



Audit Committee Meeting Minutes

January 20, 2010
11:30 a.m.
City Council Chambers

ACTION

PRESENT: Kathleen O'Flaherty, Vice-Chair
Councillor W. Cuthbert
Councillor J. Parson
Cindy Gasparini, Member (arrived 12:00 p.m.)
Mayor L. Compton, Ex-Officio
Councillor R. McMillan
B. Preisenzanz, CAO
C. Edie, Deputy Treasurer
K. Brown, Finance & Administration Manager

REGRETS: Councillor D. McCann, Chair

A. Public Information Notices as per By-law Number 144-2007
N/A

B. Declaration of Pecuniary Interest & the General Nature Thereof
1) On Today's Agenda
2) From a Meeting at which a Member was not in Attendance
There were none declared.

C. Confirmation of Budget Minutes
Moved by Mayor L. Compton, Seconded by Councillor W. Cuthbert &
Carried:-

THAT the Minutes from the last meeting held Monday, July 6, 2009 be confirmed as written.

Councillor J. Parson abstained from the vote.

D. Budget Committee Deputations:-
N/A

E. Reports: -

1. Planning for the 2009 City Audit – BDO Canada, LLP

C. Cordeiro and J. Pyzer Whetter from BDO Canada, LLP attended the meeting to review the audit plan for the City's 2009 audit plan. C. Cordeiro provided the City with a letter related to the 2009 audit, and reviewed the letter in detail with the Committee. A copy of the letter is attached to and forms part of these minutes. A lengthy discussion regarding the value of

the implementation of PSAB 3150 to the City took place, as well as general discussion related to the balance of items included in the letter. J. Pyzer Whether provided Committee with an overview of the interim audit work done to date. It was noted that BDO Canada, LLP was very pleased with the work done to date on the tangible capital assets.

2. Kenora Citizens' Prosperity Trust Fund Follow Up

K. Brown advised that Nigel Bellchamber had been contacted as a follow up on this matter. Mr. Bellchamber confirmed that his recommendation to set up the funds as a separated trust was primarily to provide future political direction on protecting the proceeds from the disposition, including excluded assets. He further indicated that he had not investigated the specifics as to how the trust could be reflected on the financial statements that would be acceptable to both the auditors and the solicitors. There was a brief discussion over the types of trusts discussed with Mr. Bellchamber.

3. 2008 BDO Management Letter

Committee reviewed in detail a report from K. Brown regarding the 2008 management letter received from BDO Dunwoody with regards to matters noted during the 2008 yearend audit.

Recommendation

That the Audit Committee hereby directs the Recreation Manager, in conjunction with the Human Resources Manager and Deputy Treasurer to review the current staffing and allocation of duties at the Kenora Recreation Centre to determine if a better segregation of duties can be obtained with regards to the financial functions performed; and

That staff be directed to implement these changes provided there is no incremental costs to the City for doing so.

Recommendation approved

KBrown

4. Assistant Accountant Position

K. Brown updated the committee on the recent vacancy in the Finance Department. The hydro / water / sewer billing function was transferred to Kenora Hydro in late 2009. Partly as a result of this transfer, and partly due to increased finance / regulatory related workload, Kenora Hydro recently recruited two new positions – an assistant accountant and a billing clerk. The successful applicant for the assistant accountant position was one of the City's assistant accountants, who performed hydro related workload as part of her duties at the City. With this hiring, Hydro notified the City that they intended to take back all hydro related workload previously performed in that position. As a result, the City determined that there was not sufficient workload remaining to justify a full time position. The City is currently looking to transfer workload to remaining positions at City Hall. One large item remaining is the general bank reconciliation. The

City must ensure that adequate internal controls are in place before this workload is transferred. In the interim, the City has contracted with Kenora Hydro to perform the bank reconciliation until this matter can be resolved. City administration has been in discussion with both the City's auditors (BDO Canada) as well as the affected union (C.U.P.E.) on this issue. An update will be provided once final resolution has been reached.

Other Business:

N/A

Items on Hold:

N/A

Next Meeting:

To be determined.

The meeting closed at 12:45 p.m.