



MINUTES

AUDIT COMMITTEE

THE CORPORATION OF THE CITY OF MISSISSAUGA

<http://www.mississauga.ca>

MONDAY, MARCH 9, 2009 – 9:00 A.M.

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

Members Present

Councillor Pat Mullin, Ward 2 (Chair)

Councillor Nando Iannicca, Ward 7

Mayor Hazel McCallion (*ex-officio*)

Members Absent

Councillor Carmen Corbasson (Ward 1)

Staff Present

Janice Baker, City Manager and Chief Administrative Officer

Brenda R. Breault, Commissioner of Corporate Services and Treasurer

Roberto Rossini, 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

Shalini Alleluia, Legislative Coordinator, Office of the City Clerk

Others Present

Kevin Travers, Associate Partner, KPMG

INDEX - AUDIT COMMITTEE – MARCH 9, 2009

CALL TO ORDER – 9:05 A.M.

APPOINTMENT OF THE CHAIR TO AUDIT COMMITTEE FOR 2009

DECLARATIONS OF (DIRECT OR INDIRECT) PECUNIARY INTEREST

Kevin Travers, Associate Partner, KPMG, declared conflict of interest with respect to Item 4 and left the room during discussion of the item.

PRESENTATIONS/DEPUTATIONS

MATTERS TO BE CONSIDERED

1. Minutes of the Audit Committee Meeting held on November 24, 2008
2. Final Audit Report : Corporate Services Department 2008 Investment Audit
3. Proposed 2009 Work Plan for Internal Audit
4. External Audit Contract Extension – KPMG LLP
5. Date of Next Meeting: May 11, 2009 @ 9:00 a.m., Committee Room “B”
6. Inquiries

ADJOURNMENT – 9:25 A.M.

AUDIT COMMITTEE – MARCH 9, 2009

CALL TO ORDER – 9:05 A.M.

The Legislative Coordinator, Shalini Alleluia, called the meeting to order and requested nominations for the position of the Chair.

APPOINTMENT OF THE CHAIR TO AUDIT COMMITTEE FOR 2009

A verbal motion by Mayor Hazel McCallion to nominate Councillor Pat Mullin as Chair was voted on and carried.

DECLARATIONS OF (DIRECT OR INDIRECT) PECUNIARY INTEREST

Kevin Travers, Associate Partner, KPMG, declared conflict of interest with respect to Item 4 - External Audit Contract Extension – KPMG LLP, and left the room during discussion of the item.

PRESENTATIONS/DEPUTATIONS - Nil

MATTERS TO BE CONSIDERED

1. Minutes of the Audit Committee Meeting held on November 24, 2008

Approved as presented

MG.24

2. Final Audit Report : Corporate Services Department 2008 Investment Audit

Corporate Report dated February 24, 2009 from the Director of Internal Audit, with respect to the Final Audit Report : Corporate Services Department 2008 Investment Audit

RECOMMENDATION:

That the report dated February 24, 2009 from the Director of Internal Audit, with respect to final audit report - Corporate Services Department 2008 Investment Audit be received for information.

Keith Kamino, Senior Auditor, Internal Audit, briefly explained the Final Audit Report, stating that the size of the portfolio is over \$1 billion, that investments are in compliance with legislation and proper controls are in place.

Mayor Hazel McCallion referred to Page 3 of the Internal Audit Report distributed with the Agenda with respect to additional controls that have been put in place since the departure of the Senior Financial Analyst. The additional controls were explained as provided in the report.

A verbal motion by Nando Iannicca to receive the above report was voted on and carried.

RECEIVED

CA.15

3. Proposed 2009 Work Plan for Internal Audit

Corporate Report dated February 24, 2009 from the Director of Internal Audit, with respect to the Proposed 2009 Work Plan for Internal Audit.

RECOMMENDATION:

That the report dated February 24, 2009 from the Director of Internal Audit, with respect to the 2009 Internal Audit work plan, be approved.

Sally Eng, Director, Internal Audit, explained that there are some 2008 projects which have not yet been completed and they are a priority. She also pointed out that there are projects which have been added during 2008, and that Internal Audit has also been called upon to provide consulting services which has taken up about 20% of their time. In summary, she stated that the projects are progressing as planned.

Ms. Eng also pointed out that there are some new projects for 2009 and have been included based on their risk assessment. These are listed in Appendix 2 of the Corporate Report. Also, they plan on doing Transportation and Works Contract audits to see if the controls that were previously put in place were still working as planned or needed adjustments. Ms. Eng advised Committee that she has seen progress in this area but sees the importance of revisiting this process.

Ms. Eng suggested to Committee to review the list of projects submitted with the Corporate Report and make recommendation if so desired.

Mayor Hazel McCallion enquired about if the Accounts Receivable Audit planned for 2009 will review the collection process in the event a company becomes bankrupt and the amount cannot be collected. Ms. Eng advised that the Audit will be reviewing the aging of accounts receivable for example 30, 60, 90 days and the associated collection process.

Also, Mayor McCallion enquired if a portion of the penalties collected by the City are given to the Region since the City collects taxes on behalf of the Region. Brenda Breault, Commissioner, responded that the Region is paid ahead their portion of the taxes so they do not receive the overdue penalties; however, in the event that the taxes cannot be collected, the Region of Peel is charged the interest and the penalty.

Councillor Pat Mullin enquired if staff found any issues of concern in their 2003 review of the Transportation and Works Division Capital Projects. Ms. Sally Eng that many recommendations were put in place in the late 1990s and were again reviewed in 2003 to ensure that they were working as intended. She explained that these contracts involve a large dollar amount and are complex in nature. Further, she noted that Internal Audit intends to pick a sample of projects.

A verbal motion by Nando Iannicca to approve the recommendation in the above report was voted on and carried.

APPROVED

CA.11.Wor

4. External Audit Contract Extension – KPMG LLP

Corporate Report dated February 27, 2009 from the Commissioner of Corporate Services and Treasurer with respect to an External Audit Contract Extension – KPMG LLP

RECOMMENDATION:

1. That the contract for supply of audit services with KPMG LLP be extended for a five year period covering the fiscal years 2009 through 2013.
2. That the City's current audit service agreement with KPMG LLP be amended to reflect the five year service extension which includes total fees of \$625,000 plus applicable taxes.

Kevin Travers, Associate Partner, KPMG, declared conflict with this item and left the meeting. Brenda Breault, Commissioner, explained that they are in the middle of a tangible capital asset program and KPMG has given them a satisfactory fixed price. Also, she explained the additional costs which will be incurred on an annual basis.

A verbal motion by Mayor Hazel McCallion to approve the staff recommendation was voted on and carried.

APPROVED

FA.49.KPM

5. Date of Next Meeting: May 11, 2009 at 9:00 a.m., Committee Room "B"

6. INQUIRIES

Councillor Nando Iannicca enquired if Peel Regional Police are called in to investigate misuse of City funds or if the investigation is conducted by staff. He was advised that the police are called in particularly when cash is misappropriated.

ADJOURNMENT – 9:25 A.M.