



## **Audit Committee Meeting Minutes**

**Held Thursday, October 28, 2010  
Operations Board Room  
11:35 a.m.**

**ACTION**

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**PRESENT:** Councillor D. McCann, Chair  
Kathleen O'Flaherty, Vice-Chair  
Cindy Gasparini, Member  
Mayor L. Compton, Ex-Officio  
Councillor R. McMillan  
P. Derouard, Budget / Auditor General  
C. Edie, Treasurer  
K. Brown, CAO

**REGRETS:** Councillor W. Cuthbert, Member  
Councillor J. Parson, Member  
Councillor C. Drinkwater  
Councillor C. Van Walleghem

**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 K. O'Flaherty, Seconded by C. Gasparini & Carried:-**  
THAT the Minutes from the last meeting held Wednesday, January 20, 2010  
be confirmed as written.  
Councillor D. McCann abstained from the vote.

**D. Budget Committee Deputations:-  
N/A**

**E. Reports: -**

**1. 2009 City Annual Report and Audited Financial Statements**  
C. Cordeiro and J. Pyzer Whetter from BDO Canada attended the meeting to present the City's 2009 annual audited statements and attached notes. C. Cordeiro discussed the significant change to the City's financial

statements from previous years, with the new requirement to record Tangible Capital Assets and related amortization, with capital works no longer being expensed as performed. A detailed discussion ensued related to the difference between the budget process and the new PSAB requirements. In particular, there is a significant difference showing between the 2009 budgeted and actual expenses on the Consolidated Statement of Operations, with a significant portion of this difference related to the unbudgeted amortization for 2009. It was noted that this will not occur in 2010 as the City will be required to do a budget amendment to reflect anticipated 2010 amortization. Committee requested that the new Council be briefed on this matter. C. Cordeiro reviewed balance of the statements, providing Committee with the related highlights, including a high level review of the capital works performed in 2009 and responded to committee questions as appropriate. C. Cordeiro noted the City received a clean audit report and that we are financially solid.

**PDerouard  
CEdie**

Committee further requested that a press release be prepared for the approval of the 2009 annual report and audited financial statements, including the impacts of the tangible capital asset implementation.

**PDerouard**

**RECOMMENDATION:**

THAT the 2009 City of Kenora Annual Report, together with the 2009 Audited Financial Statements be forwarded to Council for approval.

**Recommendation approved.**

**2. 2009 Audit Committee and Management Letters**

C. Cordeiro reviewed the management letter, and J. Pyzer Whetter reviewed the audit committee letter for 2009. Some discussion was held with respect to the recommendations contained within the management letter. P. Derouard was requested to prepare a follow up report to the Audit Committee on the recommendations.

**PDerouard**

C. Cordeiro noted that they are currently planning the 2010 audit, and that they would like to meet with the Audit Committee in the near future. P. Derouard is to plan a follow up meeting for January 2011 for that meeting.

**C. Cordeiro and J. Pyzer Whetter left the meeting at 12:26 p.m.**

**3. Appointment of Audit Committee Members**

It was noted that the external Audit Committee members are required to re-apply to Council for appointment as a result of the new term of Council. Both K. O'Flaherty and C. Gasparini were recognized and thanked for their service, and both were encouraged to apply for re-appointment. The Audit Committee further recommended that the appointments of the external members continue to be staggered from the regular term of Council.

#### **4. Role of the Auditor General**

It was recognized that the Auditor General position was new, and provides new opportunities for the City Audit Committee. An extended discussion ensued on this new role with the City, and the independence of that position. It was agreed that the Auditor General would be a strong, independent role and that some research should be done to see what other municipalities do with a request for a policy to be drafted and brought back to the next Audit Committee meeting.

**PDerouard**

In closing, D. McCann thanked the Audit Committee members for the opportunity of working with them over the past four years. L. Compton noted that this was also his last meeting, and that he also enjoyed participation on this Committee. C. Gasparini and K. O'Flaherty also thanked the Committee members for the opportunity of working over the past years.

#### **Other Business:**

**N/A**

#### **Items on Hold:**

**N/A**

#### **Next Meeting:**

To be determined.

**The meeting closed at 12:48 p.m.**

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