

**The Corporation of the City of Guelph
Audit Committee
April 11, 2012, 3:00 p.m.**

A meeting of the Audit Committee was held on April 11, 2012 in the Council Chambers at 3:00 p.m.

Present: Councillors Furfaro, Guthrie, Kovach (arrived at 3:50 p.m.), Wettstein and Mayor Farbridge

Also Present: Councillors Bell, Dennis and VanHellemond

Staff Present: Ms. A. Pappert, Chief Administrative Officer; Ms. S. Aram, Acting City Treasurer; Ms. T. Johnston, Senior Financial Analyst; Mr. C. Baker, Environmental Engineer; Mr. B. Labelle, City Clerk; and Ms. D. Black, Council Committee Co-ordinator

There was no disclosure of pecuniary interest.

1. Moved by Mayor Farbridge
Seconded by Councillor Furfaro

THAT the Audit Committee now hold a meeting that is closed to the public with respect to:

1. **Deloitte Response – 2010 Performance Review**
S. 239 (2) (a) Security of the Property of the Municipality
2. **Deloitte Report 2011**
S. 239 (2) (a) Security of the Property of the Municipality

VOTING IN FAVOUR: Councillors Furfaro, Guthrie, Wettstein and Mayor Farbridge (4)

VOTING AGAINST: (0)

Carried

A Closed Meeting of the Audit Committee.

Present: Councillors Furfaro, Wettstein and Mayor Farbridge

Also Present: Councillors Bell, Dennis and VanHellemond

Staff Present: Ms. A. Pappert, Chief Administrative Officer; Ms. S. Aram, Acting City Treasurer (present only for the Deloitte Report 2011 item), Ms. Tara Johnston, Senior Financial Analyst (present only for the Deloitte Report 2011 item) and Mr. B. Labelle, City Clerk

Deloitte Report 2011

Ms. A. Pappert

1. Moved by Mayor Farbridge
Seconded by Councillor Furfaro
THAT the verbal presentation of the CAO with respect to the Deloitte Report 2011 be received for information.

Carried

Deloitte Response – 2010 Performance Review

Ms. S. Aram

2. Moved by Councillor Wettstein
Seconded by Mayor Farbridge
THAT report FIN-12-14 entitled "Deloitte Response – 2010 Performance Review" be received.

Carried

The Open Meeting of the Audit Committee

3. Moved by Mayor Farbridge
Seconded by Councillor Furfaro
THAT the minutes of the Audit Committee meeting held on November 14, 2011 be confirmed as recorded and without being read.

VOTING IN FAVOUR: Councillors Furfaro, Guthrie, Wettstein and Mayor Farbridge (4)

VOTING AGAINST: (0)

Carried

Consent Agenda

The following items were extracted from the Consent Agenda to be dealt with separately:

AUD-2012 A.1	2011 Audit Committee Final Work Plan Report
AUD-2012 A.2	2012 Audit Committee Rolling Calendar
AUD-2012 A.3	Future Accounting Standard Changes
AUD-2012 A.4	Preliminary Overview PSAB 3260 – Liability for Contaminated Sites

2011 Audit Committee Final Work Plan Report

Staff confirmed that the matters within the work plan regarding compliance and regulatory matters not addressed in 2011 will be included in the 2012 work plan. Staff were requested to provide a legend for future work plan schedules.

- Ms. S. Aram
4. Moved by Councillor Furfaro
Seconded by Mayor Farbridge
THAT Report FIN-12-05 dated April 11, 2012, entitled "2011 Audit Committee Final Work Plan Report" be received.

VOTING IN FAVOUR: Councillors Furfaro, Guthrie, Wettstein and Mayor Farbridge (4)

VOTING AGAINST: (0)

Carried

2012 Audit Committee Rolling Calendar

Staff stated that the 2012 Work Plan and review of the Charter will be brought forward at the next Audit Committee meeting.

- Ms. S. Aram
5. Moved by Mayor Farbridge
Seconded by Councillor Wettstein
THAT the rolling calendar attached to the 2012 Audit Committee Rolling Calendar report dated April 11, 2012, be received for information.

VOTING IN FAVOUR: Councillors Furfaro, Guthrie, Wettstein and Mayor Farbridge (4)

VOTING AGAINST: (0)

Carried

Future Accounting Standard Changes

Ms. Tara Johnston, Senior Financial Analyst, provided an overview of her report and presentation contained in the meeting agenda with respect to future accounting standards, their implementation dates and the impacts they will have on the various financial documents the City prepares. She explained that the City will need to provide disclosure of contaminated sites that are not listed as a liability.

Staff advised they do not anticipate the need to adjust ratio policies that are currently in place as a result of upcoming changes.

It was recommended that the annual update of contaminated sites be included in the Audit Committee rolling calendar.

- Ms. S. Aram
6. Moved by Mayor Farbridge
Seconded by Councillor Wettstein
THAT Report FIN-12-07 dated April 11, 2012, entitled "Future Accounting Standard Changes" be received for information.

VOTING IN FAVOUR: Councillors Furfaro, Guthrie, Wettstein and Mayor Farbridge (4)

VOTING AGAINST: (0)

Carried

Preliminary Overview – PSAB 3260 – Liability for Contaminated Sites

Councillor Kovach arrived at the meeting. (3:50 p.m.)

Mr. Colin Baker, Engineer, provided an overview of the report contained in the meeting agenda with respect to the process to determine liability for contaminated sites. He noted that staff are identifying properties that require clean up and are working on prioritizing the projects. He advised it is too early to know budget impacts and suggested that they would be incorporated into the 2013 and 2014 budgets.

The Committee posed various questions to staff for clarification and follow up. Staff advised that the City is considering using the 20% from the tax increment brownfield grants as a reserve fund for remediation of contaminated sites.

The external auditor will review the methodology regarding the process for determining liability for contaminated sites.

Staff noted that they were consulting other municipalities to help determine best practices in relation to the changes and plan to provide a cross-departmental report in Phase 3 which will include information regarding how the process is affecting audit committees across Ontario.

7. Moved by Mayor Farbridge
Seconded by Councillor Kovach

REPORT

THAT Report FIN-12-04 dated April 11, 2012, entitled "Preliminary Overview – PSAB 3260 – Liability for Contaminated Sites" be received;

AND THAT staff proceed with the phased approach for implementation of PSAB 3260 as presented in FIN-12-04 and that a preliminary listing of contaminated sites be presented to Audit Committee in 2012;

AND THAT staff provide an annual status report to Audit Committee on the implementation of accounting standard PSAB 3260 - Liability for Contaminated Sites.

VOTING IN FAVOUR: Councillors Furfaro, Guthrie, Kovach, and
Wettstein and Mayor Farbridge (5)

VOTING AGAINST: (0)

Carried

Chair Announcement

The Internal audit position is still ongoing but progressing well.

The meeting adjourned at 4:12 p.m.

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Chairperson