



MINUTES

AUDIT COMMITTEE

HELD 2014 JANUARY 23 AT 9:30 AM

IN THE ENGINEERING TRADITIONS COMMITTEE ROOM

PRESENT: Councillor R. Pootmans, Chair
Councillor J. Magliocca, Vice-Chair
Councillor S. Keating
Councillor E. Woolley
Citizen Representative B. Day
Citizen Representative R. Ghosh
Citizen Representative R. Walters

ALSO PRESENT: Chief Financial Officer E. Sawyer
City Auditor K. Palmer
Executive Assistant P. Frank
External Auditor T. Nakka
Legislative Assistant C. Smillie

This meeting was conducted in accordance with the Procedure Bylaw 44M2006, as amended.

1. CONFIRMATION OF AGENDA

AMENDMENT, Moved by Mr. Walters, that the Agenda for today's meeting be amended by adding the following as Urgent Business, In Camera:

- CHIEF FINANCIAL OFFICER REPORT (VERBAL), VR2014-0017
- CITY AUDITOR COMPENSATION (VERBAL), VR2014-0018

CARRIED

CONFIRM AGENDA, AS AMENDED, Moved by Mr. Day, that the Agenda for the 2014 January 23 Regular Meeting of the Audit Committee be confirmed, **as amended**, as follows:

ADD URGENT BUSINESS, IN CAMERA

CHIEF FINANCIAL OFFICER REPORT (VERBAL), VR2014-0017

CITY AUDITOR COMPENSATION (VERBAL), VR2014-0018

CARRIED

2. CONFIRMATION OF MINUTES

2.1 MINUTES OF THE REGULAR MEETING OF THE AUDIT COMMITTEE,
2013 DECEMBER 12

CONFIRM MINUTES, Moved by Mr. Day, that the Minutes of the 2013 December 12 Regular Meeting of the Audit Committee be confirmed.

CARRIED

3. NEW BUSINESS

3.1 AUDIT COMMITTEE MONTHLY STATUS REPORT, AC2014-0111

APPROVE, Moved by Mr. Ghosh, that the Administration Recommendation contained in Report AC2014-0111 be approved, as follows:

That the Audit Committee receives this Report for information.

CARRIED

3.2 EXTERNAL AUDITOR 2012 MANAGEMENT LETTER UPDATE, AC2014-0123

APPROVE, Moved by Mr. Walters, that the Recommendations contained in Report AC2014-0123 be approved, as follows:

1. That Audit Committee receives this Report for Information; and
2. That Audit Committee recommends that Council receive this Report for Information.

CARRIED

3.3 EXTERNAL AUDITOR 2012 FEES REPORT, AC2014-0124

APPROVE, Moved by Councillor Keating, that the Recommendation contained in Report AC2014-0124 be approved, as follows:

That Audit Committee receives this Report for Information.

CARRIED

3.4 CITY AUDITOR'S OFFICE 4TH QUARTER 2013 REPORT, AC2014-0087

RECOGNITION

Katharine Palmer, City Auditor, recognized Liz Ormsby, Deputy City Auditor, who will begin a leave of absence next week. Ms. Palmer advised that Ms. Ormsby provided excellent guidance and support to the Audit team and she thanked her for her valuable contributions.

On behalf of the Audit Committee, Councillor Pootmans recognized the important role Ms. Ormsby played over the past year, particularly during the transitions of the new Executive Assistant, the External Auditor and the City Auditor.

APPROVE, Moved by Mr. Day, that the Recommendations contained in Report AC2014-0087 be approved, as follows:

1. That Audit Committee receive this report for information; and
2. That Audit Committee recommends that Council receive this report for information.

CARRIED

3.5 PAYROLL REVIEW AND APPROVAL PROCESS – PART 2, AC2014-0085

CLERICAL CORRECTIONS

The City Auditor noted clerical corrections to the Attachment contained in Report AC2014-0085, as follows:

- On Page i, under the Heading “Executive Summary”, third line, by deleting the amount “\$1,571,476”, and by substituting with the amount “\$1,571,476,000”; and
- On Page 2 of 6, under the Heading “2.0 Background”, third line, by deleting the amount “\$1,571,476”, and by substituting with the amount “\$1,571,476,000”.

And further, requests that the Attachment be corrected prior to being forwarded to Council.

APPROVE, Moved by Councillor Woolley, that the Recommendations contained in Report AC2014-0085 be approved, as follows:

That Audit Committee and Council receive this report for information, **after correction to the Attachment**, as follows:

- **On Page i, under the Heading “Executive Summary”, third line, by deleting the amount “\$1,571,476”, and by substituting with the amount “\$1,571,476,000”; and**
- **On Page 2 of 6, under the Heading “2.0 Background”, third line, by deleting the amount “\$1,571,476”, and by substituting with the amount “\$1,571,476,000”.**

And further, that the Attachment be corrected prior to being forwarded to Council.

