

3RD REPORT OF THE

AUDIT COMMITTEE

Meeting held on May 23, 2013, commencing at 4:00 PM, in Committee Room #5, Second Floor, London City Hall.

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

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

ALSO PRESENT: S. Gillifilan (PwC), M. Hayward, D. O'Brien, I. Sadler (PwC), S. Swance, M. Turner and B. Whitelaw.

I. DISCLOSURES OF PECUNIARY INTEREST

1. That It BE NOTED that no pecuniary interests were disclosed.

II. CONSENT ITEMS

None.

III. SCHEDULED ITEMS

None.

IV. ITEMS FOR DIRECTION

2. 2013 Risk-Based Audit Plan - Boards and Commissions

Recommendation: That the following actions be taken regarding the 2013 Risk-Based Audit Plan – Boards and Commissions:

- a) the report dated May 23, 2013 with respect to this matter BE RECEIVED; and,
 - b) the proposed 2013 Risk-Based Audit Plan – Boards and Commissions, identified in Appendix A of the above-noted Report, relating to the London Public Library and London Transit Commission BE CONSIDERED for incorporation into the 2013 Risk-Based Audit Plan.
3. Engagement of PricewaterhouseCoopers (PwC) for Operational Reviews at Boards and Commissions

Recommendation: That the following actions be taken with respect to the engagement of PricewaterhouseCoopers (PwC) to undertaken operational reviews of the Boards and Commissions:

- a) pursuant to section 13.7 of the Council Procedure By-law, the actions of the Municipal Council taken at its meeting held on December 11, 2012, related to the adoption of clause 4 of the 5th Report of the Audit Committee, concerning the request and encouragement of the Boards and Commissions to engage the services of PricewaterhouseCoopers for the purpose of an internal audit of their existing processes BE RECONSIDERED;
- b) the report dated May 23, 2013 regarding this matter BE RECEIVED;
- c) the following letters attached to the above-noted report BE RECEIVED:
 - (i) London Police Services dated April 10, 2013;
 - (ii) London Transit Commission, dated March 28, 2013;
 - (iii) London Public Library, dated April 12, 2013; and,
 - (iv) Museum London, dated March 31, 2013;

- d) PricewaterhouseCoopers LLP (PwC) BE AUTHORIZED to prepare an engagement letter for an operational review of the London Transit Commission, on a project determined by PwC, in consultation with London Transit, which is exclusive of London Transit's current initiatives underway; it being noted that the source of funding is contained within the annual audit budget of \$300,000;
- e) any demonstrable savings or efficiency gains resulting from the above-noted operational review of the London Transit Commission BE APPLIED to the London Transit's Long-term Transit Growth Strategy;
- f) PwC LLP BE AUTHORIZED to prepare an engagement letter for an operational review of the London Public Library, on a review of the Library's sources of revenue;
- g) the Civic Administration BE DIRECTED to request the London Police Services Board to clarify their intention to undertake an audit of the London Police Services in 2013; and,
- h) future audits for Boards and Commission BE CONSIDERED at future Audit Committee meetings to determine the scope and timing of those engagements;

it being noted that on-going savings achieved should assist in providing sustainable annual budget requests.

4. Engagement of KPMG for Procedure and Findings Report on the Downtown Camera Program

Recommendation: That, on the recommendation of the Managing Director, Corporate Services, City Treasurer and Chief Financial Officer, the Civic Administration BE DIRECTED to engage KPMG LLP to perform the annual Procedure and Findings Report of the Downtown Camera Program at a cost of \$3,250, exclusive of HST.

V. DEFERRED MATTERS/ADDITIONAL BUSINESS

None.

VI. ADJOURNMENT

The meeting adjourned at 4:18 PM.