

MINUTES



AUDIT COMMITTEE

THE CORPORATION OF THE CITY OF MISSISSAUGA

MONDAY, MAY 7, 2012 – 9:01 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

Absent

Mayor Hazel McCallion, (*ex officio*)

Staff Present

Brenda R. Breault, Commissioner, Corporate Services and Treasurer
Paul Mitcham, Commissioner, Community Services
Sally Eng, Director, Internal Audit, City Manager's Office
Patricia Elliot-Spencer, Director of Finance
Mark Beauparlant, Manager of Financial Services
Kevin Travers, Partner, KPMG, external auditors
Crystal Greer, Director of Legislative Service and City Clerk
Carmela Radice, Legislative Coordinator, Office of the City Clerk

CALL TO ORDER-9:01 (Chair Mullin)

DECLARATIONS OF (DIRECT OR INDIRECT) PECUNIARY INTEREST - Nil

MINUTES OF PREVIOUS MEETING

- (a) Draft Minutes of the March 5, 2012 Audit Committee meeting.

Recommendation

AC-0004-2012

That the Audit Committee minutes of March 5, 2012 be approved as presented.

Approved (R. Starr)

APPROVAL OF THE AGENDA

That the agenda be approved as presented.

Motion: Moved by: J. Tovey

Carried

DEPUTATIONS -Nil

MATTERS TO BE CONSIDERED

1. Report dated April 23, 2012 from the Director of Internal Audit re: **Corporate Services Department, Information Technology Division, Information Security - Identity and Access Management Consulting Engagement.**

Sally Eng, Director of Internal Audit provided a brief summary of when this Audit was on the work plan.

Craig Emick, Information Technology Auditor provided an overview of the Information Security on Identity and Access Management Consulting Engagement and requested that the project be switched to a consulting engagement with periodic updates to the Audit Committee on the status progress. Councillor Starr asked if the Corporation is comparable to other municipalities in the information technology industry. Shawn Slack, Director of Information Technology responded by indicating that the City is leading or at par and in some areas in need of improvements within the industry.

Recommendation

AC-0005-2012

That the Information Security - Identity and Access Management Project, approved as an assurance assignment (i.e. audit) under the 2011 Internal Audit Work Plan on March 7, 2011, be switched to a consulting engagement with periodic updates to the Audit Committee on the status and progress of the engagement.

Approved (R. Starr)

2. Report dated April 23, 2012 from the Director of Internal Audit re: **2011 Investment Audit.**

Sally Eng, Director of Internal Audit provided an update on the 2011 Investment Audit.

Recommendation

AC-0006-2012

That the report dated April 23, 2012 from the Director of Internal Audit with respect to the 2011 Investment Audit be received for information.

Received (C. Fonseca)

3. Report dated April 25, 2012 from the City Manager and Chief Administrative Officer re: **Status of Outstanding Audit Recommendations.**

There was no discussion regarding this matter.

Recommendation

AC-0007-2012

That the report dated April 25, 2012 from the City Manager & Chief Administrative Officer regarding the status of outstanding audit recommendations be received for information.

Received (J. Tovey)

4. Report dated April 25, 2012 from the Commissioner of Corporate Services and Treasurer re: **2011 Audited Financial Statements.**

Brenda Breault, Commissioner of Corporate Services and Treasurer provided an overview of the 2011 Audited Financial Statements. Councillor Tovey posed a question on the tangible capital assets. Ms. Breault responded by indicating that the loss of tangible capital assets refers to one piece of property purchased in 2007 and was sold at the time for fair market value.

Chair Mullin posed questions on the regulatory risks and uncertainties affecting recovery or settlement in the consolidated financial statements and on the Environment Canada's new regulations on the PCBs. Kevin Travers, Partner, KPMG, External Auditor responded by indicating that the comment is required to be put in the financial statement for expected risks or uncertainties. The Ontario Energy Board (OEB) decides how and when the regulatory accounts are recovered and at what rate. As for the changes in the Legislation the PCB need to be remediated. Janice Baker, City Manager and CAO indicated that Enersource will be presenting their annual report to Council on May 23, 2012 and questions can be asked at that time as well. Councillor Starr inquired about the trust funds. Ms. Breault indicated that she will investigate and get back to the Committee with further clarification.

Recommendation

AC-0008-2012

That the 2011 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 (R. Starr)

5. Report dated April 26, 2012 from the Commissioner of Corporate Services and Treasurer re: **2011 External Audit Findings and Recommendations.**

Brenda Breault, Commissioner of Corporate Services and Treasurer provided an overview of the 2011 external audit findings and recommendations. Chair Mullin and Councillor Starr supported the report. Councillors Tovey and Fonseca posed questions on the grant policy and process and if the City of Mississauga uses the same standard requirements as other municipalities. Janice Baker, City Manager and CAO indicated that the grant applicants are required to submit auditor's statements. Ms. Breault indicated that the City of Mississauga uses a standard process.

Recommendation

AC-0009-2012

That the 2011 External Audit Findings and Recommendations Report dated April 26, 2012 from the Commissioner of Corporate Services and Treasurer, which includes the Audit Findings Report from KPMG for the fiscal year 2011 for the City of Mississauga, be received for information.

Received (C. Fonseca)

6. Memorandum dated April 30, 2012 from the Director of Culture Division re: **Culture Grant Policy.**

There was no discussion regarding this matter.

Recommendation

AC-0010-2012

That the memorandum dated April 30, 2012 from the Director of Culture Division re: Culture Grant Policy, be received for information.

Received (J.Tovey)

CLOSED SESSION

Audit Committee moved into Closed Session at 9:34 a.m. Audit Committee moved out of closed session at 10:50 a.m. The following recommendation was passed pursuant to the Closed Session:

- (i) The security of the property of the municipality or local board re: **Final Audit Report: Community Services Department, Recreation Division – Mississauga Spectator Arena Complex (Hershey Centre) Management Agreement Audit – Phase I**

Members of Audit Committee raised questions on the Mississauga Spectator Arena Complex (Hershey Centre) Management Agreement Audit – Phase I. Paul Mitcham, Commissioner of Community Services, Mary Ellen Bench, City Solicitor, Janice Baker, City Manager and CAO, Sally Eng, Director of Internal Audit and Al Steinbach, Internal Auditor provided answers indicating the policies and procedures that were breached and the actions taken.

Recommendation

AC-0011-2012

That the Final Audit Report: Community Services Department, Recreation Division – Mississauga Spectator Arena Complex (Hershey Centre) Management Agreement Audit – Phase I, be received.

INQUIRIES -Nil

ADJOURNMENT-10:52 am