

SV/
Windsor, Ontario January 13, 2011

A meeting of the **Audit Committee** is held this day commencing at 8:15 o'clock a.m. in Room 407, 400 City Hall Square East, there being present the following members:

Maxwell Zalev, Chair
Councillor Alan Halberstadt
Bill Carter
George Sandala

Also present are the following resource personnel:

Helga Reidel, Chief Administrative Officer
Onorio Colucci, Chief Financial Officer and City Treasurer
Angela Berry, Lead Auditor
Nick Thomas, KPMG
Joe Mancina, Deputy Treasurer, Financial Accounting
Dan Seguin, Manager of Financial Accounting
John Miceli, Manager of Facilities
Florence Lee-St. Amour, Auditor
Janice Guthrie, Deputy Treasurer- Taxation and Financial Projects
Melinda Munro, Manager, Office of Continuous Improvement
Trevor Bennet, Consultant, Risk Assessment & Management
Steve Cipkar, Consultant, Audit and Internal Controls, Office of Continuous Improvement
Susan Vadori, Committee Coordinator (A)

1. CALL TO ORDER

The Chair calls the meeting to order at 8:22 o'clock a.m. and the Committee considers the Agenda being Schedule "A" **attached** hereto, matters which are dealt with as follows:

2. ADOPTION OF THE MINUTES

Moved by G. Sandala, seconded by B. Carter,
That the minutes of the meeting of the Audit Committee held November 30, 2010 **BE ADOPTED**, as amended in Section 4.3 as follows, J. Mancina, Deputy Treasurer Financial Accounting provides an update regarding reporting of Tangible Capital Assets for Financial Reporting purposes and the City's TCA Policy; *and* It is generally agreed that moving forward all TCA Policy information will be shared in-exchanges with ABC's. Implementation of PSAB 3150 and its impact on the municipal budgetary process has not been determined. Currently the

changes resulting from the introduction of PSAB 3150 only impact the City's financial reporting in the financial statements and the budgeting methods for municipalities will remain in place for the near future.

Carried.

3. **DECLARATIONS OF CONFLICT**

None declared.

4. **PRESENTATION**

4.1 **Presentation from the Office of Continuous Improvement**

The Committee welcomes Melinda Munro, Manager of the Office of Continuous Improvement and staff members S. Cipkar and T. Bennet. M. Munro distributes the Office of Continuous Improvement Charter Approval report dated December 8, 2010, ***attached*** as Appendix "A" and provides the focus and an overview of the expertise required for the compliance with AGO and the background of the OCI Charter.

Some salient points of the discussion include:

- The office does not technically perform the function of an internal auditor although it will do audits from time to time. It does not provide "assurance" audits to the Audit Committee or any other external entity;
- It provides assistance to departments to build controls or processes and is not an independent department, it is CAO directed and is not under the purview of the Audit Committee;
- It will create an annual and multi-year plan through a One Pass self assessment exercise with all departments;
- This model of the Office of Continuous Improvement is unique by comparison to other cities in the province.
- The OCI is not the same as the Risk Management Department of the City. The latter group addresses insurance management whereas the OCI addresses a wide variety of risks that interfere with the Corporation meeting its strategic objectives.
- The OCI will be measured by the degree to which it enables departments to reduce risk and improve controls while meeting strategic objectives.

Moved by G. Sandala, seconded by B. Carter

That the verbal report as presented by Office of Continuous Improvement **BE ACCEPTED** as verbally presented.

Carried

The Audit Committee notes their thanks to M. Munro and T. Bennet and S. Cipkar for their attendance and presenting the information regarding the Office of Continuous Improvement.

5. BUSINESS ITEMS

5.1 Relocation of the AGO Office Move Update

J. Miceli provides a brief update regarding the present and temporary location of the AGO staff located at 68 Chatham Street East.

Previously, for comparison purposes, J. Miceli at the request of and with the AGO travelled to the Greater Toronto Area and undertook a comparison analysis with respect to the AGO needs for space, organization and allocating appropriate areas especially meeting rooms and other work spaces.

J. Miceli notes previous discussions regarding possible relocation or redevelopment and upgrades of the temporary site, being 68 Chatham Street East for the permanent home of AGO. J. Miceli reports that through his consultation and information gathering exercises a reasonable solution for the AGO would be to remain in its present location, at 68 Chatham Street East and all upgrades for redevelopment would commence.

The Committee generally agrees with the recommendation to allow the AGO to remain and improvements occur at the present site. A report to City Council should be presented regarding costs for final approval.

Moved by A. Halberstadt, seconded by B. Carter

That the verbal report of the Manager of Facilities, **BE RECEIVED** and that upgrades and redevelopment of the AGO temporary location at 68 Chatham Street East to transition into the AGO's permanent location be developed by enlarging the present space of the AGO and further, that the Audit Committee **RECOMMEND** that City Council move forward with this renovation.

