and meet the criteria would receive the assistance. Mr. Jackson indicated that MPAC deals with each property on a one on one basis. They would know the value of the land and house and would make their recommendation from that.

Councillor Fonseca asked about the tax appeals process. Jeff Jackson, Director of Revenue and Material Management indicated that all tax appeals are assessed through MPAC.

Recommendation

AC-0016-2011

That the report dated November 15, 2011 from the Director of Internal Audit with respect to final audit reports:

1. Community Services Department, Library Division – Acquisition of Library Material Audit and
2. Corporate Services Department, Revenue & Materiel Management Division – Property Tax Adjustment Audit, be received for information.

Received for information (C. Fonseca)

7. CLOSED SESSION - Nil
8. COMMITTEE MEMBERS' INQUIRIES – Nil
9. ADJOURNMENT 10:23 a.m. (R. Starr)