

3RD REPORT OF THE

AUDIT COMMITTEE

Meeting held on June 25, 2014, commencing at 3:30 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: A. Zuidema, J.P. Barber, J. Braam, M. Daly, K. denBok (KPMG), S. Gilfillan (PwC), S. Giustizia, M. Hawyard, I. Jefferies (KPMG), V. McAlea Major, T. McCoomb, K. Paleczny, C. Shah (PwC), J. Stanford, S. Swance and M. Turner.

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

2. 2013 Financial Audit

Recommendation: That the following actions be taken with respect to the 2013 Financial Audit and Audit Findings Report 2013, as prepared by KPMG:

- a) the 2013 Financial Report of The Corporation of the City of London BE RECEIVED; and
- b) the Audit Findings Report for the year ending December 31, 2013 BE RECEIVED;

it being noted that the Audit Committee received the attached presentation from the Deputy City Treasurer and a verbal presentation from KPMG with respect to these matters.

IV. ITEMS FOR DIRECTION

3. Engagement of PwC for Election Audit

Recommendation: That, on the recommendation of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer, PwC LLP BE ENGAGED to complete an audit of the 2014 Election process at a cost of \$7,000 plus expenses and HST.

4. RFP 10-24 - Internal Audit Services

Recommendation: That, on the recommendation of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer, the following actions be taken with respect to RFP10-24 - Internal Audit Services:

- a) approval hereby BE GIVEN to enter into negotiations with PricewaterhouseCoopers (PwC) LLP, 465 Richmond Street, Suite 300, London, Ontario N6A 5P4 to extend the current contract for a one (1) year period for Internal Audit Services;
- b) the Civic Administration BE AUTHORIZED to undertake all administrative acts that are necessary in connection with this contract;

- c) approval hereby given BE CONDITIONAL upon the Corporation negotiating prices, terms and conditions with PricewaterhouseCoopers (PwC) LLP to the satisfaction of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer; and,
- d) the Civic Administration BE DIRECTED to bring forward, for consideration at a future meeting of the Audit Committee, prior to the end of the current term of Council, a recommended Request for Proposal process for Internal Audit Services that would then be forwarded to the next term of Council for consideration.

5. PricewaterhouseCoopers Audit Services - London Public Library

Recommendation: That the following actions be taken regarding the London Public Library (LPL) request for the services of Pricewaterhouse Coopers (PwC) to undertake an internal audit of certain LPL services:

- a) the letter dated March 13, 2014, from Susanna Hubbard Krimmer, CEO and Chief Librarian LPL, BE RECEIVED; and,
- b) PwC BE REQUESTED to meet with representatives of the LPL to further identify potential projects and areas that could be reviewed with a value for money lens and determine the cost to undertake the proposed review, and report back thereon.

6. Internal Audit Engagement - London Police Service

Recommendation: That the following actions be taken with respect to the London Police Services Board (LPSB) correspondence regarding an internal audit engagement:

- a) the letter dated May 15, 2014, from Michael Deeb, Chair, LPSB, BE RECEIVED; and,
- b) PricewaterhouseCoopers (PwC) BE DIRECTED to proceed with an internal audit of the three areas identified in the letter noted in a) above.

7. Quarterly Report on Internal Audit Results - Housing, Social Services & Dearness Home: Housing Access Centre Process Review and Environmental and Engineering Services: Solid Waste-Landfill Process Review

Recommendation: That on the recommendation of PricewaterhouseCoopers (PwC), the following actions be taken with respect to the Quarterly Report on Internal Audit Results - Housing, Social Services & Dearness Home: Housing Access Centre process review and Environmental and Engineering Services: Solid Waste-Landfill process review:

- a) the Action Plans identified in Appendix A of the PwC report dated June 25, 2014 BE IMPLEMENTED;
- b) the Action Plans identified in Appendix B of the PwC report dated June 25, 2014 BE IMPLEMENTED; and,
- c) the Quarterly Report on Internal Audit Results identified in Appendix C of the PwC report dated June 25, 2014 BE RECEIVED.

V. DEFERRED MATTERS/ADDITIONAL BUSINESS

None.

VI. CONFIDENTIAL

(See Confidential Appendix to the 3rd Report of the Audit Committee enclosed for Members only.)

The Audit Committee convened in camera from 5:25 PM to 5:44 PM after having passed a motion to do so, with respect to the following matters:

- C-1. A matter pertaining to advice that is subject to solicitor-client privilege, including communications necessary for that purpose, respecting the City of London entering into confidentiality agreements related to City projects or programs.
- C-2. (ADDED) A matter pertaining to personal matters, including employee negotiations and advice or recommendations of officers and employees of the Corporation, including communications necessary for that purpose.

VII. ADJOURNMENT

The meeting adjourned at 5:46 PM.