Carried

5.2 2010 Year-end Timelines Report

J. Mancina reports to the Committee that information reports regarding the planned scheduled completion of the external audit target date is June 30, 2010. Upon its completion the Audit Committee will be provided a final report. The year-end date for auditing purposes for the City of Windsor is scheduled for February 11, 2011. J. Mancina notes that the dates provided are aggressive and delays can occur however at this point all target dates are on track.

Moved by B. Carter, seconded by G. Sandala

That the City of Windsor Audit Committee for information relative to the 2010 year-end planning process report **BE RECEIVED**.

Carried

5.3 2011 AGO Audit Budget Request

Angela Berry explains and highlights some items in the 2011 Budget request. The Committee generally discusses the attachments and options. The Committee acknowledges the City Council request for all departments to decrease their proposed 2011 budget by 10%. Through discussion and dissection of many line items, it is the goal of the AGO to attempt to conform to this budget request.

The Committee notes that this is the first full year that the AGO is a separate entity with a submission of its first departmental budget.

Moved by A. Halberstadt, seconded by B. Carter

That the Lead Auditor **BE ALLOWED** to submit Option “B” for the 2011 Audit purposes on behalf of the AGO, and that the Lead Auditor **BE ENCOURAGED** to continue to search for budget solutions to comply with the 10% budget reduction request of City Council.

Carried.

J. Mancina and D. Seguin leave the meeting at 9:55 o'clock a.m.

5.4 Draft 2011 AGO Audit Work Plan

Angela Berry provides an update regarding the collaboration team work plan developed with the Information Technology Department and AGO regarding the AMS – Audit Management Software/ Hardware Project. A. Berry notes the team is moving forward on the initiative.

General discussion regarding some of the broad items includes:

- ongoing items presently under review,
- the development of calculating hours associated with the hotline calls,
- including the need for a work plan and the Committee recommends support for prioritization in the work plan.

Moved by A. Halberstadt, seconded by G. Sandala

That the Draft 2011 AGO Audit Work Plan **BE RECEIVED** and further that prioritization Work Plan comments **BE INCLUDED** and further that City Council **BE REQUESTED** to provide their input regarding the Draft Audit Work Plan.

Carried

5.5 December 31, 2010 Hotline Summary

F. Lee-St. Amour updates and provides an overview to the Committee regarding the 2010 calls received into the hotline service.

General discussion with the Committee includes the process in closure of incidents and time regarding “hotline calls” and “number of days outstanding” when resolution information is required from other departments.

Moved by G. Sandala, seconded by B. Carter

That the December 31, 2010 Hotline Summary report with 2009 comparables **BE RECEIVED** for information.

Carried

6. IN CAMERA

Verbal Motion is presented by G. Sandala, seconded by B. Carter to move In Camera at 10:59 o'clock a.m. for discussion of the following items:

Item No.	Subject	Section-Pursuant to Municipal Act 2001, as amended
5.3	2011 AGO Audit Budget Request – Pages 9 and 10.	s. 239.2(e) litigation or potential litigation
6.1	Auditor General Recruitment Verbal Update	s. 239.2 (a) the security of the property of the municipality or local board; s.239.2 (b) personal matters about an identifiable individual, including municipal or local board employees;

Carried.

A private executive session is held with all staff except the Audit Committee members, the Chief Financial Officer City Treasurer, the Lead Auditor, Auditor, N. Thomas, KPMG, and the Committee Coordinator. The CAO excuses herself, having another meeting to attend at this time. All other staff are asked to leave the room.

H. Reidel leaves at 11:00 o'clock a.m. to attend another meeting.

Discussion on the item of business (Item 5.3)

A. Berry and F. Lee-St.Amour leave the meeting at 11:03 o'clock a.m.

Discussion on the item of business (Item 6.1).

Verbal Motion is presented by G. Sandala, seconded by B. Carter, to move back into public session at 11:18 o'clock a.m.

Motion Carried.

Moved by G. Sandala, seconded by B. Carter,

THAT the Clerk BE DIRECTED to transmit the recommendation(s) contained in the report(s) discussed at the In Camera Audit Committee meeting held January 13, 2011 directly to the Audit Committee for consideration at the next Regular Meetings.

5.3 Moved by G. Sandala, seconded by A. Halberstadt,

THAT the update of the Lead Auditor to the Committee relating to the Report BE RECEIVED.

Motion CARRIED

6.1 Moved by B. Carter, seconded by G. Sandala

THAT the verbal update provided by B. Carter regarding the "Recruitment for the Position of Auditor General" BE RECEIVED and further that this recommendation BE FORWARDED to Council, as amended.

Motion CARRIED

7. DATE OF NEXT MEETING

The next meeting will be held at the Call of the Chair

8. ADJOURNMENT

There being no further business, the meeting is adjourned at 11:22 o'clock a.m.

CHAIR

COMMITTEE COORDINATOR