



**Audit Committee
MINUTES**

**Held Wednesday, September 6, 2007
City Council Chambers
11:30 a.m.**

.....

PRESENT: Councillor A. Poirier, Chair
Councillor D. McCann, Member
Councillor W. Cuthbert, Member
William A. Marr, Member
Kathleen O'Flaherty, Member
Councillor L. Compton, Ex-Officio
Councillor R. McMillan
B. Preisntanz, CAO (left at 12:30 p.m.)
K. Brown, Finance & Administration Manager

REGRETS: N/A

A. PUBLIC INFORMATION NOTICES AS PER BY-LAW NUMBER 14-2003
N/A

B. DECLARATION OF PECUNIARY INTEREST
N/A

C. CONFIRMATION OF MINUTES

Moved by K O'Flaherty, Seconded by W Marr & Carried:-
THAT the Minutes from the last meeting held Thursday, July 24, 2006 be confirmed as written.

D. DEPUTATIONS
N/A

E. REPORTS

1. RFP for Audit Services

It was noted that the existing audit award is with Martin R. Nelson, Chartered Accountants, and includes services up to and including the 2007 year end audit. Some discussion ensued as to the timing of issuing the RFP for audit services. The Committee was provided with an overview of the impacts of PSAB 3150 implementation, and the importance of confirming who the City's auditor would be for the 2009 fiscal year now so that they are involved with the decisions being made under the PSAB 3150 implementation. There was some discussion on the potential of extending the existing contract with Martin R. Nelson's office. It was noted that the City had contacted Martin R. Nelson's office to determine if they would be willing to extend their contract for two years to cover the PSAB implementation period based on the terms of the last RFP, however they were not able to maintain the previous pricing due to the implementation of

the new SOX requirements. Committee concurred that it would be in the best interests of the City to move forward with the RFP for audit services commencing in 2008 at this time.

The draft RFP for Audit Services, including related correspondence, was distributed with some proposed amendments. The Committee reviewed the draft documents, and concurred with the changes as recommended. The following decisions were made by the Committee with respect to the RFP for audit services:

- The Committee would continue to include the Northwestern Health Unit and Kenora Hydro in the RFP process.
- The Committee would extend an invitation for the District of Kenora Home for the Aged to participate in this RFP process.
- Andrew Poirier will sign all correspondence as the Audit Committee Chair.
- Charlotte Edie will be listed as the contact person for questions related to the audit RFP process.
- Expressions of interest will be submitted directly to Charlotte Edie.
- The RFP responses will be submitted directly to Joanne McMillin, City Clerk.
- The timelines as set out in the draft correspondence were considered reasonable, although the date for the recommendation to Council was moved to January 2008 in order to accommodate an additional Audit Committee meeting to review the recommendations as made by the selection committee. The invitations are to be distributed on September 11, 2007 as per the proposed schedule.
- The Committee concurred that the invitation to participate in the RFP process would be distributed to all firms on the initial list, although the one invitation to a Thunder Bay accounting office will be redirected to the closer Winnipeg office. In addition, the Committee requested that the letter be placed on the City's portal for potential response by any qualifying firm within a 250 km radius of the City of Kenora that may have been missed on the RFP invitation list.

CEdie

There was some discussion on who should be included in the selection committee for the audit RFP process. Recommendations included potential participation from: one of the external Audit Committee Members, staffing resources from external organizations not involved in the RFP process, Council Members, representatives of those Boards included in the RFP process (Kenora Hydro, the Home, NWHU), and potential City staff resources as non-voting participants. No final decision was made on who would participate in the selection committee, although it was agreed that the Audit Committee will meet before the end of October 2007 to confirm the members of the Selection Committee. In the interim, the RFP request will be sent out with general information on where the Selection Committee membership will be taken from.

In an effort to ensure a fair and equitable review process, the Committee agreed that all names and firm information will be stripped out of the submitted RFP's prior to selection committee review.

2. 2006 Year End Financials Update

Committee was provided with an update of the status of the City's 2006 consolidated financial statements. It is expected that the City's auditors will receive the final file, KMTS proper, on 7 September 2007. It is projected that the auditors will take approximately four weeks to finalize the KMTS audits and provide the final opinion on the City's 2006 consolidated financial statements. The current target is for release of the 2006 annual report for mid-to-late-October, with the next audit committee meeting being called for late-October to review this report. It was noted that the City's Financial Information Return (FIR) was filed on time, with only the Museum and Government Business Entity information missing.

ITEMS ON HOLD:

N/A

OTHER BUSINESS

N/A

NEXT MEETING

- To be determined – target date of late-October 2007

The meeting adjourned at 12:50 p.m.