

## **4TH REPORT OF THE**

### **AUDIT COMMITTEE**

Meeting held on June 27, 2013, commencing at 2:43 PM, in Committee Room #5, Second Floor, London City Hall.

**PRESENT:** Councillor M. Brown (Chair), Councillors N. Branscombe and J. Swan, and W. DeShane and C. Saunders (Secretary).

**ABSENT:** Councillor P. Hubert

**ALSO PRESENT:** Mayor J.F. Fontana, J.P. Barber, J. Braam, I. Collins, Natalie Dowhanick (PwC), J.M. Fleming, C. Kotsovos, V. McAlea Major, L. Palarchio, A. Prince, I. Sadler (PwC), J. Senese, C. Shah (PwC), R. Sharpe, S. Swance and M. Turner.

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#### **I. DISCLOSURES OF PECUNIARY INTEREST**

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

#### **II. CONSENT ITEMS**

2. 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 extend the current contract for a one (1) year period and enter into negotiations with PricewaterhouseCoopers (PwC) LLP, 465 Richmond Street, Suite 300, London, Ontario N6A 5P4 for Internal Audit Services;
- b) the Civic Administration BE AUTHORIZED to undertake all administrative acts that are necessary in connection with this contract; and
- c) approval hereby given BE CONDITIONAL upon the Corporation entering into negotiations for satisfactory prices, terms and conditions with PricewaterhouseCoopers (PwC) LLP to the satisfaction of the Managing Director, Corporate Services and City Treasurer, Chief Financial Officer.

#### **III. SCHEDULED ITEMS**

3. 2012 Financial Audit

Recommendation: That the following actions be taken with respect to the 2012 Financial Audit and Audit Findings Report 2012, as prepared by KPMG:

- a) the 2012 Financial Report of The Corporation of the City of London BE RECEIVED; and
- b) the Audit Findings Report for the year ending December 31, 2012 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**

4. Quarterly Report on Internal Audit Results - Urban Forestry and Planning Applications and Corporate Services/Finance - Budgeting Process

Recommendation: That the following actions be taken with respect to the Quarterly Report on Internal Audit Results on urban forestry and planning applications and Corporate Services/Finance's budgeting process:

- a) the report dated June 27, 2013 BE RECEIVED; and,
- b) the action plans identified in Appendices A, B and C of the report noted in a), above, BE IMPLEMENTED.

**V. DEFERRED MATTERS/ADDITIONAL BUSINESS**

5. ADDED - Emerald Ash Borer – Tree Replacement Process

Recommendation: That the Civic Administration BE DIRECTED to investigate and report back to the Planning and Environment Committee with respect to the possibility of, and costs related to, the establishment of a tree replacement process whereby residents are given the option of purchasing larger trees and making arrangements for a City of London approved contractor to undertake the work at the residents' expense.

6. ADDED - Verbal Update – Succession Plan

Recommendation: That, the Managing Director, Corporate Services and Chief Human Resources Officer BE DIRECTED to provide a written report of the September 2013 Audit Committee meeting with respect to succession planning; it being noted that the Audit Committee received a verbal update from the Managing Director, Corporate Services and Chief Human Resources Officer with respect to this matter.

**VI. CONFIDENTIAL**

*(See Confidential Appendix to the 4th Report of the Audit Committee is enclosed for Members only.)*

The Audit Committee convened in camera from 4:26 PM to 4:40 PM after having passed a motion to do so, with respect to the following matters:

- C-1. A matter pertaining to personal matters, including information regarding identifiable individuals, including municipal employees, with respect to employment related matters, labour relations and employee negotiations, and advice or recommendations of officers and employees of the Corporation, including communications necessary for that purpose and for the purpose of providing instructions and directions to officers and employees of the Corporation.
- C-2. A matter pertaining to personal matters, including information regarding identifiable individuals, including municipal employees, with respect to employment related matters, labour relations and employee negotiations, and advice or recommendations of officers and employees of the Corporation, including communications necessary for that purpose and for the purpose of providing instructions and directions to officers and employees of the Corporation.

**VII. ADJOURNMENT**

The meeting adjourned at 4:50 PM.