CARRIED

3.6 FACILITY UTILIZATION AUDIT, AC2014-0086

APPROVE, Moved by Councillor Keating, that the Recommendations contained in Report AC2014-0086 be approved, as follows:

1. That Audit Committee receive this report for information; and
2. That Audit Committee recommends that Council receive this report for information.

CARRIED

4. IN CAMERA ITEMS

IN CAMERA, Moved by Councillor Woolley, that, in accordance with Section 197 of the *Municipal Government Act*, and Sections 24(1), 24(1)(a), 24(1)(b), 24(1)(c) and 27(1) of the *Freedom of Information and Protection of Privacy Act*, Committee now move In Camera at 10:30 a.m., in order to consider several confidential matters.

CARRIED

The Audit Committee moved into public session at 12:20 p.m., with Councillor Pootmans in the Chair.

RISE AND REPORT, Moved by Councillor Keating, that the Committee rise and report.

CARRIED

4.1 2013 CORPORATE RISK REPORT, AC2014-0060

APPROVE, Moved by Councillor Magliocca, that the Administration Recommendations contained in Report AC2014-0060 be approved, as follows:

That the Audit Committee:

1. Receives this report for information; and
2. That the attachment to this report remain confidential under Sections 24 (1)(a), 24 (1)(b) and 24 (1)(c) of the *Freedom of Information and Protection of Privacy Act*.

CARRIED

4.2 EXTERNAL AUDITOR - VERBAL REPORT, AC2014-0110

APPROVE, Moved by Mr. Ghosh, that with respect to Verbal Report AC2014-0110, the following be approved:

That the Audit Committee:

1. Receives the External Auditor – Verbal Report for information; and
2. Keeps the Verbal Report and In Camera discussions remain confidential under Sections 24 (1)(a), 24 (1)(b) and 24 (1)(c) of the *Freedom of Information and Protection of Privacy Act*.

CARRIED

4.3 CITY AUDITOR - VERBAL REPORT, AC2014-0130

APPROVE, Moved by Mr. Walters, that with respect to Verbal Report AC2014-0130, the following be approved:

That the Audit Committee:

1. Receives the City Auditor – Verbal Report for information; and
2. Keeps the Verbal Report and In Camera discussions remain confidential under Sections 24 (1)(a), 24 (1)(b) and 24 (1)(c) of the *Freedom of Information and Protection of Privacy Act*.

CARRIED

4.4 WHISTLE BLOWER - VERBAL REPORT, AC2014-0126

APPROVE, Moved by Councillor Woolley, that with respect to Verbal Report AC2013-0126, the following be approved:

That the Audit Committee:

1. Receive the Whistle Blower - Verbal Report for information; and
2. Keep the Verbal Report and In Camera discussions confidential under Sections 24(1) and 27(1) of the *Freedom of Information and Protection of Privacy Act*.

CARRIED

4.5 CHIEF FINANCIAL OFFICER REPORT (VERBAL), VR2014-0017

APPROVE, Moved by Councillor Woolley, that with respect to Verbal Report VR2014-0017, the following be approved:

That the Audit Committee:

1. Receive the Chief Financial Officer Report for information; and
2. Keep the Verbal Report and In Camera discussions confidential under Section 24(1)(a) of the *Freedom of Information and Protection of Privacy Act*.

CARRIED

4.6 CITY AUDITOR COMPENSATION (VERBAL), VR2014-0018

APPROVE, Moved by Councillor Woolley, that with respect to Verbal Report VR2014-0018, the following be approved:

That the Audit Committee:

1. Approves the Chair's Recommendation for compensation of the City Auditor, effective 2014 January 01, in the amount contained in the Confidential Addendum to the Minutes; and
2. Keep the Verbal Report, Confidential Addendum to the Minutes, and In Camera discussions confidential under Sections 17(1) and 24(1) of the *Freedom of Information and Protection of Privacy Act*.

Opposed: S. Keating

CARRIED

RECOGNITION

On behalf of the Audit Committee, Councillor Pootmans recognized the outstanding contribution Mr. Owen Tobert, City Manager, provided The City during his 32 years of service. He advised that Mr. Tobert's calm and cool demeanor was an incredible benefit to The City during recovery efforts during the flood.

5. ADJOURNMENT

ADJOURN, Moved by Councillor Magliocca, that this meeting adjourn at 12:24 p.m.

CARRIED

CONFIRMED BY COMMITTEE ON 2014 FEBRUARY 20.

CHAIR

LEGISLATIVE ASSISTANT

THE FOLLOWING ITEMS HAVE BEEN FORWARDED TO THE 2014 FEBRUARY 10
COMBINED MEETING OF COUNCIL:

CONSENT:

EXTERNAL AUDITOR 2012 MANAGEMENT LETTER UPDATE, AC2014-0123

CITY AUDITOR'S OFFICE 4TH QUARTER 2013 REPORT, AC2014-0087

PAYROLL REVIEW AND APPROVAL PROCESS – PART 2, AC2014-0085

FACILITY UTILIZATION AUDIT, AC2014-0086

The next Regular Meeting of the Audit Committee has been scheduled to be held on
2014 February 20 at 9:30 a.m.