

MINUTES



AUDIT COMMITTEE

THE CORPORATION OF THE CITY OF MISSISSAUGA

MONDAY, SEPTEMBER 27, 2010 – 9:00 AM

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

Members Present

Councillor Sue McFadden, Ward 10
Councillor George Carlson, Ward 11 (Chair)
Mayor Hazel McCallion, (*ex officio*)

Members Absent

Councillor Carolyn Parrish, Ward 6

Contact: Jessica Reid, Legislative Coordinator, Office of the City Clerk
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CALL TO ORDER – 9:04 a.m.

DECLARATIONS OF (DIRECT OR INDIRECT) PECUNIARY INTEREST - Nil

MINUTES OF PREVIOUS MEETING

MOTION moved by Hazel McCallion

That the minutes of the Audit Committee meeting held on May 10, 2010 be approved as presented.

Carried

MATTERS CONSIDERED

1. Final Audit Reports:
 - A. Planning and Building Department, Business Services Division – Building Permits Audit;
 - B. Corporate Services Department, Revenue & Materiel Management Division – Property Tax Master Data Audit; and
 - C. Privacy Audit -Legislative and Regulatory Requirements
-

Corporate Report dated September 15, 2010 from the Director of Internal Audit, reporting the results of the audits performed on three business operations.

- A. *Planning and Building Department, Business Services Division – Building Permits Audit*

Keith Kamino, Senior Internal Auditor, provided an overview of the audit. He advised that the administration role of building permit operations was transferred from the Building Division to the Business Services Division in 2009. Due to the effects of the recession and the shift in development within the City, fewer of the larger construction permits were processed, resulting in a significant drop in revenues over the last two years.

This audit of the application process was completed to ensure that the fees are being calculated properly and accurately. The key components of the fee calculation are the service index multiplied by area measurement. It was noted that the area measurement is supplied by the applicant and due to workload constraints, staff were not consistent in verifying the information supplied by the applicant. Audit staff recommend that for higher dollar permits, the measurements supplied by the applicant be confirmed by staff or that staff request confirmation from the applicant's architect. It was noted that the application forms are signed off by the Supervisor, however, the fee calculation was not consistently verified. Mr. Kamino confirmed that Management for the Business Services Division agreed to review the fee calculations. Mr. Kamino concluded that all of the objectives of the audit were met, Business Services Division staff were quite experienced, and sufficient controls are in place for cash handling.

Mayor McCallion posed questions to Mr. Kamino with respect to cash handling.

MOTION moved by Hazel McCallion

That the Planning and Building Department, Business Services Division – Building Permits Audit, be received for information.

Carried

B. Corporate Services Department, Revenue & Materiel Management Division – Property Tax Master Data Audit

Mary Ann Hipgrave, Senior Internal Auditor, explained that the purpose of this audit was to ensure that appropriate controls were in place for the data of the property tax computer systems. The key controls include: accepting the data from a valid source; inputting; changing; securing data within the system; that safeguards were in place to minimize errors; compliance with *Municipal Freedom of Information and Protection of Privacy Act* for the collection and release of data; and data restoration. Additionally, the audit reviewed whether processes were documented to ensure consistency and training of staff. The audit revealed that the information used for the calculation of property taxes was accepted from authorized sources; that tax rates are based on legislation; and that data processes were documented in detail. Ms. Hipgrave confirmed that tax data was stored in conjunction with all other City data. In relation to the property tax computer system and access capabilities, user profiles were created in 1998 and have not been comprehensively reviewed since. It was noted that some staff had the capability to review, enter or change data when their position no longer requires the capability. This was determined to be an issue with regard to MFIPPA compliance and for data control. The audit provides four recommendations regarding system profiles. Ms. Hipgrave advised that Property Tax Management agreed to review the access controls by the end of June 2011 and annually thereafter.

The audit also identified a lack of segregation of duties in the loading of assessment information from Municipal Property Assessment Corporation (MPAC). MPAC provides the information annually with supplementary information three to four times a year. The information was received on CD, uploaded, compared to existing data, then necessary changes were made. One individual was currently undertaking this task and it was suggested that a second individual be involved. In this regard, Property Tax Management agreed to ensure that an independent review process is implemented prior to loading of the data into the system beginning with the 2011 taxation year.

Ms. Hipgrave responded to an inquiry from Mayor McCallion.

MOTION moved by Hazel McCallion

That the Corporate Services Department, Revenue & Materiel Management Division – Property Tax Master Data Audit, be received for information.

Carried

C. *Privacy Audit -Legislative and Regulatory Requirements*

Craig Emick, Information Technology Auditor, provided an overview of this audit. The audit revealed that legislative and regulatory requirements were in place. The City must meet the requirements of *Municipal Freedom of Information and Protection of Privacy Act (MFIPPA)* and the *Personal Health Information Protection Act (PHIPA)* for the collection of personal and personal health information. Mr. Emick advised that the City collects this information as part of its business and then transfers it in some cases to computer systems.

Mr. Emick provided an overview of the approach section contained in the audit report. He confirmed that staff were aware of the requirements of handling and protecting personal information with due care. Information regarding the MFIPPA was available to staff by way of Corporate Policy and Procedure, Office of the City Clerk staff training, as well as the Office of the City Clerk's Freedom of Information page on the intranet. The Access and Privacy Officer, Legislative Services Division and Legal Services Division were knowledgeable, but were not always called upon by staff.

The audit recommends expanding staff knowledge across the corporation as well as succession planning. It identified the need for more efforts to provide direction and guidance to staff, particularly in the practical application of the legislative requirements and how these become incorporated into business practices. Compliance with Corporate Policy and the management of personal and/or confidential information should be proactively managed and monitored and a process should be implemented to enable business units to confirm compliance with legislative requirements. Proactive measures should be undertaken to reinforce to staff the importance of compliance perhaps through Confidentiality Agreements or annual sign-off on relevant Corporate Policies.

Mayor McCallion noted from the report that more resources were required and that an additional staff person be considered in 2011 budget. Brenda Breault advised that this additional staff member request was brought forward by the Office of the City Clerk in order to implement and review the recommendations of the audit. The audit also recommended that the City's Personal Information bank be reviewed annually, although legislation does not require this frequency.

MOTION moved by Sue McFadden

That the Privacy Audit – Legislative and Regulatory Requirements, be received for information.

Carried

2. 2010 Internal Audit Work Plan Status Report

Corporate Report dated September 10, 2010 from the Director of Internal Audit, reporting the status of the 2010 internal audit work plan.

Sally Eng, Director, Internal Audit, advised that six of the audits were completed, six were in various stages of progression and four were remaining for this year. Three of the remaining four projects would be started before the end of the year. Ms. Eng recommended deferral of the Marina audit to 2011, due to a lack of resources this year. Otherwise the 2010 work plan is being followed.

Mayor McCallion inquired as to an audit of the City's Community Centers. Sally Eng advised that an audit of the Hershey Centre has not been conducted, but that some of the other Community Centers have had audits of specific items, not full operations audits. Mayor McCallion opined that complete audits of the Hershey Centre were more important than the Marina audit and that the priority should be adjusted accordingly.

MOTION moved by Sue McFadden

That the report dated September 10, 2010 from the Director of Internal Audit with respect to the status of the 2010 Internal Audit Work Plan, be received for information.

Carried

CLOSED SESSION – Nil

ADJOURNMENT – 9:52 a.m.