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## Audit Committee

**Date:** December 4, 2023  
**Time:** 9:30 AM  
**Location:** Council Chambers, Civic Centre, 2nd Floor  
300 City Centre Drive, Mississauga, Ontario, L5B 3C1  
and Online Video Conference

**Members Present**

Mayor Bonnie Crombie (Absent)	
Councillor John Kovac	Ward 4
Councillor Chris Fonseca	Ward 3 (Vice-chair)
Councillor Alvin Tedjo	Ward 2
Councillor Joe Horneck	Ward 6 (Chair)

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### Staff Present

Shari Lichterman, City Manager and Chief Administrative Officer  
Raj Sheth, Commissioner, Corporate Services  
Marisa Chiu, Director, Finance  
Amy Truong, Director, Internal Audit  
Wesley Anderson, Manager Business Planning & Financial Services  
Allyson D'Ovidio, Legislative Coordinator

### Others Present

Maria Khoushnood, Partner, KPMG Enterprise  
Bailey Church, KPMG Enterprise

**1. CALL TO ORDER**

Councillor J. Horneck, Chair, called the meeting to order at 9:30 AM.

**2. INDIGENOUS LAND STATEMENT**

Councillor J. Horneck, Chair recited the Indigenous Land Statement.

**3. APPROVAL OF AGENDA**

Approved (Councillor J. Kovac)

**4. DECLARATION OF CONFLICT OF INTEREST**

Nil.

**5. MINUTES OF PREVIOUS MEETING****5.1 Audit Committee DRAFT Minutes - September 11, 2023**

Approved (Councillor C. Fonseca)

**6. DEPUTATIONS****6.1 Item 9.1 - Bailey Church, Partner. Accounting Advisory Services, KPMG LLP**

This matter was heard after item 6.2.

B. Church spoke to the Sustainability Accounting and Reporting Update.

In response to Councillor C. Fonseca, B. Church spoke to natural asset reporting and the baseline for inventory. Councillor C. Fonseca spoke to discussing inventory offline with staff.

Councillor J. Kovac enquired about what formula was used to determine the valuation of the City's ecosystem. In response to Councillor J. Kovac, Wesley Anderson, Manager Business Planning and Financial Services spoke to the natural capital benefit model used by the city and how the calculations are determined to quantify the benefits as a dollar value.

In response to Councillor C. Fonseca, W. Anderson confirmed the reporting process will be mandatory for the private sector by the end of 2024 and the expectation that it will likely be mandatory for the public sector in the next 5 years. Further W. Anderson spoke to the work being done now to prepare. B. Church spoke to the international classification of natural assets.

Councillor J. Horneck and Councillor A. Tedjo spoke to referring the "Sustainability Accounting and Reporting Update" to the Environmental Action Committee for their review.

RECOMMENDATION AC-0015-2023

Moved By Councillor A. Tedjo

That the deputation and associated presentation by Bailey Church, Partner, Accounting Advisory Services, KPMG Enterprise regarding the report entitled “Sustainability Accounting and Reporting Update” dated November 15, 2023, from the City Manager and Chief Administrative Officer be received.

Received

6.2 Item 9.2 - Maria Khoushnood, Parnter, KPMG LLP

This matter was heard before item 6.1. M. Khoushnood spoke to the 2023 External Audit Plan. In response to Councillor J. Horneck, M. Khoushnood spoke to new accounting standards and noted the new changes do not require going back to previous years.

RECOMMENDATION AC-0016-2023

Moved By Councillor C. Fonseca

That the deputation and associated presentation by Maria Khoushnood, Partner, KPMG Enterprise regarding the report entitled “2023 External Audit Plan” dated November 15, 2023 from the City Manager and Chief Administrative Officer be received.

Received

7. **PUBLIC QUESTION PERIOD - 15 Minute Limit - Nil**

8. **CONSENT AGENDA - Nil**

9. **MATTERS CONSIDERED**

9.1 Sustainability Accounting and Reporting Update

No discussion took place.

RECOMMENDATION AC-0017-2023

Moved By Councillor C. Fonseca

That the report entitled “Sustainability Accounting and Reporting Update” dated November 15, 2023, from the City Manager and Chief Administrative Officer be received for information.

YES (4): Councillor J. Kovac, Councillor C. Fonseca, Councillor A. Tedjo, and Councillor J. Horneck

Carried (4 to 0)

9.2 2023 External Audit Plan

No discussion took place.

RECOMMENDATION AC-0018-2023

Moved By Councillor C. Fonseca

That the report dated November 15, 2023 from the City Manager and Chief Administrative Officer titled "2023 External Audit Plan" be received for information.

