

# Minutes



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## AUDIT COMMITTEE

THE CORPORATION OF THE CITY OF MISSISSAUGA

**MONDAY, MARCH 5, 2012 – 9:04 AM**

**COUNCIL CHAMBER, 2<sup>ND</sup> 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 proceed 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 her 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)