

2ND REPORT OF THE

AUDIT COMMITTEE

Meeting held on February 13, 2014, commencing at 4:03 PM, in Committee Room #5, Second Floor, London City Hall.

PRESENT: Councillor M. Brown (Chair), Councillor P. Hubert, and W. DeShane and C. Saunders (Secretary).

ABSENT: Councillors N. Branscombe and J.B. Swan

ALSO PRESENT: L. Da Silva, K. denBok (KPMG), L. Ducharme, S. Gilfillan (PwC), M. Hayward, I. Jeffries (KPMG), K. Paleczny, C. Shah (PwC), S. Swance, M. Turner and B. Whitelaw.

I. CALL TO ORDER

1. Disclosures of Pecuniary Interest

Recommendation: That it BE NOTED that no pecuniary interests were disclosed.

II. CONSENT ITEMS

None.

III. SCHEDULED ITEMS

None.

IV. ITEMS FOR DIRECTION

2. Quarterly Report on Internal Audit Results - Corporate Services - IT: Project Management and System Prioritization

Recommendation: That, on the recommendation of PricewaterhouseCoopers (PwC), the following actions be taken with respect to the Quarterly Reports on Internal Audit Results – Corporate Services - IT: Project Management and System Prioritization:

- a) the Action Plans identified in Appendix A of the PricewaterhouseCoopers' (PwC) report dated February 13, 2014 BE IMPLEMENTED;
- b) the Quarterly Results on Internal Audit Results identified in Appendix B of the PricewaterhouseCoopers' (PwC) report dated February 13, 2014, BE RECEIVED; and,
- c) PricewaterhouseCoopers (PwC) BE REQUESTED to submit, to the next meeting of the Audit Committee, a chart providing details on the implementation, execution and delays with respect to Projects Action Plans, with an explanation for the cause for the delays in the completion of these Projects.

3. Audit Planning Report - Year Ending December 31, 2013

Recommendation: That the KPMG LLP Audit Planning Report, for the year ending December 31, 2013, BE APPROVED; it being noted that, as required, the Members of the Audit Committee noted no instances of, actual, suspected or alleged fraud or non-compliance with laws and regulations, including misconduct or unethical behaviour related to financial reporting or misappropriation of assets.

4. PwC Operational Review – London Transit

Recommendation: That the following actions be taken regarding the PricewaterhouseCoopers (PwC) review of payroll and time-off provisions of the London Transit Commission:

- a) the letter dated December 6, 2013, from L. E. Ducharme, General Manager, London Transit, BE RECEIVED;
- b) the report from PricewaterhouseCoopers (PwC), dated December 5, 2013 with respect to review of the London Transit Commission – payroll and time-off provisions, BE RECEIVED;
- c) the Chair of the Audit Committee BE REQUESTED to send a letter of thanks to London Transit Commission for their participation in the above-noted operational review; and,
- d) the London Transit Commission BE INVITED to participate in additional reviews by PricewaterhouseCoopers (PwC), after implementation of new initiatives designed to increase revenues and any other operational areas that may be deemed to be beneficial.

5. London Convention Centre Audit Report - Revenue and Growth Opportunities

Recommendation: That the following actions be taken regarding the PricewaterhouseCoopers (PwC) review of revenue and growth opportunities of the London Convention Centre:

- a) the communication dated January 28, 2014, from the Board of Directors, London Convention Centre, and the appended report from PricewaterhouseCoopers (PwC) with respect to an audit of the London Convention Centre BE RECEIVED; and
- b) the Chair of the Audit Committee BE REQUESTED to send a letter of thanks to the London Convention Centre for their participation in the above-noted review.

V. DEFERRED MATTERS/ADDITIONAL BUSINESS

6. Shared Service Opportunities

Recommendation: That the Civic Administration BE REQUESTED to submit to a future meeting of the Audit Committee a chart providing information regarding areas where shared services with internal and external partners has occurred and areas where new shared services could be considered to maximize and leverage resources.

VI. ADJOURNMENT

The meeting adjourned at 5:46 PM.