YES (4): Councillor J. Kovac, Councillor C. Fonseca, Councillor A. Tedjo, and Councillor J. Horneck

Carried (4 to 0)

9.3 Final Audit Reports:

1. City Manager's Department, Fire & Emergency Services Division, Professional Development & Accreditation Section – MFES Training and Accreditation Audit
2. City Manager's Department, Finance Division, Revenue & Taxation Section – Property Taxes Billing Audit
3. Corporate Services Department, Corporate Business Services Division, Realty Services Section – Realty Services Audit

**\*Audit Presentations Added Post Meeting**

Vandana Waghela, Senior Internal Auditor presented the City Manager's Department, Fire & Emergency Services Division, Professional Development & Accreditation Section – MFES Training and Accreditation Audit. V. Waghela noted that a total of four (4) recommendations resulted from this audit. Three (3) relate to safeguarding of assets and information, and one (1) improves the efficiency and effectiveness of the process. Management has completed one recommendation, and agreed to complete one (1) by December 2024, and the remaining two (2) by June 2025. In response to Councillor A. Tedjo, Deputy Chief Rob Grimwood spoke to the benefits of the in-house training and development option. Further Deputy Chief R. Grimwood confirmed this process is akin to other departments throughout the City.

Airene Cucanan, Senior Internal Auditor, presented the City Manager's Department, Finance Division, Revenue & Taxation Section – Property Taxes Billing Audit. A. Cucanan noted that this audit resulted in 14 recommendations; five (5) relate to safeguarding of assets and information, five (5) deal with operational and financial reporting, two (2) pertain to compliance with and clarification of corporate requirements, and two (2) enhance the efficiency/effectiveness of the process. Management has agreed and committed to completing two (2) recommendations by December of this year, eleven (11) during the first half of 2024 and the remaining one (1) by September of 2024.

In response to Councillor A. Tedjo, Marisa Chiu, Director, Finance spoke to an error

made regarding the Business Improvement Area levy and noted the controls that have since been implemented. In response to Councillor J. Horneck, Cathy McDonald, Supervisor, Tax Billing and Accounting spoke to the improvements for the 3 identified rates and the use of a peer review system rather than an in-system approval. In response to Councillor J. Horneck, Shari Lichterman, City Manager and CAO spoke to automating processes and spoke to the rationale behind not automating spreadsheets. In response to Councillor C. Fonseca, S. Lichterman, spoke to providing a slide deck of citywide automation priorities to the Audit Committee at a future meeting once updated for the Leadership Team for 2024.

In response to Councillor J. Kovac, C. McDonald spoke to the decrease of calls regarding seniors rebates and noted the TXM program applies the credit to the tax accounts directly.

In response to Councillor J. Horneck, S. Lichterman spoke about access terminations when there are staff changes and noted this has been flagged for review.

Samer El Barakeh, Senior Internal Auditor presented the Corporate Services Department, Corporate Business Services Division, Realty Services Section – Realty Services Audit and noted the audit resulted in 14 recommendations. Four (4) enhance the compliance with and clarification of corporate requirements, four (4) improve the safeguarding of assets and information, four (4) promote efficiency/effectiveness of the process, and two (2) deal with operational control and financial reporting. Management has agreed and committed to completing one (1) recommendation by the end of this year, and the remaining thirteen (13) in March and June of 2024.

In response to Councillor A. Tedjo, Raj Sheth, Commissioner, Corporate Services noted the City is looking into bringing in a Project Management Software with the goal of implementation in the spring of 2024. In response to Councillor A. Tedjo, S. Lichterman, spoke to the process for acquiring assets through amalgamations and dissolution.

#### RECOMMENDATION AC-0019-2023

Moved By Councillor J. Kovac

That the report dated November 17, 2023 from the Director, Internal Audit with respect to final audit reports:

1. City Manager's Department, Fire & Emergency Services Division, Professional Development & Accreditation Section – MFES Training and Accreditation Audit;
2. City Manager's Department, Finance Division, Revenue & Taxation Section – Property Taxes Billing Audit; and,
3. Corporate Services Department, Corporate Business Services Division, Realty Services Section – Realty Services Audit be received for information.

YES (4): Councillor J. Kovac, Councillor C. Fonseca, Councillor A. Tedjo, and Councillor J. Horneck

Carried (4 to 0)

9.4 Outstanding Audit Recommendations as of September 30, 2023

No discussion took place on this matter.

RECOMMENDATION AC-0020-2023

Moved By Councillor A. Tedjo

That the Corporate Report dated November 15, 2023 from the City Manager & Chief Administrative Officer regarding the Status of Outstanding Audit Recommendations as of September 30, 2023 be received for information.

YES (4): Councillor J. Kovac, Councillor C. Fonseca, Councillor A. Tedjo, and Councillor J. Horneck

Carried (4 to 0)

10. **ENQUIRIES**

Councillor A. Tedjo enquired about whether there is a work plan for the Regional services that are being absorbed. Amy Truong, Director, Internal Audit spoke to the request, noting the work plan is currently being worked on to address possible impacts.

11. **CLOSED SESSION - Nil**

12. **ADJOURNMENT**

10:53 AM (Councillor J. Kovac)