



Location:	Council Chamber, Tom Davies Square
Commencement:	4:09 PM
Adjournment:	5:12 PM

Minutes

**For the 7th Audit Committee Meeting held
Wednesday, June 22, 2011**

COUNCILLOR CLAUDE BERTHIAUME, IN THE CHAIR

Present

Councillors Cimino; Barbeau; Dutrisac; Dupuis; Rivest; Belli; Craig; Caldarelli; Kett; Landry-Altmann; Mayor Matichuk

City Officials

Greg Clausen, Acting Chief Administrative Officer; Catherine Matheson, General Manager of Community Development; Bill Lautenbach, General Manager of Growth & Development; Lorella Hayes, Chief Financial Officer/Treasurer; Marc Leduc, Fire Chief; Caroline Hallsworth, Executive Director, Administrative Services/City Clerk; Paddy Buchanan, Manager of Accounting; Ed Stankiewicz, Manager of Financial Planning & Policy; Dion Dumontelle, Co-ordinator of Accounting; Jim Lister, Co-ordinator of Accounting; Apryl Lukezic, Co-ordinator of Capital; Barbara Dubois, Senior Budget Analyst; Christine Hogarth, Chief of Staff, Mayor's Office; Lesley Bottrell, Audio-Visual Operator; Liz Collin, Council Secretary

Media

CBC Radio, Le Voyageur, Northern Life, Sudbury Star

Declarations of Pecuniary Interest

None declared.

Presentations

- 1 . Report dated June 15, 2011 was received from the Chief Financial Officer/City Treasurer regarding the 2010 Audit Findings Report.

Audit Findings Report to the Audit Committee for the year ended December 31, 2010 was distributed to Committee Members at the meeting.

Wayne McDonald, KPMG LLP, gave an electronic presentation regarding the audit findings with respect to the 2010 year-end. The audit report will be released when the audit is completed, which is anticipated for June 29, 2011. He reviewed the significant qualitative aspects of accounting practices, including significant accounting policies, significant accounting estimates and significant disclosures. He stated the important matters arising from the audit include solid waste landfill closure and post-closure liability, employee future benefits, allowance for doubtful taxes, payroll related accruals, commitment to the Northern Ontario School of Architecture and the recasted 2009 financial statements and the actions taken by management and the effects on the audit. He indicated there are no uncorrected and corrected audit misstatements and no control deficiencies. He also discussed changes to the audit plan, significant unusual transaction, illegal and fraudulent activities. They did

not identify any matters that might pose questions regarding the honesty or integrity of Management; fraud or suspected fraud involving management; or fraud or suspected fraud involving employees who have significant roles in internal control over financial reporting. He reviewed the observation and implication for the City regarding Tangible Capital Assets and their recommendations and management comments.

- 2 . Report dated June 13, 2011 was received from the Chief Financial Officer/City Treasurer regarding the 2010 Annual Financial Statements.

The Draft Consolidated Financial Statements of the City of Greater Sudbury, year ended December 31, 2010 was distributed under separate cover.

The Draft Financial Statements of the City of Greater Sudbury Trust Funds, year ended December 31, 2010 was distributed at the meeting.

Lorella Hayes, Chief Financial Officer/City Treasurer, gave an electronic presentation regarding the Consolidated Municipal Financial Information of the City of Greater Sudbury for the year ending December 31, 2010. She stated the financial statements include the consolidated financial information of all the entities controlled or owned by the City including Greater Sudbury Housing Corporation; Downtown Sudbury (formerly Metro Centre Management Board); Flour Mill BIA; Library Board and Greater Sudbury Police Services Board and equity inclusion for Greater Sudbury Utilities Inc., Greater Sudbury Airport Community Development Corporation and the Sudbury Community Development Corporation. The statements exclude the City of Greater Sudbury Development Corporation since the City does not approve the appointment of the Board of Directors. She outlined in detail the consolidated financial position, the schedule of accumulated surplus, the schedule of revenue and the schedule of expenses by function and object. She provided a summary of the consolidated statement of operations and explained in detail the schedule of excess revenues over expenses, the statement of changes in net assets and the reserve and reserve fund continuity. She also explained the program specific budget variances, the trends in reserve and reserve funds and the long term debt trends.

The following recommendation was presented:

2011-16 Matichuck-Craig: THAT the Consolidated Financial Statements for the City of Greater Sudbury and the City of Greater Sudbury Trust Funds, for the year ended December 31, 2010, as presented be accepted and recommended for Council approval.

CARRIED

Correspondence for Information Only

- 3 . Report dated June 16, 2011 was received from the Chief Financial Officer/City Treasurer regarding Consolidated Reserves and Reserve Funds Balances as of December 31, 201 for information only.

Managers' Reports

- 4 . Report dated June 15, 2011 was received from the Chief Financial Officer/City Treasurer regarding the 2010 year end operating budget variance report.

The following recommendation was presented:

2011-17 Craig-Matichuck: THAT the Audit Committee accept the 2010 Year End Operating Budget Variance Report dated June 15, 2011 from the Chief Financial Officer/City Treasurer.

CARRIED

- 5 . Report dated June 15, 2011 was received from the Chief Financial Officer/City Treasurer regarding the 2010 Water Wastewater Variance Report.

The following recommendation was presented:

2011-18 Cimino-Craig: THAT the Audit Committee accept the December 31, 2011 Water Wastewater Variance Report dated June 15, 2011 from the Chief Financial Officer/City Treasurer and the General Manager of Infrastructure Services outlining the year end position.

CARRIED

- 6 . Report dated June 16, 2011 was received from the Chief Financial Officer/City Treasurer regarding the 2011 Operating Budget Variance Report – March.

The following recommendation was presented:

2011-19 Craig-Cimino: THAT the Audit Committee accept the March 31, 2011 Variance Report dated June 16, 2011 from the Chief Financial Officer/City Treasurer outlining the projected year end position.

CARRIED

Adjournment

2011-20 Cimino-Craig: THAT this meeting does now adjourn. Time: 5:12 p.m.

CARRIED

Councillor Claude Berthiaume, in the Chair

Caroline Hallsworth, Executive Director
Administrative Services/City Clerk